



# General Purpose Financial Statements

for the year ended 30 June 2021



**CITY OF  
PARRAMATTA**

# City of Parramatta Council

## General Purpose Financial Statements

for the year ended 30 June 2021

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### Overview

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

**126 Church Street  
Parramatta NSW 2150**

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.parracity.nsw.gov.au](http://www.parracity.nsw.gov.au).

# City of Parramatta Council

## General Purpose Financial Statements

for the year ended 30 June 2021

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

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

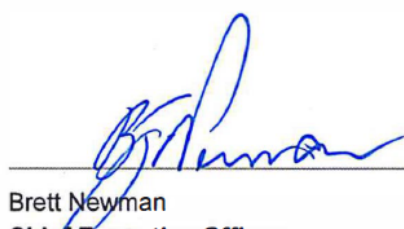
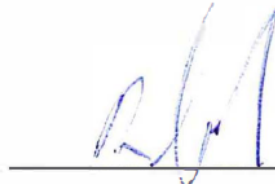
- the *Local Government Act 1993 (NSW)* and the regulations made thereunder
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

- present fairly the Council's operating result and financial position for the year ended 30 June 2021
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 25 October 2021.

  
\_\_\_\_\_  
Steven Issa  
**Lord Mayor**  
25 October 2021  
\_\_\_\_\_  
Michelle Garrard  
**Deputy Lord Mayor**  
25 October 2021  
\_\_\_\_\_  
Brett Newman  
**Chief Executive Officer**  
25 October 2021  
\_\_\_\_\_  
Richard Sheridan  
**Responsible Accounting Officer**  
25 October 2021

# City of Parramatta Council

## Income Statement

for the year ended 30 June 2021

| Original<br>unaudited<br>budget<br>2021 | \$ '000                                                                                                | Notes | Actual<br>2021 | Actual<br>2020 |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------|-------|----------------|----------------|
|                                         | <b>Income from continuing operations</b>                                                               |       |                |                |
| 198,744                                 | Rates and annual charges                                                                               | B2-1  | <b>197,847</b> | 189,335        |
| 22,517                                  | User charges and fees                                                                                  | B2-2  | <b>29,475</b>  | 35,824         |
| 5,379                                   | Other revenues                                                                                         | B2-3  | <b>7,364</b>   | 10,914         |
| 18,269                                  | Grants and contributions provided for operating purposes                                               | B2-4  | <b>21,562</b>  | 21,582         |
| 95,789                                  | Grants and contributions provided for capital purposes                                                 | B2-4  | <b>46,037</b>  | 50,173         |
| 7,535                                   | Interest and investment income                                                                         | B2-5  | <b>12,759</b>  | 11,695         |
| 800                                     | Other income                                                                                           | B2-6  | <b>8,072</b>   | 4,525          |
| (2,500)                                 | Net gain from the disposal of assets                                                                   | B4-1  | <b>19,215</b>  | 3,773          |
| <b>346,533</b>                          | <b>Total income from continuing operations</b>                                                         |       | <b>342,331</b> | 327,821        |
|                                         | <b>Expenses from continuing operations</b>                                                             |       |                |                |
| 121,385                                 | Employee benefits and on-costs                                                                         | B3-1  | <b>123,837</b> | 120,935        |
| 52,907                                  | Materials and services                                                                                 | B3-2  | <b>91,123</b>  | 96,172         |
| 2,101                                   | Borrowing costs                                                                                        | B3-3  | <b>2,060</b>   | 2,608          |
| 45,179                                  | Depreciation, amortisation and impairment for non-financial assets                                     | B3-4  | <b>49,534</b>  | 45,390         |
| 42,465                                  | Other expenses                                                                                         | B3-5  | <b>6,326</b>   | 4,760          |
| <b>264,037</b>                          | <b>Total expenses from continuing operations</b>                                                       |       | <b>272,880</b> | 269,865        |
| <b>82,496</b>                           | <b>Net operating result for the year attributable to Council</b>                                       |       | <b>69,451</b>  | 57,956         |
| <b>(13,293)</b>                         | <b>Net operating result for the year before grants and contributions provided for capital purposes</b> |       | <b>23,414</b>  | 7,783          |

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

# City of Parramatta Council

## Statement of Comprehensive Income

for the year ended 30 June 2021

| \$ '000                                                                                | Notes | 2021            | 2020          |
|----------------------------------------------------------------------------------------|-------|-----------------|---------------|
| <b>Net operating result for the year – from Income Statement</b>                       |       | <b>69,451</b>   | <b>57,956</b> |
| <b>Other comprehensive income:</b>                                                     |       |                 |               |
| Amounts which will not be reclassified subsequently to the operating result            |       |                 |               |
| Gain on revaluation of IPP&E                                                           | C1-5  | <b>26,228</b>   | 250,324       |
| Re-measurement of remediation liability for asbestos contamination                     | C3-5  | <b>(13,197)</b> | (12,022)      |
| <b>Total items which will not be reclassified subsequently to the operating result</b> |       | <b>13,031</b>   | 238,302       |
| <b>Total other comprehensive income for the year</b>                                   |       | <b>13,031</b>   | 238,302       |
| <b>Total comprehensive income for the year attributable to Council</b>                 |       | <b>82,482</b>   | 296,258       |

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

# City of Parramatta Council

## Statement of Financial Position

as at 30 June 2021

| \$ '000                                           | Notes | 2021             | 2020             |
|---------------------------------------------------|-------|------------------|------------------|
| <b>ASSETS</b>                                     |       |                  |                  |
| <b>Current assets</b>                             |       |                  |                  |
| Cash and cash equivalents                         | C1-1  | 74,401           | 57,045           |
| Investments                                       | C1-2  | 211,729          | 188,574          |
| Receivables                                       | C1-4  | 121,552          | 41,784           |
| Inventories                                       |       | 128              | 106              |
| Prepayments                                       |       | 3,316            | 1,416            |
| <b>Total current assets</b>                       |       | <b>411,126</b>   | <b>288,925</b>   |
| <b>Non-current assets</b>                         |       |                  |                  |
| Investments and other financial assets            | C1-2  | 267,124          | 309,095          |
| Receivables                                       | C1-4  | 99,980           | 107,888          |
| Infrastructure, property, plant and equipment     | C1-5  | 2,919,024        | 2,870,736        |
| Intangible Assets                                 | C1-6  | 4,349            | 4,156            |
| Right of use assets                               | C2-1  | 7,192            | 29,170           |
| Investments accounted for using the equity method |       | –                | 6,095            |
| <b>Total non-current assets</b>                   |       | <b>3,297,669</b> | <b>3,327,140</b> |
| <b>Total assets</b>                               |       | <b>3,708,795</b> | <b>3,616,065</b> |
| <b>LIABILITIES</b>                                |       |                  |                  |
| <b>Current liabilities</b>                        |       |                  |                  |
| Payables                                          | C3-1  | 43,255           | 36,597           |
| Contract liabilities                              | C3-2  | 21,289           | 5,114            |
| Lease liabilities                                 | C2-1  | 4,605            | 3,797            |
| Borrowings                                        | C3-3  | 9,193            | 8,981            |
| Employee benefit provisions                       | C3-4  | 36,589           | 30,936           |
| Provisions                                        | C3-5  | 3,545            | 9,934            |
| <b>Total current liabilities</b>                  |       | <b>118,476</b>   | <b>95,359</b>    |
| <b>Non-current liabilities</b>                    |       |                  |                  |
| Payables                                          | C3-1  | 316              | 457              |
| Lease liabilities                                 | C2-1  | 1,978            | 24,319           |
| Borrowings                                        | C3-3  | 12,494           | 21,687           |
| Employee benefit provisions                       | C3-4  | 1,169            | 1,529            |
| Provisions                                        | C3-5  | 28,925           | 9,759            |
| <b>Total non-current liabilities</b>              |       | <b>44,882</b>    | <b>57,751</b>    |
| <b>Total liabilities</b>                          |       | <b>163,358</b>   | <b>153,110</b>   |
| <b>Net assets</b>                                 |       | <b>3,545,437</b> | <b>3,462,955</b> |
| <b>EQUITY</b>                                     |       |                  |                  |
| Accumulated surplus                               |       | 3,192,743        | 3,109,606        |
| IPPE revaluation reserve                          |       | 352,694          | 353,349          |
| <b>Total equity</b>                               |       | <b>3,545,437</b> | <b>3,462,955</b> |

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

## City of Parramatta Council

### Statement of Changes in Equity

for the year ended 30 June 2021

| \$ '000                                                                       | Notes | as at 30/06/21      |                           |                  | as at 30/06/20      |                           |                  |
|-------------------------------------------------------------------------------|-------|---------------------|---------------------------|------------------|---------------------|---------------------------|------------------|
|                                                                               |       | Accumulated surplus | IPP&E revaluation surplus | Total equity     | Accumulated surplus | IPP&E revaluation surplus | Total equity     |
| <b>Opening balance at 1 July</b>                                              |       | <b>3,109,606</b>    | <b>353,349</b>            | <b>3,462,955</b> | 3,052,510           | 115,047                   | 3,167,557        |
| Changes due to AASB 1058 and AASB 15 adoption                                 |       | –                   | –                         | –                | (2,964)             | –                         | (2,964)          |
| Changes due to AASB 16 adoption (make good provision)                         |       | –                   | –                         | –                | 2,104               | –                         | 2,104            |
| <b>Restated opening balance</b>                                               |       | <b>3,109,606</b>    | <b>353,349</b>            | <b>3,462,955</b> | <b>3,051,650</b>    | <b>115,047</b>            | <b>3,166,697</b> |
| Net operating result for the year                                             |       | <b>69,451</b>       | –                         | <b>69,451</b>    | 57,956              | –                         | 57,956           |
| <b>Other comprehensive income</b>                                             |       |                     |                           |                  |                     |                           |                  |
| – Gain on revaluation of IPP&E                                                | C1-5  | –                   | <b>26,228</b>             | <b>26,228</b>    | –                   | 250,324                   | 250,324          |
| – Adjustment to community land revaluation reserve for asbestos contamination | C3-5  | –                   | <b>(13,197)</b>           | <b>(13,197)</b>  | –                   | (12,022)                  | (12,022)         |
| <b>Other comprehensive income</b>                                             |       | <b>–</b>            | <b>13,031</b>             | <b>13,031</b>    | <b>–</b>            | <b>238,302</b>            | <b>238,302</b>   |
| <b>Total comprehensive income</b>                                             |       | <b>69,451</b>       | <b>13,031</b>             | <b>82,482</b>    | <b>57,956</b>       | <b>238,302</b>            | <b>296,258</b>   |
| Transfers between equity items                                                |       | <b>13,686</b>       | <b>(13,686)</b>           | –                | –                   | –                         | –                |
| <b>Closing balance at 30 June</b>                                             |       | <b>3,192,743</b>    | <b>352,694</b>            | <b>3,545,437</b> | <b>3,109,606</b>    | <b>353,349</b>            | <b>3,462,955</b> |

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

## City of Parramatta Council

## Statement of Cash Flows

for the year ended 30 June 2021

| Original<br>unaudited<br>budget<br>2021     | \$ '000                                                              | Notes | Actual<br>2021  | Actual<br>2020  |
|---------------------------------------------|----------------------------------------------------------------------|-------|-----------------|-----------------|
| <b>Cash flows from operating activities</b> |                                                                      |       |                 |                 |
| <b>Receipts:</b>                            |                                                                      |       |                 |                 |
| 198,743                                     | Rates and annual charges                                             |       | 193,673         | 184,794         |
| 22,517                                      | User charges and fees                                                |       | 35,654          | 39,293          |
| 7,535                                       | Investment and interest revenue received                             |       | 8,710           | 11,657          |
| 114,058                                     | Grants and contributions                                             |       | 81,397          | 66,439          |
| –                                           | Bonds, deposits and retention received                               |       | 5,449           | 2,315           |
| 5,379                                       | Other                                                                |       | 28,733          | 28,098          |
| <b>Payments:</b>                            |                                                                      |       |                 |                 |
| (118,805)                                   | Payments to employees                                                |       | (117,998)       | (120,006)       |
| (52,907)                                    | Payments for materials and services                                  |       | (94,022)        | (63,955)        |
| (2,101)                                     | Borrowing costs                                                      |       | (2,096)         | (2,652)         |
| –                                           | Bonds, deposits and retention refunded                               |       | (5,001)         | (1,455)         |
| (42,465)                                    | Other                                                                |       | (19,356)        | (56,069)        |
| 131,954                                     | <b>Net cash provided from (or used in) operating activities</b>      | G1-1a | <b>115,143</b>  | <b>88,459</b>   |
| <b>Cash flows from investing activities</b> |                                                                      |       |                 |                 |
| <b>Receipts:</b>                            |                                                                      |       |                 |                 |
| 107,673                                     | Sale of investment securities                                        |       | 857,124         | 263,759         |
| 1,400                                       | Sale of infrastructure, property, plant and equipment                |       | 16,592          | 147,212         |
| –                                           | Contributions received from joint ventures and associates            |       | –               | 1,124           |
| <b>Payments:</b>                            |                                                                      |       |                 |                 |
| –                                           | Purchase of investment securities                                    |       | (826,989)       | (348,349)       |
| (227,058)                                   | Purchase of infrastructure, property, plant and equipment            |       | (130,373)       | (96,786)        |
| –                                           | Purchase of intangible assets                                        |       | (1,313)         | (2,464)         |
| (117,985)                                   | <b>Net cash provided from (or used in) investing activities</b>      |       | <b>(84,959)</b> | <b>(35,504)</b> |
| <b>Cash flows from financing activities</b> |                                                                      |       |                 |                 |
| <b>Payments:</b>                            |                                                                      |       |                 |                 |
| (8,981)                                     | Repayment of borrowings                                              |       | (8,981)         | (8,749)         |
| (4,988)                                     | Principal component of lease payments                                |       | (3,847)         | (3,619)         |
| (13,969)                                    | <b>Net cash flow provided from (or used in) financing activities</b> |       | <b>(12,828)</b> | <b>(12,368)</b> |
| –                                           | <b>Net change in cash and cash equivalents</b>                       |       | <b>17,356</b>   | <b>40,587</b>   |
| 57,045                                      | Cash and cash equivalents at beginning of year                       |       | 57,045          | 16,458          |
| 57,045                                      | <b>Cash and cash equivalents at end of year</b>                      | C1-1  | <b>74,401</b>   | <b>57,045</b>   |

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

# City of Parramatta Council

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# City of Parramatta Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

These Financial Statements were authorised for issue by Council on 25 October 2021. Council has the power to amend and reissue these Financial Statements in cases where critical information is received from public submissions or where the Office of Local Government directs Council to amend the Financial Statements.

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

These general purpose financial statements have been prepared in accordance with *Australian Accounting Standards and Australian Accounting Interpretations*, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the *Local Government Code of Accounting Practice and Financial Reporting*. Council is a not-for-profit entity. The Financial Statements are presented in Australian dollars and are rounded to the nearest thousand dollars (except where amounts are shown in text).

#### 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.

#### Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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

- i. estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5
- ii. estimated land remediation provisions – refer Note C3-5
- iii. employee benefit provisions – refer Note C3-4.

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

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

### Monies and other assets received by Council

#### The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, 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.

#### Goods and Services Tax (GST)

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

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

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

## A1-1 Basis of preparation (continued)

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### **Volunteer services**

Council has more than 800 volunteers who work across several Council departments including bush care, park committees, community care, cultural heritage and tourism, and library services. Their services are vital to the success of Parramatta, with many Council programs and initiatives relying heavily on assistance from local volunteers. The total volunteer services provided for the year ended 30 June 2021, which can be reliably measured, is \$257,357. Council has elected to not recognise volunteer services in the income statement as the total amount of services donated, while can be reliably measured, is not material.

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

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

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

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

### **New accounting standards adopted during the year**

During the year, Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time on 30 June 2021.

None of the newly adopted standards had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures.

## B Financial Performance

### B1 Functions or activities

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

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

| \$ '000                               | Income         |                | Expenses       |                | Net Operating result from continuing operations |               | Grants and Contributions |               | Carrying amount of assets |                  |
|---------------------------------------|----------------|----------------|----------------|----------------|-------------------------------------------------|---------------|--------------------------|---------------|---------------------------|------------------|
|                                       | 2021           | 2020           | 2021           | 2020           | 2021                                            | 2020          | 2021                     | 2020          | 2021                      | 2020             |
| <b>Functions or activities</b>        |                |                |                |                |                                                 |               |                          |               |                           |                  |
| Corporate Services                    | 175,220        | 172,807        | 47,313         | 40,285         | 127,907                                         | 132,522       | 10,402                   | 10,382        | 804,758                   | 761,758          |
| City Engagement and Experience        | 319            | 577            | 18,748         | 19,625         | (18,429)                                        | (19,048)      | 100                      | 100           | 3,809                     | 2,995            |
| Executive Office                      | 3,858          | 3,832          | 10,076         | 11,330         | (6,218)                                         | (7,498)       | 3,838                    | 3,250         | 6,788                     | 6,371            |
| Property & Place                      | 65,381         | 43,594         | 18,633         | 20,508         | 46,748                                          | 23,086        | 17,161                   | 2,176         | –                         | –                |
| City Assets and Operations            | 65,814         | 41,150         | 128,966        | 126,226        | (63,152)                                        | (85,076)      | 21,960                   | 6,588         | 2,408,786                 | 2,390,250        |
| Community Services                    | 11,360         | 13,359         | 30,876         | 32,494         | (19,516)                                        | (19,135)      | 2,561                    | 2,902         | 476,419                   | 444,388          |
| City Planning and Design              | 20,379         | 52,502         | 18,268         | 19,397         | 2,111                                           | 33,105        | 11,577                   | 46,357        | 8,235                     | 10,303           |
| <b>Total functions and activities</b> | <b>342,331</b> | <b>327,821</b> | <b>272,880</b> | <b>269,865</b> | <b>69,451</b>                                   | <b>57,956</b> | <b>67,599</b>            | <b>71,755</b> | <b>3,708,795</b>          | <b>3,616,065</b> |

## B1-2 Components of functions or activities

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

### Corporate Service

- Corporate Administration
- ICT – Information Communication & Technology
- People and Culture
- Risk, Insurance and Internal Audit
- Civic Governance
- Legal Services
- Finance

### City Engagement and Experience

- Customer Contact Centre
- City Experience
- City Experience and Engagement Administration
- City Identity
- City Engagement

### Executive Office

- Executive Support Office
- General Management Support
- City Strategy

### Property & Place

- Civic Place Precinct Redevelopment
- Property and Place Administration
- Property Development Group Projects
- Place Services
- Property, Security, Assets & Services

### City Assets and Operations

- City Services Administration
- Regulatory
- City Operations
- City Assets & Environment

### Community Services

- Riverside Theatres
- Social and Community Services
- Cultural Strategy
- Community Services and Administration

### City Planning and Design

- Development & Traffic Services
- City Design
- City Planning
- City Planning and Design Admin

## B2 Sources of income

### B2-1 Rates and annual charges

| \$ '000                                             | 2021           | 2020           |
|-----------------------------------------------------|----------------|----------------|
| <b>Ordinary rates</b>                               |                |                |
| Residential                                         | 90,455         | 85,858         |
| Business                                            | 57,583         | 56,467         |
| Less: pensioner rebates (mandatory)                 | (1,367)        | (1,333)        |
| Less: pensioner rebates (Council policy)            | (459)          | (447)          |
| <b>Rates levied to ratepayers</b>                   | <b>146,212</b> | <b>140,545</b> |
| Pensioner rate subsidies received                   | 763            | 766            |
| <b>Total ordinary rates</b>                         | <b>146,975</b> | <b>141,311</b> |
| <b>Special rates</b>                                |                |                |
| Open space                                          | 2,435          | 2,335          |
| CBD infrastructure                                  | 2,326          | 2,253          |
| Suburban infrastructure                             | 1,830          | 1,760          |
| Economic development                                | 821            | 796            |
| Other                                               | 729            | 711            |
| <b>Rates levied to ratepayers</b>                   | <b>8,141</b>   | <b>7,855</b>   |
| <b>Total special rates</b>                          | <b>8,141</b>   | <b>7,855</b>   |
| <b>Annual charges</b>                               |                |                |
| (pursuant to s.496, s.496A, s.496B, s.501, & s.611) |                |                |
| Domestic waste management services                  | 39,965         | 37,414         |
| Stormwater levy                                     | 1,868          | 1,834          |
| Other                                               | 1,356          | 1,355          |
| Less: pensioner rebates (mandatory)                 | (531)          | (514)          |
| Less: pensioner rebates (Council policy)            | (181)          | (175)          |
| <b>Annual charges levied</b>                        | <b>42,477</b>  | <b>39,914</b>  |
| Pensioner subsidies received:                       |                |                |
| – Domestic waste management                         | 254            | 255            |
| <b>Total annual charges</b>                         | <b>42,731</b>  | <b>40,169</b>  |
| <b>Total rates and annual charges</b>               | <b>197,847</b> | <b>189,335</b> |

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

#### Accounting policy

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

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

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

## B2-2 User charges and fees

| \$ '000                                                                       | Timing | 2021          | 2020          |
|-------------------------------------------------------------------------------|--------|---------------|---------------|
| <b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>  |        |               |               |
| Planning and building regulation                                              | 2      | 3,405         | 3,618         |
| Road opening permits                                                          | 2      | 1,240         | 1,239         |
| Construction zone fees                                                        | 2      | 1,076         | 1,146         |
| Road occupancy fees                                                           | 2      | 571           | 559           |
| Hoarding fees                                                                 | 2      | 610           | 538           |
| Section 10.7 certificates (EP&A Act)                                          | 2      | 665           | 497           |
| Food premises licences                                                        | 2      | 545           | 487           |
| Section 603 certificates                                                      | 2      | 495           | 387           |
| Development advertising fees                                                  | 2      | 199           | 379           |
| Annual fire safety statement fees                                             | 2      | 335           | 363           |
| Subdivision release fees                                                      | 2      | 227           | 219           |
| Tower crane application fees                                                  | 2      | 112           | 186           |
| Section 611 charges                                                           | 2      | 160           | 161           |
| Vehicle crossing inspection fees                                              | 2      | 104           | 91            |
| Other                                                                         | 2      | 945           | 842           |
| <b>Total fees and charges – statutory/regulatory</b>                          |        | <b>10,689</b> | <b>10,712</b> |
| <b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b> |        |               |               |
| Multi-level parking stations                                                  | 2      | 7,788         | 11,509        |
| Child care                                                                    | 1      | 5,374         | 5,668         |
| Parking meters                                                                | 2      | 3,311         | 4,062         |
| Parramatta Riverside Theatre                                                  | 2      | 1,297         | 2,849         |
| Swimming centres                                                              | 1      | 682           | 580           |
| Other                                                                         | 2      | 334           | 444           |
| <b>Total fees and charges – other</b>                                         |        | <b>18,786</b> | <b>25,112</b> |
| <b>Total user charges and fees</b>                                            |        | <b>29,475</b> | <b>35,824</b> |
| <b>Timing of revenue recognition for user charges and fees</b>                |        |               |               |
| User charges and fees recognised over time (1)                                |        | 6,086         | 6,248         |
| User charges and fees recognised at a point in time (2)                       |        | 23,389        | 29,576        |
| <b>Total user charges and fees</b>                                            |        | <b>29,475</b> | <b>35,824</b> |

### Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

## B2-3 Other revenues

| \$ '000                                  | Timing | 2021         | 2020          |
|------------------------------------------|--------|--------------|---------------|
| Fines – parking                          | 2      | 5,113        | 7,273         |
| Rebates                                  | 2      | 620          | 675           |
| Fines – other                            | 2      | 477          | 638           |
| Sales – general                          | 2      | 279          | 252           |
| Insurance claims recoveries              | 2      | 226          | 100           |
| Legal costs recovered                    | 2      | 150          | 439           |
| Riverside Theatre bar and catering sales | 2      | 126          | 421           |
| Other                                    |        | 373          | 1,116         |
| <b>Total other revenue</b>               |        | <b>7,364</b> | <b>10,914</b> |

### Timing of revenue recognition for other revenue

|                                                 |              |               |
|-------------------------------------------------|--------------|---------------|
| Other revenue recognised at a point in time (2) | <b>7,364</b> | 10,914        |
| <b>Total other revenue</b>                      | <b>7,364</b> | <b>10,914</b> |

### Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods/services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory 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 occurs first.

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

### Reclassification of prior year items

As per the disclosure requirement of the *Code of Accounting Practice and Financial Reporting 2020/21* Council has reclassified the following prior-year item to the line Property Lease income - Note B2-6 Other income:

Outdoor dining rentals - \$218k

## B2-4 Grants and contributions

| \$ '000                                                                | Timing | Operating<br>2021 | Operating<br>2020 | Capital<br>2021 | Capital<br>2020 |
|------------------------------------------------------------------------|--------|-------------------|-------------------|-----------------|-----------------|
| <b>General purpose grants and non-developer contributions (untied)</b> |        |                   |                   |                 |                 |
| <b>General purpose (untied)</b>                                        |        |                   |                   |                 |                 |
| <b>Current year allocation</b>                                         |        |                   |                   |                 |                 |
| Financial assistance – general component                               | 2      | 3,280             | 3,583             | –               | –               |
| Financial assistance – local roads component                           | 2      | 1,227             | 981               | –               | –               |
| <b>Payment in advance - future year allocation</b>                     |        |                   |                   |                 |                 |
| Financial assistance – general component                               | 2      | 3,741             | 3,792             | –               | –               |
| Financial assistance – local roads component                           | 2      | 1,084             | 1,042             | –               | –               |
| <b>Amount recognised as income during current year</b>                 |        | <b>9,332</b>      | <b>9,398</b>      | <b>–</b>        | <b>–</b>        |
| <b>Special purpose grants and non-developer contributions (tied)</b>   |        |                   |                   |                 |                 |
| <b>Cash contributions</b>                                              |        |                   |                   |                 |                 |
| Community services                                                     | 2      | 66                | 74                | –               | –               |
| Dept infrastructure planning and natural resources                     | 2      | 228               | 1,750             | 3,190           | 2,883           |
| Escarpment Board                                                       | 2      | –                 | –                 | 9,279           | –               |
| <b>Previously specific grants*:</b>                                    |        |                   |                   |                 |                 |
| Greenspace                                                             | 1      | –                 | –                 | –               | 202             |
| Home support                                                           | 2      | 865               | 989               | –               | –               |
| Library                                                                | 2      | 714               | 673               | –               | –               |
| Local Roads and Community Infrastructure Program                       | 2      | –                 | –                 | 1,189           | –               |
| Ministry of the arts                                                   | 2      | 269               | 300               | –               | –               |
| Operating Grants - NSW Government                                      | 2      | 4,453             | 1,410             | –               | –               |

continued on next page ...

**B2-4 Grants and contributions (continued)**

| <b>\$ '000</b>                                                             | <b>Timing</b> | <b>Operating<br/>2021</b> | <b>Operating<br/>2020</b> | <b>Capital<br/>2021</b> | <b>Capital<br/>2020</b> |
|----------------------------------------------------------------------------|---------------|---------------------------|---------------------------|-------------------------|-------------------------|
| Other specific grants                                                      | 2             | <b>101</b>                | 108                       | <b>347</b>              | 325                     |
| Parramatta Aquatic Centre                                                  | 2             | —                         | —                         | <b>3,163</b>            | 1,277                   |
| Parramatta Road Urban Amenity Improvement Program                          | 2             | —                         | —                         | <b>12,040</b>           | —                       |
| Sportsground Improvements                                                  | 2             | —                         | —                         | <b>360</b>              | 1,150                   |
| Street lighting                                                            | 1             | <b>923</b>                | 923                       | —                       | —                       |
| Transport (other roads and bridges funding)                                | 2             | <b>889</b>                | 779                       | <b>4,084</b>            | 3,579                   |
| Transport (roads to recovery)                                              | 2             | <b>1,382</b>              | 1,182                     | —                       | —                       |
| Waste services performance improvement payment                             | 2             | <b>242</b>                | 239                       | —                       | —                       |
| <b>Previously contributions*:</b>                                          |               |                           |                           |                         |                         |
| Road restoration contributions                                             | 2             | <b>782</b>                | 1,696                     | —                       | 50                      |
| Other sponsorship received                                                 | 2             | <b>87</b>                 | 113                       | —                       | —                       |
| Paid parental leave                                                        | 2             | <b>151</b>                | 144                       | —                       | —                       |
| Salary sacrifice motor vehicle contributions                               | 2             | <b>97</b>                 | 164                       | —                       | —                       |
| Long service leave contributions                                           | 2             | <b>99</b>                 | 188                       | —                       | —                       |
| Fire Service Levy                                                          | 2             | —                         | 193                       | —                       | —                       |
| LIRS subsidy                                                               | 2             | <b>346</b>                | 436                       | —                       | —                       |
| Parks and sporting grounds                                                 | 2             | —                         | —                         | —                       | 299                     |
| National disability contribution                                           | 2             | <b>193</b>                | 212                       | —                       | —                       |
| Other contributions                                                        | 2             | <b>343</b>                | 168                       | <b>416</b>              | 2                       |
| <b>Total special purpose grants and non-developer contributions – cash</b> |               | <b>12,230</b>             | <b>11,741</b>             | <b>34,068</b>           | <b>9,767</b>            |
| <b>Total special purpose grants and non-developer contributions (tied)</b> |               | <b>12,230</b>             | <b>11,741</b>             | <b>34,068</b>           | <b>9,767</b>            |
| <b>Total grants and non-developer contributions</b>                        |               | <b>21,562</b>             | <b>21,139</b>             | <b>34,068</b>           | <b>9,767</b>            |
| <b>Total Grants revenue is attributable to:</b>                            |               |                           |                           |                         |                         |
| – Commonwealth funding                                                     |               | <b>5,059</b>              | 11,298                    | <b>2,774</b>            | 2,468                   |
| – State funding                                                            |               | <b>15,475</b>             | 6,526                     | <b>31,112</b>           | 6,948                   |
| – Other funding                                                            |               | <b>1,028</b>              | 3,315                     | <b>182</b>              | 351                     |
|                                                                            |               | <b>21,562</b>             | <b>21,139</b>             | <b>34,068</b>           | <b>9,767</b>            |

**Reclassification of prior year items**

As per the disclosure requirement of the *Code of Accounting Practice and Financial Reporting 2020/21* Council has disclosed non-developer contributions together with grants under General purpose grants and non-developer contributions

## B2-4 Grants and contributions (continued)

### Developer contributions

| \$ '000                                                           | Notes | Timing | Operating<br>2021 | Operating<br>2020 | Capital<br>2021 | Capital<br>2020 |
|-------------------------------------------------------------------|-------|--------|-------------------|-------------------|-----------------|-----------------|
| <b>Developer contributions:</b>                                   |       |        |                   |                   |                 |                 |
| (s7.4 & s7.11 - EP&A Act, s64 of the LGA):                        |       |        |                   |                   |                 |                 |
| <b>Cash contributions</b>                                         |       |        |                   |                   |                 |                 |
| S 7.11 – contributions towards amenities/services                 |       | 2      | –                 | –                 | 9,588           | 37,958          |
| Developer Contributions (VPA)                                     |       | 2      | –                 | 443               | 289             | –               |
| <b>Total developer contributions – cash</b>                       |       |        | <b>–</b>          | <b>443</b>        | <b>9,877</b>    | <b>37,958</b>   |
| <b>Non-cash contributions</b>                                     |       |        |                   |                   |                 |                 |
| S 7.11 – contributions towards amenities/services                 |       | 2      | –                 | –                 | 2,092           | 2,448           |
| <b>Total developer contributions non-cash</b>                     |       |        | <b>–</b>          | <b>–</b>          | <b>2,092</b>    | <b>2,448</b>    |
| <b>Total developer contributions</b>                              |       |        | <b>–</b>          | <b>443</b>        | <b>11,969</b>   | <b>40,406</b>   |
| <b>Total contributions</b>                                        |       |        | <b>–</b>          | <b>443</b>        | <b>11,969</b>   | <b>40,406</b>   |
| <b>Total grants and contributions</b>                             |       |        | <b>21,562</b>     | <b>21,582</b>     | <b>46,037</b>   | <b>50,173</b>   |
| <b>Timing of revenue recognition for grants and contributions</b> |       |        |                   |                   |                 |                 |
| Grants and contributions recognised over time (1)                 |       |        | 923               | 923               | –               | 202             |
| Grants and contributions recognised at a point in time (2)        |       |        | 20,639            | 20,659            | 46,037          | 49,971          |
| <b>Total grants and contributions</b>                             |       |        | <b>21,562</b>     | <b>21,582</b>     | <b>46,037</b>   | <b>50,173</b>   |

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions – external restrictions

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

| \$ '000                                                                                                                   | Operating<br>2021 | Operating<br>2020 | Capital<br>2021 | Capital<br>2020 |
|---------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|-----------------|-----------------|
| <b>Unspent grants and contributions</b>                                                                                   |                   |                   |                 |                 |
| Unspent funds at 1 July                                                                                                   | 1,083             | 3,145             | 27,842          | 36,109          |
| <b>Add:</b> Operating grants recognised as income in the current period but not yet spent                                 | 2,173             | 70                | 2,724           | –               |
| <b>Add:</b> Funds received and not recognised as revenue in the current year                                              | –                 | –                 | –               | 691             |
| <b>Less:</b> Funds recognised as revenue in previous years that have been spent during the reporting year                 | –                 | (2,132)           | –               | (8,958)         |
| <b>Unspent funds at 30 June</b>                                                                                           | <b>3,256</b>      | <b>1,083</b>      | <b>30,566</b>   | <b>27,842</b>   |
| <b>Contributions</b>                                                                                                      |                   |                   |                 |                 |
| Unspent funds at 1 July                                                                                                   | –                 | –                 | 136,726         | 134,131         |
| <b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions | –                 | –                 | –               | –               |
| <b>Add:</b> contributions received and not recognised as revenue in the current year                                      | –                 | –                 | 12,280          | 41,162          |
| <b>Less:</b> contributions recognised as revenue in previous years that have been spent during the reporting year         | –                 | –                 | (18,350)        | (38,567)        |
| <b>Unspent contributions at 30 June</b>                                                                                   | <b>–</b>          | <b>–</b>          | <b>130,656</b>  | <b>136,726</b>  |

### Accounting policy

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

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

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

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

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

#### Capital grants

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

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

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

#### Developer contributions

## B2-4 Grants and contributions (continued)

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

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

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

### **Other grants and contributions**

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

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

## B2-5 Interest and investment income

| \$ '000                                                          | 2021          | 2020          |
|------------------------------------------------------------------|---------------|---------------|
| <b>Interest on financial assets measured at amortised cost</b>   |               |               |
| – Cash and investments                                           | 6,566         | 10,517        |
| – Overdue rates and annual charges (incl. special purpose rates) | 34            | 1,029         |
| <b>Fair value adjustments</b>                                    |               |               |
| – Movements in investments at fair value through profit and loss | 5,684         | 149           |
| – Interest in Civic Risk Mutual                                  | 475           | –             |
| <b>Total interest and investment income (losses)</b>             | <b>12,759</b> | <b>11,695</b> |

### Accounting policy

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

For Fair value items refer to the Accounting policy C1-2 Financial investments.

Council waived the interest payments on outstanding rates as part of a COVID relief package.

## B2-6 Other income

| \$ '000                                                                                      | Notes | 2021         | 2020         |
|----------------------------------------------------------------------------------------------|-------|--------------|--------------|
| <b>Rental income</b>                                                                         |       |              |              |
| <b>Other lease income</b>                                                                    |       |              |              |
| Lease income (excluding variable lease payments not dependent on an index or rate)           |       | 1,166        | 1,081        |
| Leaseback fees - council vehicles                                                            |       | 1,016        | 1,041        |
| Room/Facility Hire                                                                           |       | 387          | 889          |
| Property lease income                                                                        |       | 1,781        | 951          |
| <b>Total Other lease income</b>                                                              |       | <b>4,350</b> | <b>3,962</b> |
| <b>Total rental income</b>                                                                   | C2-2  | <b>4,350</b> | <b>3,962</b> |
| <b>Net share of interests in joint ventures and associates using the equity method</b>       |       |              |              |
| Joint ventures                                                                               |       | –            | 563          |
| <b>Total net share of interests in joint ventures and associates using the equity method</b> |       | <b>–</b>     | <b>563</b>   |
| <b>Other</b>                                                                                 |       |              |              |
| Community Land post amalgamation and others                                                  |       | 1,467        | –            |
| Cost of assets newly discovered at stocktake                                                 |       | 1,562        | –            |
| Gain on Lease modification                                                                   |       | 603          | –            |
| Other assets income                                                                          |       | 90           | –            |
| <b>Total other</b>                                                                           |       | <b>3,722</b> | <b>–</b>     |
| <b>Total other income</b>                                                                    |       | <b>8,072</b> | <b>4,525</b> |

Reclassification of prior year items

As per the disclosure requirement of the Code of Accounting Practice and Financial Reporting 2020/21 Council has reclassified the following prior-year item:

included Rental income - 3.773k

transferred from Note B2-3: Outdoor dining rentals - \$218k

included a Net share of interest in joint ventures and associated using the equity method - \$563k

## B3 Costs of providing services

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

| \$ '000                              | 2021           | 2020           |
|--------------------------------------|----------------|----------------|
| Salaries and wages                   | 95,472         | 96,442         |
| Employee leave entitlements (ELE)    | 11,215         | 11,364         |
| Superannuation                       | 10,220         | 10,157         |
| Agency personnel                     | 3,700          | 4,573          |
| Employee termination costs           | 4,998          | 593            |
| Other                                | 3,168          | 3,104          |
| <b>Total employee costs</b>          | <b>128,773</b> | <b>126,233</b> |
| Less: capitalised costs              | (4,936)        | (5,298)        |
| <b>Total employee costs expensed</b> | <b>123,837</b> | <b>120,935</b> |

#### Accounting policy

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.

#### 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 future payments is available.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note C3-5 for more information.

### B3-2 Materials and services

| \$ '000                                        | Notes | 2021  | 2020  |
|------------------------------------------------|-------|-------|-------|
| Raw materials and consumables                  |       | 5,158 | 7,548 |
| Contractor and consultancy costs               |       |       |       |
| – consultancies                                |       | 3,941 | 5,459 |
| – minor contracts                              |       | 2,871 | 3,564 |
| – contractor services                          |       | 2,844 | 3,495 |
| – bushland management                          |       | 2,515 | 2,875 |
| – ICT software maintenance                     |       | 3,644 | 2,537 |
| – professional services                        |       | 1,585 | 2,030 |
| – multi-level car parks                        |       | 1,292 | 1,554 |
| – security external services                   |       | 1,658 | 1,491 |
| – external plant and equipment hire            |       | 842   | 1,467 |
| – cleaning external services                   |       | 2,059 | 1,442 |
| – recycling external services                  |       | 120   | 1,185 |
| – plant repairs                                |       | 441   | 879   |
| – restorations                                 |       | 1,593 | 519   |
| – electrical external services                 |       | 303   | 440   |
| – public tree maintenance                      |       | 345   | 415   |
| – sustainability and waste                     |       | 271   | 285   |
| – footpath maintenance                         |       | 56    | 237   |
| – garbage external services                    |       | 359   | 113   |
| – pools repairs                                |       | 40    | 87    |
| – contaminated waste removal external services |       | 170   | 60    |
| – auditors remuneration                        | F2-1  | 213   | 215   |

**Disclosed as Other expenses in FY2020\***

continued on next page ...

## B3-2 Materials and services (continued)

| \$ '000                                             | Notes | 2021          | 2020          |
|-----------------------------------------------------|-------|---------------|---------------|
| Councillor and Mayoral fees and associated expenses | F1-2  | 862           | 847           |
| Advertising                                         |       | 1,172         | 1,378         |
| Bank charges                                        |       | 623           | 648           |
| Electricity and heating                             |       | 961           | 1,354         |
| Insurance                                           |       | 2,440         | 2,113         |
| Postage                                             |       | 733           | 657           |
| Street lighting                                     |       | 2,727         | 2,798         |
| Telephone and communications                        |       | 884           | 791           |
| Other expenses                                      |       | 4,452         | 2,578         |
| Artists in mall and other artists                   |       | 1,923         | 1,851         |
| Computer expenses                                   |       | 1,372         | 1,434         |
| Parking – signs                                     |       | 593           | 994           |
| Parking space levy                                  |       | 1,599         | 1,719         |
| Promotions and publicity                            |       | 691           | 870           |
| Tipping fees                                        |       | 18,244        | 16,864        |
| Water                                               |       | 352           | 651           |
| Memberships                                         |       | 337           | 534           |
| End of Disclosed as Other expenses in FY2020        |       |               |               |
| Legal expenses: other                               |       | 1,196         | 1,344         |
| Legal expenses: planning and development            |       | 428           | 1,026         |
| Expenses from short-term leases                     |       | 161           | 169           |
| Expenses from leases of low value assets            |       | 416           | 200           |
| Variable lease expense relating to usage            |       | 14,725        | 12,719        |
| Other                                               |       | 1,912         | 4,736         |
| <b>Total materials and services</b>                 |       | <b>91,123</b> | <b>96,172</b> |

### Accounting policy

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

### \*Reclassification of prior year items

As per the disclosure requirement of the *Code of Accounting Practice and Financial Reporting 2020/21* Council has reclassified these items from Other expenses.

## B3-3 Borrowing costs

| \$ '000                                       | 2021         | 2020         |
|-----------------------------------------------|--------------|--------------|
| Interest on loans                             | 1,349        | 1,805        |
| Interest on leases                            | 711          | 803          |
| <b>Total interest bearing liability costs</b> | <b>2,060</b> | <b>2,608</b> |
| <b>Total borrowing costs expensed</b>         | <b>2,060</b> | <b>2,608</b> |

### Accounting policy

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

No borrowing costs were capitalised in the year ended 30 June 2021.

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

| \$ '000                                                                                | Notes | 2021          | 2020          |
|----------------------------------------------------------------------------------------|-------|---------------|---------------|
| <b>Depreciation and amortisation</b>                                                   |       |               |               |
| Plant and equipment                                                                    |       | 3,052         | 2,901         |
| Office equipment                                                                       |       | 1,480         | 1,085         |
| Furniture and fittings                                                                 |       | 1,899         | 1,835         |
| Land improvements (depreciable)                                                        |       | 768           | 623           |
| <b>Infrastructure:</b>                                                                 | C1-5  |               |               |
| – Buildings – non-specialised                                                          |       | 3,079         | 2,841         |
| – Buildings – specialised                                                              |       | 504           | 494           |
| – Other structures                                                                     |       | 886           | 835           |
| – Roads                                                                                |       | 16,631        | 16,500        |
| – Bridges                                                                              |       | 1,167         | 1,136         |
| – Footpaths                                                                            |       | 2,981         | 2,797         |
| – Stormwater drainage                                                                  |       | 5,938         | 4,279         |
| – Swimming pools                                                                       |       | 14            | 14            |
| – Other open space/recreational assets                                                 |       | 3,379         | 3,271         |
| Right of use assets                                                                    | C2-1  | 4,877         | 4,858         |
| <b>Other assets:</b>                                                                   |       |               |               |
| – Library books                                                                        |       | 1,009         | 857           |
| – Other                                                                                |       | 285           | 259           |
| Intangible assets                                                                      | C1-6  | 1,120         | 805           |
| <b>Total gross depreciation and amortisation costs</b>                                 |       | <b>49,069</b> | <b>45,390</b> |
| <b>Total depreciation and amortisation costs</b>                                       |       | <b>49,069</b> | <b>45,390</b> |
| <b>Impairment / revaluation decrement of IPPE</b>                                      |       |               |               |
| <b>Infrastructure:</b>                                                                 | C1-5  |               |               |
| – Other structures                                                                     |       | 465           | –             |
| <b>Total gross IPPE impairment / revaluation decrement costs</b>                       |       | <b>465</b>    | <b>–</b>      |
| <b>Total IPPE impairment / revaluation decrement costs charged to Income Statement</b> |       | <b>465</b>    | <b>–</b>      |
| <b>Total depreciation, amortisation and impairment for non-financial assets</b>        |       | <b>49,534</b> | <b>45,390</b> |

### Accounting policy

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-5 for IPPE assets and Note C1-6 for intangible assets and C2-1 for right of use assets.

#### Impairment of non-financial assets

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

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

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

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

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

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

## B3-5 Other expenses

| \$ '000                                                                      | 2021         | 2020         |
|------------------------------------------------------------------------------|--------------|--------------|
| Civic Risk Mutual - Equity to Fair Value accounting decrement                | 970          | —            |
| Contributions/levies to other levels of government                           |              |              |
| – NSW fire brigade levy                                                      | 3,466        | 3,278        |
| – Department of planning levy                                                | 344          | 379          |
| Donations, contributions and assistance to other organisations (Section 356) | 1,546        | 1,103        |
| <b>Total other expenses</b>                                                  | <b>5,356</b> | <b>4,760</b> |
| <b>Total other expenses</b>                                                  | <b>6,326</b> | <b>4,760</b> |

### Accounting policy

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

Impairment expenses are recognised when identified.

### Reclassification of prior year items

As per the disclosure requirement of the Code of Accounting Practice and Financial Reporting 2020/21 Council has reclassified the number of items from this Note to the Note B3-2 Material and services. Refer to the Note B3-2 Material and services for details.

## B4 Gains or losses

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

| \$ '000                                                                               | Notes | 2021             | 2020            |
|---------------------------------------------------------------------------------------|-------|------------------|-----------------|
| <b>Gain (or loss) on disposal of property (excl. investment property)</b>             |       |                  |                 |
| Proceeds from disposal – property                                                     |       | <b>87,085</b>    | 3,361           |
| Less: carrying amount of property assets sold/written off                             |       | <b>(55,688)</b>  | (23,792)        |
| <b>Gain (or loss) on disposal</b>                                                     |       | <b>31,397</b>    | <b>(20,431)</b> |
| <b>Gain (or loss) on disposal of plant and equipment</b>                              |       |                  |                 |
|                                                                                       | C1-5  |                  |                 |
| Proceeds from disposal – plant and equipment                                          |       | <b>242</b>       | 1,594           |
| Less: carrying amount of plant and equipment assets sold/written off                  |       | <b>(46)</b>      | (1,075)         |
| <b>Gain (or loss) on disposal</b>                                                     |       | <b>196</b>       | <b>519</b>      |
| <b>Gain (or loss) on disposal of infrastructure</b>                                   |       |                  |                 |
|                                                                                       | C1-5  |                  |                 |
| Proceeds from disposal – infrastructure                                               |       | <b>–</b>         | 192             |
| Less: carrying amount of infrastructure assets sold/written off                       |       | <b>(12,378)</b>  | (5,727)         |
| <b>Gain (or loss) on disposal</b>                                                     |       | <b>(12,378)</b>  | <b>(5,535)</b>  |
| <b>Gain (or loss) on disposal of investments</b>                                      |       |                  |                 |
| Proceeds from disposal/redemptions/maturities – investments                           |       | <b>857,089</b>   | 263,759         |
| Less: carrying amount of investments sold/redeemed/matured                            |       | <b>(857,089)</b> | (263,759)       |
| <b>Gain (or loss) on disposal</b>                                                     |       | <b>–</b>         | <b>–</b>        |
| <b>Gain (or loss) on disposal of non-current assets classified as 'held for sale'</b> |       |                  |                 |
| Proceeds from disposal – non-current assets 'held for sale'                           |       | <b>–</b>         | 126,649         |
| Less: carrying amount of 'held for sale' assets sold/written off                      |       | <b>–</b>         | (97,429)        |
| <b>Gain (or loss) on disposal</b>                                                     |       | <b>–</b>         | <b>29,220</b>   |
| <b>Net gain (or loss) on disposal of assets</b>                                       |       | <b>19,215</b>    | <b>3,773</b>    |

#### Accounting policy

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

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 14/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

| \$ '000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 2021<br>Budget | 2021<br>Actual | 2021<br>----- Variance ----- |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|------------------------------|-----------------|
| <b>REVENUES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                |                |                              |                 |
| <b>Rates and annual charges</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>198,744</b> | <b>197,847</b> | <b>(897)</b>                 | <b>0% U</b>     |
| <b>User charges and fees</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>22,517</b>  | <b>29,475</b>  | <b>6,958</b>                 | <b>31% F</b>    |
| Variance predominantly due to faster than expected recovery from COVID-19:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                |                |                              |                 |
| <ul style="list-style-type: none"> <li>\$1.2m: Riverside performance income;</li> <li>\$2.2m: Higher utilisation of multi-level car parks;</li> <li>\$1.3m: Income from aquatic centres, bookings for parks, ovals and halls;</li> <li>\$2m: Income from statutory and regulatory services.</li> </ul>                                                                                                                                                                                                                                                                                                                         |                |                |                              |                 |
| <b>Other revenues</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>5,379</b>   | <b>7,364</b>   | <b>1,985</b>                 | <b>37% F</b>    |
| <ul style="list-style-type: none"> <li>\$1.4m: The budget was significantly reduced due to Covid-19, resulting in higher than predicted parking infringements revenue.</li> <li>\$0.4m: Compensation by Sydney Metro for breaking the lease for Artist Studio.</li> </ul>                                                                                                                                                                                                                                                                                                                                                      |                |                |                              |                 |
| <b>Operating grants and contributions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>18,269</b>  | <b>21,562</b>  | <b>3,293</b>                 | <b>18% F</b>    |
| <ul style="list-style-type: none"> <li>\$2m: LRCI stage 2 not included in the original budget.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                |                |                              |                 |
| <b>Capital grants and contributions</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>95,789</b>  | <b>46,037</b>  | <b>(49,752)</b>              | <b>(52)% U</b>  |
| <ul style="list-style-type: none"> <li>\$41.5m: Lower than expected Section 7.11 contributions due to the impact of COVID-19 and progression of development. It is expected that section 7.11 contributions will be received in the next financial year.</li> <li>\$4.1m: PRUAIP - Bridge Street Granville Acquisition grant not recognised as income in the financial year 2020-21;</li> <li>\$2.2m: Developers contributions received as works in kind i.e. stormwater assets, footpaths, kerb and gutter and other assets</li> <li>\$1.3m: Charles Street Square works grant moved to the financial year 2021-22</li> </ul> |                |                |                              |                 |
| <b>Interest and investment revenue</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>7,535</b>   | <b>12,759</b>  | <b>5,224</b>                 | <b>69% F</b>    |
| <p>The strong performance annually can be attributed to the TCorp Long Term growth fund has returned approximately 17.74% as both international and domestic shares rallied.</p> <p>The outperformance has also been anchored by diligently selling Floating rate notes resulting in capital gains, as well as term deposit portfolio currently yielding around 1.27%.</p>                                                                                                                                                                                                                                                     |                |                |                              |                 |
| <b>Net gains from disposal of assets</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>(2,500)</b> | <b>19,215</b>  | <b>21,715</b>                | <b>(869)% F</b> |
| <p>The gain from the compulsory sale of the site known as Horwood Place partially offsets the loss from disposal of other assets and loss from stocktake results as per below:</p> <ul style="list-style-type: none"> <li>\$32.4m: gain from the sale of Horwood place site;</li> <li>\$5m: loss from the results of stocktake (\$4.1m Other Structure and \$0.9m Bridges)</li> <li>\$7m: loss from disposal of renewed infrastructure assets</li> </ul>                                                                                                                                                                       |                |                |                              |                 |
| <b>Other income</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>800</b>     | <b>8,072</b>   | <b>7,272</b>                 | <b>909% F</b>   |

continued on next page ...

**B5-1 Material budget variations (continued)**

| \$ '000 | 2021<br>Budget | 2021<br>Actual | 2021<br>----- Variance ----- |  |
|---------|----------------|----------------|------------------------------|--|
|---------|----------------|----------------|------------------------------|--|

The variance is primarily due to:

- \$2.3m: Higher than expected lease revenue as a result of opened facilities and services earlier than expected from Covid-19. The budget is included in the Other revenue line.
- \$1.5m: Recognition of bridges and other structures as part of asset stocktake.
- \$1.5m: Recognition of community land transferred at amalgamation.

**EXPENSES**

|                                       |                |                |                 |              |          |
|---------------------------------------|----------------|----------------|-----------------|--------------|----------|
| <b>Employee benefits and on-costs</b> | <b>121,385</b> | <b>123,837</b> | <b>(2,452)</b>  | <b>(2)%</b>  | <b>U</b> |
| <b>Materials and services</b>         | <b>52,907</b>  | <b>91,123</b>  | <b>(38,216)</b> | <b>(72)%</b> | <b>U</b> |

Variance is due to the difference in mapping between budget and financial statements. This unfavourable variance is offset with Other Expenses favourable variance.

|                                                                          |               |               |                |              |          |
|--------------------------------------------------------------------------|---------------|---------------|----------------|--------------|----------|
| <b>Borrowing costs</b>                                                   | <b>2,101</b>  | <b>2,060</b>  | <b>41</b>      | <b>2%</b>    | <b>F</b> |
| <b>Depreciation, amortisation and impairment of non-financial assets</b> | <b>45,179</b> | <b>49,534</b> | <b>(4,355)</b> | <b>(10)%</b> | <b>U</b> |
| <b>Other expenses</b>                                                    | <b>42,465</b> | <b>6,326</b>  | <b>36,139</b>  | <b>85%</b>   | <b>F</b> |

Refer to commentary for Materials and services

**STATEMENT OF CASH FLOWS**

|                                             |                |                |                 |              |          |
|---------------------------------------------|----------------|----------------|-----------------|--------------|----------|
| <b>Cash flows from operating activities</b> | <b>131,954</b> | <b>115,143</b> | <b>(16,811)</b> | <b>(13)%</b> | <b>U</b> |
|---------------------------------------------|----------------|----------------|-----------------|--------------|----------|

Lower than expected:

- section 7.11 contributions due to the impact of COVID-19 and progression of development and,
- collection of rates revenue.

|                                             |                  |                 |               |              |          |
|---------------------------------------------|------------------|-----------------|---------------|--------------|----------|
| <b>Cash flows from investing activities</b> | <b>(117,985)</b> | <b>(84,959)</b> | <b>33,026</b> | <b>(28)%</b> | <b>F</b> |
|---------------------------------------------|------------------|-----------------|---------------|--------------|----------|

The lower level of cash inflow from the sale of investment securities is offset by a lower level of investment in infrastructure

- \$15m: cash received from the sale of 189 Macquarie street not budgeted.

|                                             |                 |                 |              |             |          |
|---------------------------------------------|-----------------|-----------------|--------------|-------------|----------|
| <b>Cash flows from financing activities</b> | <b>(13,969)</b> | <b>(12,828)</b> | <b>1,141</b> | <b>(8)%</b> | <b>F</b> |
|---------------------------------------------|-----------------|-----------------|--------------|-------------|----------|

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

| \$ '000                                | 2021          | 2020          |
|----------------------------------------|---------------|---------------|
| <b>Cash and cash equivalents</b>       |               |               |
| Cash on hand and at bank               | 105           | 494           |
| Cash-equivalent assets                 |               |               |
| – Deposits at call                     | 74,296        | 56,551        |
| <b>Total cash and cash equivalents</b> | <b>74,401</b> | <b>57,045</b> |

#### Reconciliation of cash and cash equivalents

| \$ '000                                                             | Notes | 2021          | 2020          |
|---------------------------------------------------------------------|-------|---------------|---------------|
| Total cash and cash equivalents per Statement of Financial Position | C1-1  | 74,401        | 57,045        |
| <b>Balance as per the Statement of Cash Flows</b>                   |       | <b>74,401</b> | <b>57,045</b> |

#### Accounting policy

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

#### C1-2 Financial investments

| \$ '000                                                                       | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|-------------------------------------------------------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>Financial assets at fair value through the profit and loss</b>             |                 |                     |                 |                     |
| Managed funds                                                                 | 43,993          | –                   | 30,854          | –                   |
| Negotiable Certificates of Deposit (NCD). Floating Rate Notes (FRN) and Bonds | 17,031          | 68,124              | 16,295          | 113,890             |
| <b>Total</b>                                                                  | <b>61,024</b>   | <b>68,124</b>       | <b>47,149</b>   | <b>113,890</b>      |
| <b>Debt securities at amortised cost</b>                                      |                 |                     |                 |                     |
| Long term deposits                                                            | 150,705         | 193,400             | 141,425         | 195,205             |
| <b>Total</b>                                                                  | <b>150,705</b>  | <b>193,400</b>      | <b>141,425</b>  | <b>195,205</b>      |
| <b>Total financial investments</b>                                            | <b>211,729</b>  | <b>261,524</b>      | <b>188,574</b>  | <b>309,095</b>      |
| <b>Other financial assets</b>                                                 |                 |                     |                 |                     |
| Interest in Civic Risk Mutual                                                 | –               | 5,600               | –               | –                   |
| <b>Total</b>                                                                  | <b>–</b>        | <b>5,600</b>        | <b>–</b>        | <b>–</b>            |
| <b>Total financial investments</b>                                            | <b>211,729</b>  | <b>267,124</b>      | <b>188,574</b>  | <b>309,095</b>      |

#### Accounting policy

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

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending

## C1-2 Financial investments (continued)

on the classification of the financial assets.

### Classification

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

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

Financial assets are not reclassified subsequent to their initial recognition.

### Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

### Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

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

| \$ '000                                      | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|----------------------------------------------|-----------------|---------------------|-----------------|---------------------|
| Total cash, cash equivalents and investments | <b>286,130</b>  | <b>261,524</b>      | <b>245,619</b>  | <b>309,095</b>      |
| <b>attributable to:</b>                      |                 |                     |                 |                     |
| External restrictions                        | –               | 261,098             | –               | 247,123             |
| Internal restrictions                        | 204,672         | 426                 | 199,732         | 61,972              |
| Unrestricted                                 | 81,453          | –                   | 45,887          | –                   |
|                                              | <b>286,130</b>  | <b>261,524</b>      | <b>245,619</b>  | <b>309,095</b>      |

| \$ '000 | 2021 | 2020 |
|---------|------|------|
|---------|------|------|

### Details of restrictions

|                                                        |               |   |
|--------------------------------------------------------|---------------|---|
| Specific purpose unexpended grants                     | <b>13,337</b> | – |
| <b>External restrictions – included in liabilities</b> | <b>13,337</b> | – |

### External restrictions

External restrictions included in cash, cash equivalents and investments above comprise:

|                                             |                |         |
|---------------------------------------------|----------------|---------|
| Developer contributions – general           | <b>130,642</b> | 136,726 |
| Museum of Applied Arts & Sciences Agreement | <b>36,854</b>  | 40,000  |

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

| \$ '000                                                                              | 2021           | 2020           |
|--------------------------------------------------------------------------------------|----------------|----------------|
| Specific purpose unexpended grants (recognised as revenue) – general fund            | 33,779         | 28,925         |
| Domestic waste management                                                            | 33,102         | 27,673         |
| CBD infrastructure special rate                                                      | 4,887          | 5,967          |
| Stormwater levy                                                                      | 1,402          | 1,851          |
| Catchment remediation special rate                                                   | 2,173          | 1,912          |
| Economic development special rate                                                    | 1,140          | 1,300          |
| Harris park special rate                                                             | 762            | 647            |
| Open space special rate                                                              | 846            | 559            |
| Suburban infrastructure special rate                                                 | 1,813          | 1,281          |
| Infrastructure special rate (former Holroyd)                                         | 361            | 282            |
| <b>External restrictions - others</b>                                                | <b>247,761</b> | <b>247,123</b> |
| <b>Total external restrictions</b>                                                   | <b>261,098</b> | <b>247,123</b> |
| <b>Internal restrictions</b>                                                         |                |                |
| Council has internally restricted cash, cash equivalents and investments as follows: |                |                |
| Property and significant assets reserve                                              | 198,158        | 253,662        |
| Employees leave entitlement                                                          | 6,401          | 6,400          |
| Urgent ward works                                                                    | 498            | 1,642          |
| Parking Meters                                                                       | 41             | –              |
| <b>Total internal restrictions</b>                                                   | <b>205,098</b> | <b>261,704</b> |
| <b>Total restrictions</b>                                                            | <b>466,196</b> | <b>508,827</b> |

Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

### C1-4 Receivables

| \$ '000                                                    | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|------------------------------------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>Purpose</b>                                             |                 |                     |                 |                     |
| Rates and annual charges                                   | 17,276          | 996                 | 13,018          | 1,080               |
| User charges and fees                                      | 708             | –                   | 1,264           | –                   |
| Receivable related to sale of assets                       |                 |                     |                 |                     |
| – Sale of land (Museum of Applied Arts & Sciences project) | –               | –                   | 1,108           | –                   |
| – Sale of land (189 Macquarie St)                          | –               | –                   | 15,000          | –                   |
| – Sale of land (6&8 Parramatta Square)                     | –               | 98,399              | –               | 98,399              |
| – Sale of land (Compulsory sale of Horwood place site)     | 87,085          | –                   | –               | –                   |
| Accrued revenues                                           |                 |                     |                 |                     |
| – Interest on investments                                  | 1,315           | –                   | 3,425           | –                   |
| Net GST receivable                                         | 2,803           | –                   | 1,943           | –                   |
| Licencing receivables                                      | 1,197           | –                   | 1,021           | –                   |
| Government grants and subsidies                            | 2,072           | –                   | 4,186           | –                   |
| Environmental upgrade agreements                           | 140             | 316                 | 140             | 457                 |
| Works in kind receivable from developers                   | 7,667           | –                   | –               | 7,667               |
| Other debtors                                              | 2,202           | 269                 | 1,757           | 285                 |
| <b>Total</b>                                               | <b>122,465</b>  | <b>99,980</b>       | <b>42,862</b>   | <b>107,888</b>      |
| <b>Less: provision of impairment</b>                       |                 |                     |                 |                     |
| Rates and annual charges                                   | (69)            | –                   | (69)            | –                   |
| Other debtors                                              | (844)           | –                   | (1,009)         | –                   |
| <b>Total provision for impairment – receivables</b>        | <b>(913)</b>    | <b>–</b>            | <b>(1,078)</b>  | <b>–</b>            |

**C1-4 Receivables (continued)**

| <b>\$ '000</b>        | <b>2021<br/>Current</b> | <b>2021<br/>Non-current</b> | <b>2020<br/>Current</b> | <b>2020<br/>Non-current</b> |
|-----------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
| Total net receivables | <b>121,552</b>          | <b>99,980</b>               | <b>41,784</b>           | <b>107,888</b>              |

## C1-4 Receivables (continued)

| \$ '000                                                  | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|----------------------------------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>Externally restricted receivables</b>                 |                 |                     |                 |                     |
| Domestic waste management                                | 4,286           | —                   | 3,418           | —                   |
| Stormwater management                                    | 246             | —                   | 208             | —                   |
| Other                                                    |                 |                     |                 |                     |
| CBD Infrastructure special rate                          | 499             | —                   | 425             | —                   |
| Open space special rate                                  | 165             | —                   | 116             | —                   |
| Suburban Infrastructure Special Rate                     | 115             | —                   | 83              | —                   |
| Economic development special rate                        | 142             | —                   | 119             | —                   |
| Catchment Remediation Special Rate                       | 22              | —                   | 22              | —                   |
| Harris park special rate                                 | 16              | —                   | 9               | —                   |
| Infrastructure Special Rate (Former Holroyd)             | 4               | —                   | 3               | —                   |
| <b>Total external restrictions</b>                       | <b>5,495</b>    | <b>—</b>            | <b>4,403</b>    | <b>—</b>            |
| <b>Internally restricted receivables</b>                 |                 |                     |                 |                     |
| Sale of land (6&8 Parramatta Square)                     | —               | 98,399              | —               | 98,399              |
| Sale of land (Compulsory sale of Horwood place site)     | 87,085          | —                   | —               | —                   |
| Sale of land (189 Macquarie St)                          | —               | —                   | 15,000          | —                   |
| Sale of land (Museum of Applied Arts & Sciences project) | —               | —                   | 1,108           | —                   |
| <b>Internally restricted receivables</b>                 | <b>87,085</b>   | <b>98,399</b>       | <b>16,108</b>   | <b>98,399</b>       |
| <b>Unrestricted receivables</b>                          | <b>28,972</b>   | <b>1,581</b>        | <b>21,273</b>   | <b>9,489</b>        |
| <b>Total net receivables</b>                             | <b>121,552</b>  | <b>99,980</b>       | <b>41,784</b>   | <b>107,888</b>      |

| \$ '000                                                    | 2021       | 2020         |
|------------------------------------------------------------|------------|--------------|
| <b>Movement in provision for impairment of receivables</b> |            |              |
| Balance at the beginning of the year                       | 1,078      | 1,166        |
| - amounts written off                                      | —          | —            |
| + new provisions recognised during the year                | 25         | 270          |
| - amounts provided for but recovered during the year       | (190)      | (358)        |
| <b>Balance at the end of the year</b>                      | <b>913</b> | <b>1,078</b> |

### Accounting policy

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

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

### Impairment

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

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

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

## C1-4 Receivables (continued)

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

## C1-5 Infrastructure, property, plant and equipment

| By aggregated asset class                                  | At 1 July 2020        |                                         |                     | Asset movements during the reporting period |                      |                             |                      |                                                              |                 |                                 |                                        |                                        | At 30 June 2021       |                                         |                     |
|------------------------------------------------------------|-----------------------|-----------------------------------------|---------------------|---------------------------------------------|----------------------|-----------------------------|----------------------|--------------------------------------------------------------|-----------------|---------------------------------|----------------------------------------|----------------------------------------|-----------------------|-----------------------------------------|---------------------|
|                                                            | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals <sup>1</sup>             | Additions new assets | Carrying value of disposals | Depreciation expense | Impairment loss / revaluation decrements (recognised in P/L) | WIP capitalised | Transfers between asset classes | Revaluation decrements to equity (ARR) | Revaluation increments to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| \$ '000                                                    |                       |                                         |                     |                                             |                      |                             |                      |                                                              |                 |                                 |                                        |                                        |                       |                                         |                     |
| Capital work in progress                                   | 71,375                | –                                       | 71,375              | 29,504                                      | 100,763              | –                           | –                    | –                                                            | (83,550)        | –                               | –                                      | –                                      | 118,092               | –                                       | 118,092             |
| Plant and equipment                                        | 20,482                | (10,179)                                | 10,303              | –                                           | 1,030                | (46)                        | (3,052)              | –                                                            | –               | –                               | –                                      | –                                      | 20,803                | (12,568)                                | 8,235               |
| Office equipment                                           | 10,637                | (4,380)                                 | 6,257               | –                                           | 1,401                | –                           | (1,480)              | –                                                            | –               | –                               | –                                      | –                                      | 12,038                | (5,860)                                 | 6,178               |
| Furniture and fittings                                     | 22,258                | (11,547)                                | 10,711              | –                                           | 498                  | (373)                       | (1,899)              | –                                                            | –               | –                               | –                                      | –                                      | 22,298                | (13,361)                                | 8,937               |
| <b>Land:</b>                                               |                       |                                         |                     |                                             |                      |                             |                      |                                                              |                 |                                 |                                        |                                        |                       |                                         |                     |
| – Operational land                                         | 405,104               | –                                       | 405,104             | –                                           | 2,211                | (40,550)                    | –                    | –                                                            | –               | –                               | –                                      | –                                      | 366,765               | –                                       | 366,765             |
| – Community land                                           | 312,160               | –                                       | 312,160             | –                                           | 12,660               | –                           | –                    | –                                                            | –               | –                               | (9,696)                                | –                                      | 315,124               | –                                       | 315,124             |
| – Crown land                                               | 60,498                | –                                       | 60,498              | –                                           | –                    | (47)                        | –                    | –                                                            | –               | –                               | –                                      | –                                      | 60,451                | –                                       | 60,451              |
| – Land under roads (post 30/6/08)                          | 2,151                 | –                                       | 2,151               | –                                           | –                    | –                           | –                    | –                                                            | –               | –                               | –                                      | –                                      | 2,151                 | –                                       | 2,151               |
| Land improvements – depreciable                            | 33,610                | (8,368)                                 | 25,242              | 42                                          | 2,720                | (156)                       | (768)                | –                                                            | –               | –                               | –                                      | –                                      | 36,125                | (9,045)                                 | 27,080              |
| <b>Infrastructure:</b>                                     |                       |                                         |                     |                                             |                      |                             |                      |                                                              |                 |                                 |                                        |                                        |                       |                                         |                     |
| – Buildings – non-specialised                              | 234,196               | (54,767)                                | 179,429             | 1,327                                       | 257                  | (13,354)                    | (3,079)              | –                                                            | –               | –                               | –                                      | –                                      | 217,671               | (53,091)                                | 164,580             |
| – Buildings – specialised                                  | 34,379                | (12,000)                                | 22,379              | 445                                         | 3,094                | (1,204)                     | (504)                | –                                                            | –               | –                               | –                                      | –                                      | 35,432                | (11,222)                                | 24,210              |
| – Other structures                                         | 24,435                | (8,434)                                 | 16,001              | 194                                         | 8,019                | (4,190)                     | (886)                | (465)                                                        | –               | (1,200)                         | –                                      | –                                      | 21,232                | (3,759)                                 | 17,473              |
| – Roads                                                    | 1,221,240             | (300,804)                               | 920,436             | 17,055                                      | –                    | (4,501)                     | (16,631)             | –                                                            | –               | 77                              | –                                      | –                                      | 1,230,608             | (314,172)                               | 916,436             |
| – Bridges                                                  | 100,938               | (32,162)                                | 68,776              | 125                                         | 11,135               | (903)                       | (1,167)              | –                                                            | –               | –                               | –                                      | 35,924                                 | 133,423               | (19,533)                                | 113,890             |
| – Footpaths                                                | 200,780               | (54,507)                                | 146,273             | 2,712                                       | 6,500                | (537)                       | (2,981)              | –                                                            | –               | –                               | –                                      | –                                      | 208,997               | (57,030)                                | 151,967             |
| – Bulk earthworks (non-depreciable)                        | 103,853               | –                                       | 103,853             | –                                           | –                    | (70)                        | –                    | –                                                            | –               | –                               | –                                      | –                                      | 103,783               | –                                       | 103,783             |
| – Stormwater drainage                                      | 647,812               | (194,328)                               | 453,484             | 2,314                                       | 3,035                | (92)                        | (5,938)              | –                                                            | –               | –                               | –                                      | –                                      | 653,013               | (200,210)                               | 452,803             |
| – Swimming pools                                           | 1,512                 | (525)                                   | 987                 | –                                           | –                    | –                           | (14)                 | –                                                            | –               | –                               | –                                      | –                                      | 1,512                 | (539)                                   | 973                 |
| – Other open space/recreational assets                     | 71,791                | (28,527)                                | 43,264              | 4,424                                       | 4,387                | (1,888)                     | (3,379)              | –                                                            | –               | 104                             | –                                      | –                                      | 76,617                | (29,705)                                | 46,912              |
| <b>Other assets:</b>                                       |                       |                                         |                     |                                             |                      |                             |                      |                                                              |                 |                                 |                                        |                                        |                       |                                         |                     |
| – Heritage collections                                     | 2,456                 | –                                       | 2,456               | 90                                          | 116                  | –                           | –                    | –                                                            | –               | 1,019                           | –                                      | –                                      | 4,463                 | (782)                                   | 3,681               |
| – Library books                                            | 7,336                 | (4,111)                                 | 3,225               | –                                           | 299                  | –                           | (1,009)              | –                                                            | –               | –                               | –                                      | –                                      | 7,636                 | (5,121)                                 | 2,515               |
| – Other                                                    | 6,946                 | (574)                                   | 6,372               | –                                           | 701                  | –                           | (285)                | –                                                            | –               | –                               | –                                      | –                                      | 7,647                 | (859)                                   | 6,788               |
| <b>Total infrastructure, property, plant and equipment</b> | <b>3,595,949</b>      | <b>(725,213)</b>                        | <b>2,870,736</b>    | <b>58,232</b>                               | <b>158,826</b>       | <b>(67,911)</b>             | <b>(43,072)</b>      | <b>(465)</b>                                                 | <b>(83,550)</b> | <b>–</b>                        | <b>(9,696)</b>                         | <b>35,924</b>                          | <b>3,655,881</b>      | <b>(736,857)</b>                        | <b>2,919,024</b>    |

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

## C1-5 Infrastructure, property, plant and equipment (continued)

| By aggregated asset class                                  | At 1 July 2019        |                                         |                     | Asset movements during the reporting period |                      |                             |                      |                 |                           |                                          |                                        |                                        | At 30 June 2020       |                                         |                     |
|------------------------------------------------------------|-----------------------|-----------------------------------------|---------------------|---------------------------------------------|----------------------|-----------------------------|----------------------|-----------------|---------------------------|------------------------------------------|----------------------------------------|----------------------------------------|-----------------------|-----------------------------------------|---------------------|
|                                                            | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount | Additions renewals <sup>1</sup>             | Additions new assets | Carrying value of disposals | Depreciation expense | WIP capitalised | Adjustments and transfers | Reclassification of Net Carrying Amounts | Revaluation decrements to equity (ARR) | Revaluation increments to equity (ARR) | Gross carrying amount | Accumulated depreciation and impairment | Net carrying amount |
| <b>\$ '000</b>                                             |                       |                                         |                     |                                             |                      |                             |                      |                 |                           |                                          |                                        |                                        |                       |                                         |                     |
| Capital work in progress                                   | 55,208                | –                                       | 55,208              | 30,811                                      | 68,980               | –                           | –                    | (83,624)        | –                         | –                                        | –                                      | –                                      | 71,375                | –                                       | 71,375              |
| Plant and equipment                                        | 18,974                | (9,317)                                 | 9,657               | –                                           | 4,622                | (1,075)                     | (2,901)              | –               | –                         | –                                        | –                                      | –                                      | 20,482                | (10,179)                                | 10,303              |
| Office equipment                                           | 8,087                 | (3,680)                                 | 4,407               | –                                           | 3,380                | –                           | (1,085)              | –               | –                         | (445)                                    | –                                      | –                                      | 10,637                | (4,380)                                 | 6,257               |
| Furniture and fittings                                     | 18,885                | (9,703)                                 | 9,182               | –                                           | 3,288                | –                           | (1,835)              | –               | 76                        | –                                        | –                                      | –                                      | 22,258                | (11,547)                                | 10,711              |
| <b>Land:</b>                                               |                       |                                         |                     |                                             |                      |                             |                      |                 |                           |                                          |                                        |                                        |                       |                                         |                     |
| – Operational land                                         | 311,443               | –                                       | 311,443             | –                                           | –                    | (9,457)                     | –                    | –               | (1,357)                   | –                                        | –                                      | 104,475                                | 405,104               | –                                       | 405,104             |
| – Community land                                           | 310,799               | –                                       | 310,799             | –                                           | 4                    | –                           | –                    | –               | 1,357                     | –                                        | –                                      | –                                      | 312,160               | –                                       | 312,160             |
| – Land under roads (post 30/6/08)                          | 2,151                 | –                                       | 2,151               | –                                           | –                    | –                           | –                    | –               | –                         | –                                        | –                                      | –                                      | 2,151                 | –                                       | 2,151               |
| – Crown land                                               | 74,558                | –                                       | 74,558              | –                                           | –                    | (14,060)                    | –                    | –               | –                         | –                                        | –                                      | –                                      | 60,498                | –                                       | 60,498              |
| Land improvements – depreciable                            | 29,024                | (7,794)                                 | 21,230              | 110                                         | 4,572                | (47)                        | (623)                | –               | –                         | –                                        | –                                      | –                                      | 33,610                | (8,368)                                 | 25,242              |
| <b>Infrastructure:</b>                                     |                       |                                         |                     |                                             |                      |                             |                      |                 |                           |                                          |                                        |                                        |                       |                                         |                     |
| – Buildings – non-specialised                              | 209,004               | (52,016)                                | 156,988             | 4,636                                       | 20,950               | (228)                       | (2,841)              | –               | (76)                      | –                                        | –                                      | –                                      | 234,196               | (54,767)                                | 179,429             |
| – Buildings – specialised                                  | 31,186                | (11,506)                                | 19,680              | 672                                         | 2,521                | –                           | (494)                | –               | –                         | –                                        | –                                      | –                                      | 34,379                | (12,000)                                | 22,379              |
| – Other structures                                         | 21,968                | (7,599)                                 | 14,369              | 99                                          | 2,375                | –                           | (835)                | –               | (7)                       | –                                        | –                                      | –                                      | 24,435                | (8,434)                                 | 16,001              |
| – Roads                                                    | 1,213,721             | (287,534)                               | 926,187             | 13,071                                      | 2,024                | (3,890)                     | (16,500)             | –               | –                         | (45)                                     | (411)                                  | –                                      | 1,221,240             | (300,804)                               | 920,436             |
| – Bridges                                                  | 100,819               | (31,025)                                | 69,794              | 111                                         | –                    | –                           | (1,136)              | –               | 7                         | –                                        | –                                      | –                                      | 100,938               | (32,162)                                | 68,776              |
| – Footpaths                                                | 190,466               | (52,089)                                | 138,377             | 4,287                                       | 7,256                | (848)                       | (2,797)              | –               | –                         | (2)                                      | –                                      | –                                      | 200,780               | (54,507)                                | 146,273             |
| – Bulk earthworks (non-depreciable)                        | 104,029               | –                                       | 104,029             | –                                           | –                    | (99)                        | –                    | –               | –                         | –                                        | (77)                                   | –                                      | 103,853               | –                                       | 103,853             |
| – Stormwater drainage                                      | 479,696               | (169,854)                               | 309,842             | 1,213                                       | 371                  | –                           | (4,279)              | –               | –                         | –                                        | –                                      | 146,337                                | 647,812               | (194,328)                               | 453,484             |
| – Swimming pools                                           | 1,512                 | (511)                                   | 1,001               | –                                           | –                    | –                           | (14)                 | –               | –                         | –                                        | –                                      | –                                      | 1,512                 | (525)                                   | 987                 |
| – Other open space/recreational assets                     | 69,611                | (25,900)                                | 43,711              | 1,157                                       | 2,578                | (890)                       | (3,271)              | –               | –                         | (21)                                     | –                                      | –                                      | 71,791                | (28,527)                                | 43,264              |
| <b>Other assets:</b>                                       |                       |                                         |                     |                                             |                      |                             |                      |                 |                           |                                          |                                        |                                        |                       |                                         |                     |
| – Heritage collections                                     | 2,443                 | –                                       | 2,443               | –                                           | 13                   | –                           | –                    | –               | –                         | –                                        | –                                      | –                                      | 2,456                 | –                                       | 2,456               |
| – Library books                                            | 5,924                 | (3,254)                                 | 2,670               | –                                           | 1,412                | –                           | (857)                | –               | –                         | –                                        | –                                      | –                                      | 7,336                 | (4,111)                                 | 3,225               |
| – Other                                                    | 6,026                 | (315)                                   | 5,711               | –                                           | 920                  | –                           | (259)                | –               | –                         | –                                        | –                                      | –                                      | 6,946                 | (574)                                   | 6,372               |
| <b>Total infrastructure, property, plant and equipment</b> | <b>3,265,534</b>      | <b>(672,097)</b>                        | <b>2,593,437</b>    | <b>56,167</b>                               | <b>125,266</b>       | <b>(30,594)</b>             | <b>(39,727)</b>      | <b>(83,624)</b> | <b>–</b>                  | <b>(513)</b>                             | <b>(488)</b>                           | <b>250,812</b>                         | <b>3,595,949</b>      | <b>(725,213)</b>                        | <b>2,870,736</b>    |

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

## C1-5 Infrastructure, property, plant and equipment (continued)

### Accounting policy

#### Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

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

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. Council has assessed that any difference between fair value and the depreciated historical cost is unlikely to be material.

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.

#### Useful lives of IPPE

Land, bulk earthworks and heritage assets are not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Plant and equipment       | Years     | Buildings                          | Years      |
|---------------------------|-----------|------------------------------------|------------|
| Office equipment          | 5 to 10   | Structure                          | 40 to 120  |
| Office furniture          | 10        | Roof                               | 75         |
| Computer equipment        | 5         | Fitouts and fittings, services     | 2 to 180   |
| Vehicles                  | 5 to 10   | <b>Stormwater assets</b>           |            |
| Other plant and equipment | 5 to 10   | Pits and pipes                     | 100 to 120 |
| <b>Roads</b>              |           | <b>Other infrastructure assets</b> |            |
| Road surface              | 12 to 40  | Bridge surface and deck            | 20 to 100  |
| Road pavement base        | 80 to 100 | Bridge structure                   | 40 to 200  |
| Road pavement subbase     | 150       | Swimming pools                     | 20 to 50   |
| Kerb and gutter           | 100       | Open space assets                  | 5 to 100   |
| <b>Other Assets</b>       |           | Bus shelters                       | 30         |
| Library books             | 5         | Other structures                   | 5 to 100   |
| Trees                     | 50 to 100 | <b>Footpaths</b>                   |            |
| Other Assets              | 5 to 10   | Footpaths                          | 20 to 100  |

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

#### Revaluation model

Infrastructure, property, plant and equipment (IPP&E) are held at fair value. Comprehensive valuations are performed at least every five years, however, the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from the current fair value according to AASB 13.

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to 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 AASB 1051 Land Under Roads.

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

## C1-5 Infrastructure, property, plant and equipment (continued)

### 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.

## C1-6 Intangible assets

Intangible assets are as follows:

| \$ '000                                          | 2021         | 2020         |
|--------------------------------------------------|--------------|--------------|
| <b>IT Development and Software</b>               |              |              |
| <b>Opening values at 1 July</b>                  |              |              |
| Gross book value                                 | 13,501       | 10,650       |
| Accumulated amortisation                         | (9,345)      | (8,155)      |
| <b>Net book value – opening balance</b>          | <b>4,156</b> | <b>2,495</b> |
| <b>Movements for the year</b>                    |              |              |
| Purchases                                        | 555          | 2,021        |
| Amortisation charges                             | (1,120)      | (805)        |
| Development costs                                | 758          | –            |
| – Gross book value reclassified from PPE         | –            | 831          |
| – Accumulated amortisation reclassified from PPE | –            | (386)        |
| <b>Closing values at 30 June</b>                 |              |              |
| Gross book value                                 | 14,814       | 13,501       |
| Accumulated amortisation                         | (10,465)     | (9,345)      |
| <b>Total intangible assets - net book value</b>  | <b>4,349</b> | <b>4,156</b> |

### Accounting policy

#### IT development and software

Software development costs include only those costs directly attributable to the development phase (including external direct costs of materials and services, direct payroll, and payroll-related costs of employees' time spent on the project) and are only recognised following completion of technical feasibility, and where the Council has an intention and ability to use the asset. Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over a range of assets including buildings, IT equipment. Information relating to the leases in place and associated balances and transactions is provided below.

#### Terms and conditions of leases

##### Buildings

Council leases buildings for their corporate offices and other buildings; the leases are generally between 2 and 7 years and some of them include a renewal option to allow Council to renew for up to twice the non-cancellable lease term at their discretion.

The building leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

##### Garbage trucks

Council leases garbage trucks with lease term 7 years; the lease payments are variable depending on the number of collections performed during the lease term and there is generally no renewal option.

##### Office and IT equipment

Leases for office and IT equipment are generally for low-value assets. The leases are for between 2 and 6 years with no renewal option, the payments are fixed, however, some of the leases include variable payments based on usage.

##### Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

#### (a) Right of use assets

| \$ '000                                       | Buildings     | Office and IT Equipment | Total         |
|-----------------------------------------------|---------------|-------------------------|---------------|
| <b>2021</b>                                   |               |                         |               |
| Opening balance at 1 July                     | 29,124        | 46                      | 29,170        |
| Additions/modification to right-of-use assets | (17,101)      | –                       | (17,101)      |
| Depreciation charge                           | (4,854)       | (23)                    | (4,877)       |
| <b>Balance at 30 June</b>                     | <b>7,169</b>  | <b>23</b>               | <b>7,192</b>  |
| <b>2020</b>                                   |               |                         |               |
| Opening balance at 1 July                     | 33,959        | –                       | 33,959        |
| Additions/modification to right-of-use assets | –             | 69                      | 69            |
| Depreciation charge                           | (4,835)       | (23)                    | (4,858)       |
| <b>Balance at 30 June</b>                     | <b>29,124</b> | <b>46</b>               | <b>29,170</b> |

#### (b) Lease liabilities

| \$ '000                        | 2021 Current | 2021 Non-current | 2020 Current | 2020 Non-current |
|--------------------------------|--------------|------------------|--------------|------------------|
| Lease liabilities              | 4,605        | 1,978            | 3,797        | 24,319           |
| <b>Total lease liabilities</b> | <b>4,605</b> | <b>1,978</b>     | <b>3,797</b> | <b>24,319</b>    |

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

### (c) (i) The maturity analysis

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

| \$ '000     | < 1 year | 1 – 5 years | > 5 years | Total  | Total per Statement of Financial Position |
|-------------|----------|-------------|-----------|--------|-------------------------------------------|
| <b>2021</b> |          |             |           |        |                                           |
| Cash flows  | 4,716    | 1,978       | –         | 6,694  | 6,583                                     |
| <b>2020</b> |          |             |           |        |                                           |
| Cash flows  | 4,605    | 16,176      | 10,436    | 31,217 | 28,116                                    |

### (d) Income Statement

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

| \$ '000                                                                                     | 2021          | 2020          |
|---------------------------------------------------------------------------------------------|---------------|---------------|
| Interest on lease liabilities                                                               | 711           | 803           |
| Variable lease payments based on usage not included in the measurement of lease liabilities | 14,725        | 12,719        |
| Depreciation of right of use assets                                                         | 4,877         | 4,858         |
| Expenses relating to short-term leases                                                      | 161           | 169           |
| Expenses relating to low-value leases                                                       | 416           | 200           |
|                                                                                             | <b>20,890</b> | <b>18,749</b> |

### (e) Statement of Cash Flows

|                               |               |               |
|-------------------------------|---------------|---------------|
| Total cash outflow for leases | 19,673        | 17,511        |
|                               | <b>19,673</b> | <b>17,511</b> |

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

Council has a number of leases at significantly below market for land and buildings which are used for storage for the excess art from the art gallery, visitors centers, and other community services provided by Council.

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

### Accounting policy

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-

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

of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

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

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

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

### Exceptions to lease accounting

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

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

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

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included in the Statement of Financial Position as:

– property, plant and equipment – where the rental is incidental or the asset is held to meet Councils service delivery objective (refer note C1-5).

| \$ '000 | 2021 | 2020 |
|---------|------|------|
|---------|------|------|

### Operating lease expenses

#### Assets held as property, plant and equipment

|                                                                                      |              |              |
|--------------------------------------------------------------------------------------|--------------|--------------|
| Direct operating expenses that generated rental income                               | 848          | 667          |
| Lease income (excluding variable lease payments not dependent on an index or rate)   | 318          | 413          |
| Lease income relating to variable lease payments not dependent on an index or a rate | 3,184        | 2,882        |
| <b>Total income relating to operating leases for Council assets</b>                  | <b>4,350</b> | <b>3,962</b> |

#### Other leased assets expenses

|                                                       |            |            |
|-------------------------------------------------------|------------|------------|
| Other                                                 | 915        | 303        |
| <b>Total expenses relating to other leases assets</b> | <b>915</b> | <b>303</b> |

### (iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

|           |     |     |
|-----------|-----|-----|
| < 1 year  | 523 | 367 |
| 1–2 years | 288 | 329 |
| 2–3 years | 258 | 309 |
| 3–4 years | 258 | 279 |
| 4–5 years | 258 | 279 |

continued on next page ...

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

| <b>\$ '000</b>                                          | <b>2021</b>   | <b>2020</b> |
|---------------------------------------------------------|---------------|-------------|
| > 5 years                                               | <b>17,562</b> | 17,584      |
| <b>Total undiscounted lease payments to be received</b> | <b>19,147</b> | 19,147      |

**Accounting policy**

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

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

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

The lease income is recognised on a straight-line basis over the lease term for an operating lease.

## C3 Liabilities of Council

### C3-1 Payables

| \$ '000                                 | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|-----------------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>Payables</b>                         |                 |                     |                 |                     |
| Goods and services                      | 14,202          | –                   | 8,532           | –                   |
| Security bonds, deposits and retentions | 12,306          | –                   | 11,858          | –                   |
| Accrued expenses:                       |                 |                     |                 |                     |
| – Materials and contracts               | 14,796          | –                   | 14,766          | –                   |
| – Salaries and wages                    | 1,684           | –                   | 1,138           | –                   |
| – Accrued Interest                      | 127             | –                   | 163             | –                   |
| Environment upgrade agreement           | 140             | 316                 | 140             | 457                 |
| Government departments and agencies     | –               | –                   | –               | –                   |
| <b>Total payables</b>                   | <b>43,255</b>   | <b>316</b>          | <b>36,597</b>   | <b>457</b>          |
| <b>Total payables</b>                   | <b>43,255</b>   | <b>316</b>          | <b>36,597</b>   | <b>457</b>          |

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

| \$ '000                                                                                                             | 2021         | 2020         |
|---------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| The following liabilities, even though classified as current, are not expected to be settled in the next 12 months. |              |              |
| Payables – security bonds, deposits and retentions                                                                  | 9,754        | 9,375        |
| <b>Total payables and borrowings</b>                                                                                | <b>9,754</b> | <b>9,375</b> |

#### Accounting policy

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

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

### C3-2 Contract liabilities

| \$ '000                                                                                          | Notes | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|--------------------------------------------------------------------------------------------------|-------|-----------------|---------------------|-----------------|---------------------|
| <b>Grants and contributions received in advance:</b>                                             |       |                 |                     |                 |                     |
| Unexpended capital grants (to construct Council controlled assets)                               | (i)   | 14,856          | –                   | 800             | –                   |
| <b>Total grants received in advance</b>                                                          |       | <b>14,856</b>   | <b>–</b>            | <b>800</b>      | <b>–</b>            |
| <b>User fees and charges received in advance:</b>                                                |       |                 |                     |                 |                     |
| Funds received prior to the performance obligations being satisfied (upfront payments) - AASB 15 | (ii)  | 5,765           | –                   | 4,234           | –                   |
| Upfront fees – swimming pools and childcare                                                      |       | 668             | –                   | 80              | –                   |
| <b>Total user fees and charges received in advance</b>                                           |       | <b>6,433</b>    | <b>–</b>            | <b>4,314</b>    | <b>–</b>            |

## C3-2 Contract liabilities (continued)

|                            |        |   |       |   |
|----------------------------|--------|---|-------|---|
| Total contract liabilities | 21,289 | – | 5,114 | – |
|----------------------------|--------|---|-------|---|

### Notes

(i) Council has received funding to construct assets including playgrounds, parks, streetlighting, and footpaths. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) Upfront payments of user charges include tickets and bonds paid to Riverside Theatre, swimming pool fees, sports field hire fees, planning and building regulation fees, construction zone fees, road opening fees, and other application fees. The contract liability relates to the funds received prior to the performance obligations being satisfied. Council will recognise revenue when the performance obligation has been satisfied, as per the recognition criteria in AASB 15.

### (i) Revenue recognised (during the financial year) from opening contract liability balances

| \$ '000                                                                                                            | 2021         | 2020         |
|--------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <b>Grants and contributions received in advance:</b>                                                               |              |              |
| Capital grants (to construct Council controlled assets)                                                            | 800          | –            |
| <b>User fees and charges received in advance:</b>                                                                  |              |              |
| Funds received prior to the performance obligations being satisfied (upfront payments)                             |              |              |
| - AASB 15                                                                                                          | 1,909        | 3,483        |
| Upfront fees – swimming pools                                                                                      | 40           | 40           |
| <b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b> | <b>2,749</b> | <b>3,523</b> |

### Significant changes in contract liabilities

Significant changes to contract liability are largely attributable to the upfront payment of grants relating to the Parramatta Road Urban Amenities Improvement Project (PRUAIP), which involves the acquisition of several land parcels at Bridge Street, Granville, and the construction of streetscape and open space assets at Good and Bridge Street, Granville.

### Accounting policy

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

## C3-3 Borrowings

| \$ '000                      | 2021<br>Current | 2021<br>Non-current | 2020<br>Current | 2020<br>Non-current |
|------------------------------|-----------------|---------------------|-----------------|---------------------|
| Loans – secured <sup>1</sup> | 9,193           | 12,494              | 8,981           | 21,687              |
| <b>Total borrowings</b>      | <b>9,193</b>    | <b>12,494</b>       | <b>8,981</b>    | <b>21,687</b>       |

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 21.

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

| \$ '000                                            | 2020            |                 | Non-cash movements                             |                         | 2021            |
|----------------------------------------------------|-----------------|-----------------|------------------------------------------------|-------------------------|-----------------|
|                                                    | Opening Balance | Cash flows      | Acquisition due to change in accounting policy | Other non-cash movement | Closing balance |
| Loans – secured                                    | 30,668          | (8,981)         | –                                              | –                       | 21,687          |
| Lease liability (Note C2-1b)                       | 28,116          | (3,847)         | –                                              | (17,686)                | 6,583           |
| <b>Total liabilities from financing activities</b> | <b>58,784</b>   | <b>(12,828)</b> | <b>–</b>                                       | <b>(17,686)</b>         | <b>28,270</b>   |

## C3-3 Borrowings (continued)

|                                                    | 2019            |                 | Non-cash movements |                    |                                                |                         | 2020            |
|----------------------------------------------------|-----------------|-----------------|--------------------|--------------------|------------------------------------------------|-------------------------|-----------------|
|                                                    | Opening Balance | Cash flows      | Acquisition        | Fair value changes | Acquisition due to change in accounting policy | Other non-cash movement | Closing balance |
| <b>\$ '000</b>                                     |                 |                 |                    |                    |                                                |                         |                 |
| Loans – secured                                    | 39,416          | (8,748)         | –                  | –                  | –                                              | –                       | 30,668          |
| Lease liability (Note C2-1b)                       | –               | (3,620)         | –                  | –                  | 31,667                                         | 69                      | 28,116          |
| <b>Total liabilities from financing activities</b> | <b>39,416</b>   | <b>(12,368)</b> | <b>–</b>           | <b>–</b>           | <b>31,667</b>                                  | <b>69</b>               | <b>58,784</b>   |

### C3-3 Borrowings (continued)

#### (b) Financing arrangements

| \$ '000                                     | 2021         | 2020         |
|---------------------------------------------|--------------|--------------|
| <b>Total facilities</b>                     |              |              |
| Bank overdraft facilities <sup>1</sup>      | 1,000        | 1,000        |
| Credit cards/purchase cards                 | 280          | 200          |
| <b>Total financing arrangements</b>         | <b>1,280</b> | <b>1,200</b> |
| <b>Undrawn facilities</b>                   |              |              |
| – Bank overdraft facilities                 | 1,000        | 1,000        |
| – Credit cards/purchase cards               | 218          | 151          |
| <b>Total undrawn financing arrangements</b> | <b>1,218</b> | <b>1,151</b> |

#### Breaches and defaults

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

(1) The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

#### Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost 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.

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.

### C3-4 Employee benefit provisions

| <b>\$ '000</b>                           | <b>2021<br/>Current</b> | <b>2021<br/>Non-current</b> | <b>2020<br/>Current</b> | <b>2020<br/>Non-current</b> |
|------------------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|
| Long service leave                       | 18,258                  | 1,169                       | 17,585                  | 1,529                       |
| Annual leave                             | 12,445                  | –                           | 11,006                  | –                           |
| Sick leave                               | 748                     | –                           | 974                     | –                           |
| Other employee provisions                | 5,138                   | –                           | 1,371                   | –                           |
| <b>Total employee benefit provisions</b> | <b>36,589</b>           | <b>1,169</b>                | <b>30,936</b>           | <b>1,529</b>                |

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

| <b>\$ '000</b>                                                                                                     | <b>2021</b>   | <b>2020</b>   |
|--------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| The following provisions, even though classified as current, are not expected to be settled in the next 12 months. |               |               |
| Provisions – employees benefits                                                                                    | 18,904        | 18,425        |
|                                                                                                                    | <b>18,904</b> | <b>18,425</b> |

## C3-4 Employee benefit provisions (continued)

### Accounting policy

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

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

## C3-5 Provisions

| \$ '000                             | 2021<br>Current | 2021<br>Non-Current | 2020<br>Current | 2020<br>Non-Current |
|-------------------------------------|-----------------|---------------------|-----------------|---------------------|
| <b>Other provisions</b>             |                 |                     |                 |                     |
| Asbestos removal - Land             | 2,617           | 26,633              | 9,089           | 7,181               |
| Asbestos removal - Buildings        | 561             | –                   | 612             | –                   |
| Make good provisions                | 287             | 2,292               | –               | 2,578               |
| Legal expense                       | 80              | –                   | 233             | –                   |
| <b>Sub-total – other provisions</b> | <b>3,545</b>    | <b>28,925</b>       | <b>9,934</b>    | <b>9,759</b>        |
| <b>Total provisions</b>             | <b>3,545</b>    | <b>28,925</b>       | <b>9,934</b>    | <b>9,759</b>        |

### Description of and movements in provisions

| \$ '000                                      | Other provisions           |               |                       |                      | Net carrying amount |
|----------------------------------------------|----------------------------|---------------|-----------------------|----------------------|---------------------|
|                                              | Asbestos removal Buildings | Legal expense | Asbestos removal Land | Make good provisions |                     |
| <b>2021</b>                                  |                            |               |                       |                      |                     |
| At beginning of year                         | 612                        | 233           | 16,270                | 2,578                | 19,693              |
| Additional provisions                        | –                          | –             | 13,197                | –                    | 13,197              |
| Amounts used (payments)                      | (51)                       | (154)         | (218)                 | –                    | (423)               |
| <b>Total other provisions at end of year</b> | <b>561</b>                 | <b>79</b>     | <b>29,249</b>         | <b>2,578</b>         | <b>32,467</b>       |
| <b>2020</b>                                  |                            |               |                       |                      |                     |
| At beginning of year                         | 663                        | 441           | 6,000                 | 2,393                | 9,497               |
| Additional provisions                        | –                          | 100           | 12,022                | 185                  | 12,307              |
| Amounts used (payments)                      | (51)                       | (308)         | (1,752)               | –                    | (2,111)             |
| <b>Total other provisions at end of year</b> | <b>612</b>                 | <b>233</b>    | <b>16,270</b>         | <b>2,578</b>         | <b>19,693</b>       |

continued on next page ...

## C3-5 Provisions (continued)

### Nature and purpose of provisions

#### Make Good Provisions

Make good provision is recognised for the estimated cost to restore leased premises to its original condition at the conclusion of the lease.

#### Asbestos Removal

This provision is made for the estimated present value of the costs of asbestos removal from parks, reserves and buildings as at reporting date. Provision is calculated based on the number of sites that were already identified by the Council as contaminated.

The ultimate cost of asbestos removal is uncertain and cost estimates can vary in response to many factors including findings of ongoing investigations as more contaminated land is discovered, updated cost estimates, restoration techniques or experience at other locations.

### Accounting policy

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.

#### Defined Benefit Plan: Multi-Employer Pooled Fund

Council participates in an employer sponsored Defined Benefit Superannuation Scheme (the Fund) that is a multi-employer plan.

*(a) a description of the funding arrangements, including the method used to determine the entity's rate of contributions and any minimum funding requirements.*

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

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

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

\*For 180 Point Members, Employers are required to contribute 7% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40m for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

*(b) a description of the extent to which the entity can be liable to the plan for other entities' obligations under the terms and conditions of the multi-employer plan.*

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

However there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment

## C3-5 Provisions (continued)

of outstanding past service contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

(c) a description of any agreed allocation of a deficit of surplus on:

(i) wind-up of the plan

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

(ii) the entity's withdrawal from the plan

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

(d) given the entity accounts for that plan as if were a defined contribution plan in accordance with paragraph 34, the following information:

(i) the fact that the plan is a defined benefit plan.

Council confirms that the plan is a defined benefit plan.

(ii) the reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.

(iii) the expected contribution to the plan for the next annual reporting period.

The expected contributions by Council to the Fund for the next annual reporting period are \$803,100.96

(iv) information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

| Employer reserves only*  | \$millions | Asset Coverage |
|--------------------------|------------|----------------|
| Assets                   | 2,620.5    |                |
| Past Service Liabilities | 2,445.6    | 107.2%         |
| Vested Benefits          | 2,468.7    | 96.5%          |

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

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

|                   |                 |
|-------------------|-----------------|
| Investment return | 5.75% per annum |
| Salary inflation  | 3.5% per annum  |
| Increase in CPI   | 2.5% per annum  |

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2021.

The requirement for additional contributions in order to maintain the adequacy of the funding position for the accrued liabilities (currently \$40m per annum) is assessed annually by the Actuary.

The past service contributions of \$40M per annum remain in place and will continue to be reviewed on an annual basis or as required. Council advises that it is estimated that there are \$393,500 past service contributions remaining.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2021 was \$870,643.78. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA as at 30 June 2020.

(v) an indication of the level of participation of the entity in the plan compared with other participating entities.

Based on a Past Service Liabilities methodology, the share of the surplus attributed to Council is 0.98%.

## C4 Reserves

### C4-1 Nature and purpose of reserves

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#### **Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment

## D Council structure

### D1-1 Interests in other entities

| \$ '000                                                                                               | Council's share of net assets |              |
|-------------------------------------------------------------------------------------------------------|-------------------------------|--------------|
|                                                                                                       | 2021                          | 2020         |
| <b>Council's share of net assets</b>                                                                  |                               |              |
| <b>Net share of interests in joint ventures and associates using the equity method – assets</b>       |                               |              |
| Joint ventures -Civic Risk entities                                                                   | –                             | 6,095        |
| <b>Total net share of interests in joint ventures and associates using the equity method – assets</b> | <b>–</b>                      | <b>6,095</b> |

#### Restructure of Civic Risk entities to Civic Risk Mutual Ltd

As part of the business efficiency and compliance project the CivicRisk entities legally combined into CivicRisk Mutual Ltd from 1 July 2020.

The change in business structure has an impact on where members report their share of surpluses from the financial year 2020-21 years onwards. Member's surplus in CivicRisk Mutual Ltd was reported as a passive interest (financial asset) and accounted for in accordance with AASB 9. The interest is required to be held at fair value through profit or loss by members. Refer to Note C1-2 Investments.

### D1-2 Unconsolidated structured entities

Council did not consolidate the following structured entities:

#### Parramasala

The principal objective of Parramasala Limited is the promotion of multicultural literature, music, performing arts, visual arts, craft, design, film and community arts. Multicultural NSW and City of Parramatta Council are two investors of the Company. Investors sign a two-year agreement with Parramasala.

The two-year agreement ended on 30 June 2020. The festival was cancelled due to COVID-19 and no new agreement has been entered into by either party.

## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

| \$ '000                                   | Carrying value<br>2021 | Carrying value<br>2020 | Fair value<br>2021 | Fair value<br>2020 |
|-------------------------------------------|------------------------|------------------------|--------------------|--------------------|
| <b>Financial assets</b>                   |                        |                        |                    |                    |
| <b>Measured at amortised cost</b>         |                        |                        |                    |                    |
| Cash and cash equivalents                 | 74,401                 | 57,045                 | 74,401             | 57,045             |
| Receivables                               | 221,532                | 149,672                | 220,682            | 148,185            |
| Investments                               |                        |                        |                    |                    |
| – Debt securities at amortised cost       | 344,105                | 336,630                | 344,105            | 336,630            |
| – Loans and receivables                   | 5,600                  | –                      | –                  | –                  |
| <b>Fair value through profit and loss</b> |                        |                        |                    |                    |
| Investments                               |                        |                        |                    |                    |
| – Held for trading                        | 129,148                | 161,039                | 134,748            | 161,039            |
| <b>Total financial assets</b>             | <b>774,786</b>         | <b>704,386</b>         | <b>773,936</b>     | <b>702,899</b>     |
| <b>Financial liabilities</b>              |                        |                        |                    |                    |
| Payables                                  | 43,571                 | 37,054                 | 43,571             | 37,054             |
| Borrowings                                | 21,687                 | 30,668                 | 20,820             | 29,030             |
| Lease liabilities                         | 6,583                  | 28,116                 | 6,583              | 28,116             |
| <b>Total financial liabilities</b>        | <b>71,841</b>          | <b>95,838</b>          | <b>70,974</b>      | <b>94,200</b>      |

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the s 625 of the *Local Government Act* and the Ministerial Investment Order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments 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 are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** - the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council.

Council manages these risks (among other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

## E1-1 Risks relating to financial instruments held (continued)

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

| <b>\$ '000</b>                                                                                                                                                                                                                                                                             | <b>2021</b>   | <b>2020</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------|
| The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date. |               |             |
| Impact of a 1% movement in interest rates                                                                                                                                                                                                                                                  |               |             |
| – Equity / Income Statement                                                                                                                                                                                                                                                                | <b>4,185</b>  | 3,937       |
| Impact of a 10% movement in price of investments                                                                                                                                                                                                                                           |               |             |
| – Equity / Income Statement                                                                                                                                                                                                                                                                | <b>13,475</b> | 16,104      |

### (b) Credit risk

Council's major receivables comprise (i) rates and annual charges, (ii) user charges and fees, (iii) capital receivable from sale of land.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – 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 the payment of debt.

The receivable from Walker Corporation is secured by:

- \$10.5m bank guarantee,
- holding company guarantee from Walker Holding Group,
- positive covenant on the land title.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

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

## E1-1 Risks relating to financial instruments held (continued)

### Credit risk profile

#### Receivables – rates and annual charges

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

| \$ '000               | Not yet<br>overdue | < 1 year<br>overdue | 1 - 2 years<br>overdue | 2 - 5 years<br>overdue | > 5 years<br>overdue | Total  |
|-----------------------|--------------------|---------------------|------------------------|------------------------|----------------------|--------|
| <b>2021</b>           |                    |                     |                        |                        |                      |        |
| Gross carrying amount | –                  | 16,441              | 912                    | 357                    | 562                  | 18,272 |
| <b>2020</b>           |                    |                     |                        |                        |                      |        |
| Gross carrying amount | –                  | 12,948              | 542                    | 181                    | 427                  | 14,098 |

#### Receivables other than rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses (ECL) prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

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

| \$ '000                | Not yet<br>overdue | 0 - 30 days<br>overdue | 31 - 60 days<br>overdue | 61 - 90 days<br>overdue | > 91 days<br>overdue | Total        |
|------------------------|--------------------|------------------------|-------------------------|-------------------------|----------------------|--------------|
| <b>2021</b>            |                    |                        |                         |                         |                      |              |
| Gross carrying amount  | 202,030            | 942                    | –                       | 646                     | 555                  | 204,173      |
| Expected loss rate (%) | 0.00%              | 0.00%                  | 0.00%                   | 44.80%                  | 100.00%              | 0.41%        |
| <b>ECL provision</b>   | <b>–</b>           | <b>–</b>               | <b>–</b>                | <b>289</b>              | <b>555</b>           | <b>844</b>   |
| <b>2020</b>            |                    |                        |                         |                         |                      |              |
| Gross carrying amount  | 134,379            | 1,404                  | 131                     | 126                     | 612                  | 136,652      |
| Expected loss rate (%) | 0.00%              | 10.00%                 | 100.00%                 | 100.00%                 | 100.00%              | 0.74%        |
| <b>ECL provision</b>   | <b>–</b>           | <b>140</b>             | <b>131</b>              | <b>126</b>              | <b>612</b>           | <b>1,009</b> |

## E1-1 Risks relating to financial instruments held (continued)

### (c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

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

| \$ '000                            | Weighted<br>average<br>interest<br>rate | Subject<br>to no<br>maturity | ≤ 1 Year      | payable in:<br>1 - 5<br>Years | > 5 Years | Total<br>contractu<br>al cash<br>flows | Actual<br>carrying<br>values |
|------------------------------------|-----------------------------------------|------------------------------|---------------|-------------------------------|-----------|----------------------------------------|------------------------------|
| <b>2021</b>                        |                                         |                              |               |                               |           |                                        |                              |
| Trade/other payables               | 0.00%                                   | 12,306                       | 30,808        | 457                           | –         | 43,571                                 | 43,571                       |
| Loans and advances                 | 0.00%                                   | –                            | 9,193         | 12,494                        | –         | 21,687                                 | 21,687                       |
| <b>Total financial liabilities</b> |                                         | <b>12,306</b>                | <b>40,001</b> | <b>12,951</b>                 | <b>–</b>  | <b>65,258</b>                          | <b>65,258</b>                |
| <b>2020</b>                        |                                         |                              |               |                               |           |                                        |                              |
| Trade/other payables               | 0.00%                                   | 11,858                       | 25,196        | –                             | –         | 37,054                                 | 37,054                       |
| Loans and advances                 | 5.04%                                   | –                            | 8,981         | 21,687                        | –         | 30,668                                 | 30,668                       |
| <b>Total financial liabilities</b> |                                         | <b>11,858</b>                | <b>34,177</b> | <b>21,687</b>                 | <b>–</b>  | <b>67,722</b>                          | <b>67,722</b>                |

## E2-1 Fair value measurement

---

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

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

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

### Fair value hierarchy

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

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

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

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

## E2-1 Fair value measurement (continued)

|                                                     |       | Fair value measurement hierarchy |            |                                      |         |                                       |         |                                         |           |           |           |
|-----------------------------------------------------|-------|----------------------------------|------------|--------------------------------------|---------|---------------------------------------|---------|-----------------------------------------|-----------|-----------|-----------|
| \$ '000                                             | Notes | Date of latest valuation         |            | Level 1 Quoted prices in active mkts |         | Level 2 Significant observable inputs |         | Level 3 Significant unobservable inputs |           | Total     |           |
|                                                     |       | 2021                             | 2020       | 2021                                 | 2020    | 2021                                  | 2020    | 2021                                    | 2020      | 2021      | 2020      |
| Recurring fair value measurements                   |       |                                  |            |                                      |         |                                       |         |                                         |           |           |           |
| Financial assets                                    |       |                                  |            |                                      |         |                                       |         |                                         |           |           |           |
| Financial investments                               | C1-2  |                                  |            |                                      |         |                                       |         |                                         |           |           |           |
| At fair value through profit or loss                |       | 30/06/2021                       | 30/06/2020 | 129,148                              | 161,039 | —                                     | —       | 5,600                                   | —         | 134,748   | 161,039   |
| Total financial assets                              |       |                                  |            | 129,148                              | 161,039 | —                                     | —       | 5,600                                   | —         | 134,748   | 161,039   |
| Infrastructure, property, plant and equipment       |       |                                  |            |                                      |         |                                       |         |                                         |           |           |           |
| Operational land                                    |       | 30/06/2020                       | 30/06/2020 | —                                    | —       | 366,765                               | 405,104 | —                                       | —         | 366,765   | 405,104   |
| Community land                                      |       | 30/06/2018                       | 30/06/2018 | —                                    | —       | —                                     | —       | 315,124                                 | 312,160   | 315,124   | 312,160   |
| Crown Land                                          |       | 30/06/2018                       | 30/06/2018 | —                                    | —       | —                                     | —       | 60,451                                  | 60,498    | 60,451    | 60,498    |
| Land under roads                                    |       | 30/06/2018                       | 30/06/2018 | —                                    | —       | —                                     | —       | 2,151                                   | 2,151     | 2,151     | 2,151     |
| Land improvements - depreciable                     |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 27,080                                  | 25,242    | 27,080    | 25,242    |
| Buildings-non specialised                           |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 164,580                                 | 179,429   | 164,580   | 179,429   |
| Buildings-specialised                               |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 24,210                                  | 22,379    | 24,210    | 22,379    |
| Other structures                                    |       | 30/06/2021                       | 13/05/2016 | —                                    | —       | —                                     | —       | 17,473                                  | 16,001    | 17,473    | 16,001    |
| Roads                                               |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 916,436                                 | 920,436   | 916,436   | 920,436   |
| Bridges                                             |       | 30/06/2021                       | 13/05/2016 | —                                    | —       | —                                     | —       | 113,890                                 | 68,776    | 113,890   | 68,776    |
| Footpaths                                           |       | 31/03/2018                       | 31/03/2018 | —                                    | —       | —                                     | —       | 151,967                                 | 146,273   | 151,967   | 146,273   |
| Bulk earthworks                                     |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 103,783                                 | 103,853   | 103,783   | 103,853   |
| Stormwater drainage                                 |       | 30/06/2020                       | 30/06/2020 | —                                    | —       | —                                     | —       | 452,803                                 | 453,484   | 452,803   | 453,484   |
| Swimming pools                                      |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 973                                     | 987       | 973       | 987       |
| Other open space/recreational assets                |       | 30/06/2019                       | 30/06/2019 | —                                    | —       | —                                     | —       | 46,912                                  | 43,264    | 46,912    | 43,264    |
| Total infrastructure, property, plant and equipment |       |                                  |            | —                                    | —       | 366,765                               | 405,104 | 2,397,833                               | 2,354,933 | 2,764,598 | 2,760,037 |

Note:  
Capital WIP is not included above as it is carried at cost.

## E2-1 Fair value measurement (continued)

### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

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

##### Operational Land

This asset class is comprised of all Council's land classified as Operational Land under the *Local Government Act 1993*. The last valuation was undertaken on 30 June 2020 by APV Valuers & Asset Management.

Carrying amount of Operational Land was assessed at this reporting date by APV. Depending upon the unique circumstances of each lot, land has been valued using a range of approaches.

The valuation of the freehold land that has been carried out on a market value basis - assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between a willing vendor and a willing purchaser in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Where a depth in market was identified, the fair value was assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This is based on available market evidence of sales of similar or reference assets.

This asset class is categorised as level 2 as the inputs used in the valuation of these assets are observable.

##### Community Land (including Crown Land)

Community land assets are comprised of Council owned land classified as Community Land under the *Local Government Act 1993* and land under the care and management of Council on behalf of the Crown.

Council's Community Land was revalued as at 30 June 2018 based on the Valuer General's valuation.

Carrying amount of Community Land was assessed at this reporting date by management using Valuer General's revaluation. Change in carrying value was considered to be immaterial.

##### Land Under Roads

Land Under Roads identified as roads constructed post 01/07/2008 has been valued on 30/06/2018, based on Municipal Average Land Rate discounted by 90%. Council has elected to only recognise land under roads for new roads constructed after 01/07/2008.

Carrying amount of Land Under Roads was assessed at this reporting date by management and change in carrying value was considered to be immaterial.

##### Buildings

Council engaged APV Valuers & Asset Management to value all buildings and to assess change in carrying amount as at 30 June 2019.

The valuation methodology applied is dependent on whether a market exists to substantiate the value of the asset.

Where a depth in market was identified, the fair value was assessed as a best estimate of the price reasonably obtainable in the market at the date of valuation. This is based on available market evidence of sales of similar or reference assets. The net value of the building and site services is the difference between the market value of the asset (as a whole) less the market value of the land component.

Where there is no depth of market the fair value has been determined on current replacement basis. This is calculated by determining the gross current replacement cost and determining the amount of accumulated depreciation to reflect the level of service potential remaining in the asset. The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and firefighting equipment, and general lighting etc). The buildings and site improvements were physically inspected and measured. The building valuations incorporate a gross current value, net current value and residual value for each asset.

## E2-1 Fair value measurement (continued)

This asset class is categorised as level 3 as some of the inputs used in the valuation of these assets require significant professional judgment and are unobservable

### Other Structures

This asset class is comprised of the Bus Shelter, Shelters, Street Furniture, and similar assets.

As of 30 June 2021, the Other Structures assets were valued by internal experts using Level 3 valuation inputs and the cost approach.

The significant inputs used in valuing Other Structures were useful life, pattern of consumption, asset condition and gross replacement cost.

### Roads

This asset class is comprised of the Road Carriageway, Kerb & Gutter and Traffic Facilities. The road carriageway is defined as the trafficable portion of a road including the kerb and gutter.

Council's roads are componentised into the formation, pavement, sub-pavement, surface and kerb & gutter and further separated into segments for inspection and valuation.

The formation costs for roads are recognised and valued at cost. Council assumes that the carrying amount reflects the fair value of the assets due to the nature of the items. The formation of roads bulk earthworks is non-depreciable as it is not expected that the formation will not need to be renewed during the normal operational use of the assets this financial year.

A comprehensive valuation was completed on 30/06/2019 by APV Valuers & Asset Management. The cost approach was adopted to value Council roads. The replacement cost (based on unit rates), useful lives and conditions were determined by a complete condition assessment using digital imaging technology to gather the granular condition of the Road network by and external specialist Infrastructure Management Group Pty Ltd (IMG).

The valuations are based on the fair value of the modern equivalent of the existing assets. This approach has included an assessment of the overall useful life of each type of asset and the subsequent determination of the remaining useful life of each asset. The unit rates, which is a key unobservable input, is determined using rates stipulated in contracts with third party suppliers.

Pavement and Surface condition were rated by IMG this financial year. Council has a documented condition assessment manual. Each condition criteria were assessed in terms of actual affected extent and severity and applied a scaling to convert it to a 1 to 5 rating scale in line with industry recommendations, which have been aligned to the NAMS ratings 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

### Bridges

This asset class is comprised of all pedestrian and vehicle access bridges.

A revaluation was conducted as at 30 June 2021 for the existing Parramatta bridges by APV Pty Ltd.

The bridges were inspected by Pitt and Sherry Engineers and APV Pty Ltd valued using the cost approach. The significant inputs used in valuing bridges useful life, pattern of consumption, asset condition and gross replacement cost.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

### Footpaths

This asset class is comprised of pedestrian walkways and cycle ways. A comprehensive valuation was conducted by Assetic Pty Ltd on 30 March 2018. Replacement costs (unit rates) and useful lives were determined using technical knowledge. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, asset condition and residual value.

Surface condition was rated by IMG. Each condition criteria were assessed in terms of actual affected extent and severity and applied a scaling to convert it to a 1 to 5 rating scale in line with industry recommendations, which have been aligned to the NAMS ratings 1 (Excellent) to 5 (Very Poor). IMG Ltd undertook digital imagery condition survey of all Council Footpath assets. Assetic Pty Ltd used the condition data to value the footpath assets using the Cost Approach (Level 3).

## E2-1 Fair value measurement (continued)

Council assessed change in carrying amount of Footpaths at the end of this financial year. Change in carrying value was considered to be immaterial and no revaluation was performed this financial year.

### Stormwater Drainage

The Stormwater Drainage asset class consists of Council's Stormwater Conduits, Stormwater Structures and Stormwater Other Structures. In 2020, Assetic Pty Ltd completed a valuation of these assets using the replacement cost approach. The valuations are based on the fair value of the modern equivalent of the existing assets. This approach has included an assessment of the overall useful life of each type of asset and the subsequent determination of the remaining useful life of each asset.

Replacement costs (unit rates) and useful lives for stormwater drainage assets were determined through a combination of historic data and technical knowledge, which incorporated standard unit rates applied to the dimensions of the asset based on local projects/ data and available data verified with first principle calculations; and considered environmental factors based on asset location.

Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, pattern of consumption. The asset condition of 1 (Excellent) to 5 (Very Poor) was determined through asset inspections based on documented condition rating manuals and condition sampling methodology. This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

### Swimming Pools

Assets within this class are comprised of swimming pools and associated structures.

A comprehensive valuation was conducted by APV as at 30 June 2019 using the cost approach. Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components, asset condition and residual value.

This asset class is categorised a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

### Open Space Assets

Open space assets include assets such as playground equipment, barbeques and other park facilities.

As of 30 June 2018, the majority of open space assets were valued by internal experts using Level 3 valuation inputs and the cost approach.

As of 30 June 2019, Council revalued the groups of assets (fences, land improvements, irrigations) which were not revalued at the last year's revaluation. The valuation was performed by internal experts using the cost approach.

### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

| \$ '000                                              | Fair value<br>(30/06<br>2021) | Valuation technique/s                            | Unobservable inputs                                                                                           |
|------------------------------------------------------|-------------------------------|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| <b>Infrastructure, property, plant and equipment</b> |                               |                                                  |                                                                                                               |
| Community Land                                       | 315,124                       | Land Values obtained from the NSW Valuer-General | Adjustments are made to observable inputs for zoning restrictions, topography, land shape and size            |
| Crown Land                                           | 60,451                        | Land Values obtained from the NSW Valuer-General | Adjustments are made to observable inputs for zoning restrictions, topography, land shape and size            |
| Land Under Roads                                     | 2,151                         | Englobo methodology                              | Land size                                                                                                     |
| Land improvements                                    | 27,080                        | Cost Approach                                    | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Buildings (Specialised and Non-Specialised)          | 188,790                       | Market-based direct comparison/cost approach     | Market value if available. Otherwise, current replacement cost                                                |

## E2-1 Fair value measurement (continued)

| \$ '000                         | Fair value<br>(30/06<br>2021) | Valuation technique/s | Unobservable inputs                                                                                           |
|---------------------------------|-------------------------------|-----------------------|---------------------------------------------------------------------------------------------------------------|
| Other Structures                | 17,473                        | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Roads including bulk earthworks | 1,020,219                     | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Bridges                         | 113,890                       | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Footpaths                       | 151,967                       | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Stormwater Drainage             | 452,803                       | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Swimming Pools                  | 973                           | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |
| Open Space/Recreational Assets  | 46,912                        | Cost Approach         | Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. |

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

| \$ '000                                       | Total IPP&E<br>2021 | 2020<br>Restated |
|-----------------------------------------------|---------------------|------------------|
| <b>Opening balance</b>                        | <b>2,354,933</b>    | 2,192,716        |
| <b>Total gains or losses for the period</b>   |                     |                  |
| Fair value gains – other comprehensive income | <b>26,228</b>       | 145,850          |
| <b>Other movements</b>                        |                     |                  |
| Purchases (gross book value)                  | <b>80,445</b>       | 68,004           |
| Disposals (written down value)                | <b>(26,942)</b>     | (20,062)         |
| Depreciation and impairment                   | <b>(35,812)</b>     | (32,789)         |
| Transfer to Other assets held at cost         | <b>(1,019)</b>      | (75)             |
| Transfer from Operational Land                | <b>–</b>            | 1,289            |
| <b>Closing balance</b>                        | <b>2,397,833</b>    | 2,354,933        |

### Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

## E3-1 Contingencies

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The independent expert (JMB Environmental Consulting Pty Ltd - JMBE) was engaged by Council in 2018/19 to conduct a Hazardous Materials Management register. JMBE performed the risk assessment and assigned a risk score to each of the Council's buildings.

Council has classified the cost of removal of hazardous material for low and very low rated risk items as a Contingent liability totalling \$4.4m.

## F People and relationships

### F1 Related party disclosures

#### F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. Specifically, KMP of Council are the:

(a) Lord Mayor, (b) Councillors, (c) CEO and (d) Directors.

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

| \$ '000                  | 2021         | 2020         |
|--------------------------|--------------|--------------|
| <b>Compensation:</b>     |              |              |
| Short-term benefits      | 2,995        | 3,524        |
| Post-employment benefits | –            | 14           |
| Other long-term benefits | 235          | 377          |
| <b>Total</b>             | <b>3,230</b> | <b>3,915</b> |

KMP compensation includes all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. If a person became a KMP of a reporting entity during a reporting period, no disclosure is required for any remuneration paid to that person before that person's appointment as KMP. If a person ceases to be a KMP during a reporting period, the entity is required to disclose that person's compensation for the period until cessation.

#### Short-term Benefits

Short-term benefits include cash salary and, where relevant for executives, lump sum payments, motor vehicle benefits, car parking and the fringe benefits tax paid or payable on these benefits.

#### Post-employment Benefits

Post-employment benefits include superannuation benefits. Other long-term benefits include long service leave and annual leave.

#### F1-2 Councillor and Mayoral fees and associated expenses

| \$ '000                                                                                                                                              | 2021       | 2020       |
|------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are: |            |            |
| Councillors' fees                                                                                                                                    | 478        | 506        |
| Councillors' expenses (including Mayor)                                                                                                              | 274        | 231        |
| Mayoral fee                                                                                                                                          | 110        | 110        |
| <b>Total</b>                                                                                                                                         | <b>862</b> | <b>847</b> |

#### F1-3 Joint Ventures

Refer to Note D1-1.

## F2 Other relationships

### F2-1 Audit fees

| \$ '000                                                                             | 2021       | 2020       |
|-------------------------------------------------------------------------------------|------------|------------|
| <b>Auditors of the Council - NSW Auditor-General:</b>                               |            |            |
| <b>(i) Audit and other assurance services</b>                                       |            |            |
| Audit and review of current year's financial statements                             | 200        | 200        |
| Overruns for auditing of prior year financial statements recognised in current year | 13         | 15         |
| <b>Total Auditor-General remuneration</b>                                           | <b>213</b> | <b>215</b> |
| <b>Total audit paid or payable to the Audit Office</b>                              | <b>213</b> | <b>215</b> |

## G Other matters

### G1-1 Statement of Cash Flows information

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

| \$ '000                                                                                       | 2021           | 2020          |
|-----------------------------------------------------------------------------------------------|----------------|---------------|
| <b>Net operating result from Income Statement</b>                                             | <b>69,451</b>  | 57,956        |
| <b>Adjust for non-cash items:</b>                                                             |                |               |
| Depreciation and amortisation                                                                 | 49,069         | 45,390        |
| Net losses/(gains) on disposal of assets                                                      | (19,215)       | (3,773)       |
| Work in kind received                                                                         | (2,381)        | (2,448)       |
| Gain on Lease modification                                                                    | (603)          | —             |
| Cost of assets newly discovered at stocktake                                                  | (1,562)        | —             |
| Community Land post amalgamation and other                                                    | —              | —             |
| Losses/(gains) recognised on fair value re-measurements through the P&L:                      |                |               |
| – Investments classified as 'at fair value' or 'held for trading'                             | (6,159)        | (149)         |
| – Revaluation decrements / impairments of IPP&E direct to P&L                                 | 465            | —             |
| Share of net (profits)/losses of associates/joint ventures using the equity method            | 970            | (563)         |
| <b>+/- Movement in operating assets and liabilities:</b>                                      |                |               |
| Decrease/(increase) in receivables                                                            | (753)          | (6,685)       |
| Increase/(decrease) in provision for impairment of receivables                                | (165)          | (88)          |
| Decrease/(increase) in inventories                                                            | (22)           | (14)          |
| Decrease/(increase) in other current assets                                                   | (1,520)        | (339)         |
| Increase/(decrease) in payables                                                               | 5,670          | 42            |
| Increase/(decrease) in accrued interest payable                                               | (36)           | (44)          |
| Increase/(decrease) in other accrued expenses payable                                         | 576            | 753           |
| Increase/(decrease) in other liabilities                                                      | 307            | (3,754)       |
| Increase/(decrease) in contract liabilities                                                   | 16,175         | 2,150         |
| Increase/(decrease) in provision for employee benefits                                        | 5,293          | 2,070         |
| Increase/(decrease) in other provisions                                                       | (417)          | (2,045)       |
| <b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b> | <b>115,143</b> | <b>88,459</b> |

Council does not use Non-cash investing and financing activities.

## G2-1 Commitments

### Capital commitments (exclusive of GST)

| \$ '000                                                                                                                | 2021           | 2020           |
|------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: |                |                |
| <b>Property, plant and equipment</b>                                                                                   |                |                |
| Buildings                                                                                                              | 140,768        | 109,140        |
| Plant and equipment                                                                                                    | 39             | 1,625          |
| Footpaths                                                                                                              | 26,651         | –              |
| Roads, kerb and gutter                                                                                                 | 9,387          | –              |
| Bridges                                                                                                                | 721            | 2,517          |
| Stormwater Drainage                                                                                                    | 230            | 231            |
| Land Improvements                                                                                                      | –              | 7,821          |
| IT and web assets                                                                                                      | 853            | 646            |
| Other Structure                                                                                                        | 43             | 37             |
| Open Space                                                                                                             | 5,895          | 38,371         |
| Other                                                                                                                  | 1,720          | 3,911          |
| <b>Total commitments</b>                                                                                               | <b>186,307</b> | <b>164,299</b> |

### Details of capital commitments

Capital commitments relate to ongoing capital projects such as Parramatta Square development, Town Hall upgrade, Charles Street Square works, roads, kerb and gutter maintenance, aquatic leisure centre etc.

## G3-1 Events occurring after the reporting date

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### **Purchase of 9 Wentworth Street, Parramatta**

In September 2021 Council purchased a new administrative building intending to move administration facilities from 126 Church Street, current administrative building, and occupy part of this seven-storey building in 2023. The total cost of the purchase is \$64m.

### **Valuation of Horwood place car park**

On the 4th of August 2020, Sydney Metro made an offer of \$87m in respect of the Acquisition of the site know as Horwood place car park. Council recognised the sale of the Horwood place car park in the financial year 2020/2021 based on the offer from Sydney Metro.

Council lodged the request to Valuer General NSW for the review of compensation in accordance with the Land Acquisition Act. On the 12th of August 2021 Council received a preliminary assessment from Valuer General NSW. As per the report, the preliminarily determining compensation payable to Council exceeded the offer amount. The Valuer-General NSW is entitled to review or amend a prior determination or re-ascertain a valuation. The final determination has not yet been made.

## G4 Statement of developer contributions as at 30 June 2021

### G4-1 Summary of developer contributions

| \$ '000                                               | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |          | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|-------------------------------------------------------|--------------------------------------|-------------------------------------------|----------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                                                       |                                      | Cash                                      | Non-cash |                                             |                     |                        |                                                   |                                                              |
| Open space                                            | 109                                  | —                                         | —        | 2                                           | —                   | —                      | 111                                               | —                                                            |
| Community facilities                                  | 8,563                                | 230                                       | —        | 175                                         | (203)               | —                      | 8,765                                             | —                                                            |
| Traffic and parking                                   | 2,986                                | —                                         | —        | 61                                          | —                   | —                      | 3,047                                             | —                                                            |
| Traffic and transport                                 | 2                                    | —                                         | 2,092    | —                                           | —                   | —                      | 2                                                 | —                                                            |
| Councils OnLine                                       | 15                                   | —                                         | —        | —                                           | —                   | —                      | 15                                                | —                                                            |
| Public domain projects                                | 10,081                               | 450                                       | —        | 204                                         | (613)               | —                      | 10,122                                            | —                                                            |
| River foreshore park                                  | 3,882                                | 172                                       | —        | 61                                          | (2,069)             | —                      | 2,046                                             | —                                                            |
| Arts and cultural facility                            | 7,822                                | 344                                       | —        | 160                                         | (186)               | —                      | 8,140                                             | —                                                            |
| Recreation Facilities                                 | 8,300                                | 287                                       | —        | 138                                         | (3,258)             | —                      | 5,467                                             | —                                                            |
| Historic buildings                                    | 1,273                                | 57                                        | —        | 27                                          | —                   | —                      | 1,357                                             | —                                                            |
| Car park enhancements                                 | 415                                  | 57                                        | —        | 6                                           | (252)               | —                      | 226                                               | —                                                            |
| Access and transport                                  | 11,858                               | 344                                       | —        | 233                                         | (1,086)             | —                      | 11,349                                            | —                                                            |
| Ermington traffic and pedestrian                      | —                                    | —                                         | —        | —                                           | —                   | —                      | —                                                 | —                                                            |
| Community facilities (A)                              | 985                                  | 658                                       | —        | 22                                          | (466)               | —                      | 1,199                                             | —                                                            |
| Drainage, water quality and laneway<br>infrastructure | 1,181                                | 376                                       | —        | 25                                          | (250)               | —                      | 1,332                                             | —                                                            |
| Natural environment                                   | —                                    | 126                                       | —        | —                                           | (126)               | —                      | —                                                 | —                                                            |
| Open space and recreation                             | 1,610                                | 1,098                                     | —        | 17                                          | (2,708)             | —                      | 17                                                | —                                                            |
| Public domain                                         | 2,096                                | 316                                       | —        | 30                                          | (1,442)             | —                      | 1,000                                             | —                                                            |
| Roads and shared paths                                | 1,116                                | 572                                       | —        | 19                                          | (937)               | —                      | 770                                               | —                                                            |
| Parramatta Square                                     | 7,190                                | 1,696                                     | —        | 153                                         | (928)               | —                      | 8,111                                             | —                                                            |
| Open Space Land - Former Hills                        | 4,582                                | 52                                        | —        | 94                                          | —                   | —                      | 4,728                                             | —                                                            |
| Open Space Capital - Former Hills                     | 435                                  | 7                                         | —        | 9                                           | —                   | —                      | 451                                               | —                                                            |
| Transport Facilities Capital - Former Hills           | 2,399                                | 29                                        | —        | 49                                          | —                   | —                      | 2,477                                             | —                                                            |
| Administration - Former Hills                         | 1,059                                | 4                                         | —        | 22                                          | —                   | —                      | 1,085                                             | —                                                            |
| Stormwater Management - Former Hills                  | 2,242                                | 34                                        | —        | 46                                          | —                   | —                      | 2,322                                             | —                                                            |
| Community Facilities - Former Hills                   | 2,423                                | 82                                        | —        | 45                                          | (489)               | —                      | 2,061                                             | —                                                            |
| Open Space and Recreation -Former Hills               | 3,122                                | 232                                       | —        | 66                                          | (26)                | —                      | 3,394                                             | —                                                            |
| Roads and Natural Paths -Former Hills                 | 3,115                                | 271                                       | —        | 57                                          | (487)               | —                      | 2,956                                             | —                                                            |
| Natural Environment -Former Hills                     | 61                                   | 34                                        | —        | 1                                           | (39)                | —                      | 57                                                | —                                                            |
| Public Domain -Former Hills                           | 61                                   | 34                                        | —        | 2                                           | —                   | —                      | 97                                                | —                                                            |
| Drainage and Water Quality -Former Hills              | 77                                   | 34                                        | —        | 2                                           | —                   | —                      | 113                                               | —                                                            |
| Drainage & Water Quality (Former Hornsby)             | 242                                  | 8                                         | —        | 5                                           | —                   | —                      | 255                                               | —                                                            |
| Public Domain - Former Hornsby                        | 1,841                                | 63                                        | —        | 38                                          | —                   | —                      | 1,942                                             | —                                                            |
| Roads - Former Hornsby                                | 1,649                                | 35                                        | —        | 34                                          | —                   | —                      | 1,718                                             | —                                                            |
| Open Space - Former Hornsby                           | 14,068                               | 314                                       | —        | 276                                         | (992)               | —                      | 13,666                                            | —                                                            |

continued on next page ...

## G4-1 Summary of developer contributions (continued)

| \$ '000                                          | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |              | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|--------------------------------------------------|--------------------------------------|-------------------------------------------|--------------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                                                  |                                      | Cash                                      | Non-cash     |                                             |                     |                        |                                                   |                                                              |
| Community Facilities - Former Hornsby            | 3,255                                | 39                                        | –            | 63                                          | (379)               | –                      | 2,978                                             | –                                                            |
| Plan Administration - Former Hornsby             | 52                                   | 1                                         | –            | 1                                           | –                   | –                      | 54                                                | –                                                            |
| Other - Former Hornsby                           | 2,834                                | 207                                       | –            | 60                                          | –                   | –                      | 3,101                                             | –                                                            |
| Community Facilities - Former Auburn             | 98                                   | 46                                        | –            | 2                                           | –                   | –                      | 146                                               | –                                                            |
| Public Domain - Former Auburn                    | 215                                  | 102                                       | –            | 5                                           | –                   | –                      | 322                                               | –                                                            |
| Accessibilty and Traffic - Former Auburn         | 150                                  | 29                                        | –            | 3                                           | –                   | –                      | 182                                               | –                                                            |
| Plan Administration - Former Auburn              | 22                                   | 10                                        | –            | 1                                           | –                   | –                      | 33                                                | –                                                            |
| Open Space (HBW)                                 | 10,477                               | 450                                       | –            | 212                                         | (638)               | –                      | 10,501                                            | –                                                            |
| Community Facilities (HBW)                       | –                                    | 252                                       | –            | 3                                           | –                   | –                      | 255                                               | –                                                            |
| Traffic Management (HBW)                         | 2,640                                | 186                                       | –            | 54                                          | (223)               | –                      | 2,657                                             | –                                                            |
| Plan Administration (HBW)                        | 642                                  | 66                                        | –            | 10                                          | (400)               | –                      | 318                                               | –                                                            |
| Community Facilities (Carter Street)             | 370                                  | –                                         | –            | 8                                           | –                   | –                      | 378                                               | –                                                            |
| Local Open Space (Carter Street)                 | 977                                  | 2                                         | –            | 20                                          | –                   | –                      | 999                                               | –                                                            |
| District Recreation (Carter Street)              | 2,221                                | 5                                         | –            | 45                                          | –                   | –                      | 2,271                                             | –                                                            |
| Active Transport (Carter Street)                 | 740                                  | 2                                         | –            | 15                                          | –                   | –                      | 757                                               | –                                                            |
| Traffic Management (Carter Street)               | 861                                  | 2                                         | –            | 18                                          | –                   | –                      | 881                                               | –                                                            |
| Plan Administration (Carter Street)              | 30                                   | –                                         | –            | –                                           | –                   | –                      | 30                                                | –                                                            |
| Parks and Recreation (former Holroyd)            | 58                                   | 71                                        | –            | 2                                           | –                   | –                      | 131                                               | –                                                            |
| Sporting Fields (former Holroyd)                 | 58                                   | 71                                        | –            | 2                                           | –                   | –                      | 131                                               | –                                                            |
| Community Facilities (former Holroyd)            | 25                                   | 30                                        | –            | –                                           | –                   | –                      | 55                                                | –                                                            |
| <b>Total S7.11 and S7.12 revenue under plans</b> | <b>132,585</b>                       | <b>9,587</b>                              | <b>2,092</b> | <b>2,603</b>                                | <b>(18,197)</b>     | <b>–</b>               | <b>126,578</b>                                    | <b>–</b>                                                     |
| S7.4 planning agreements                         | 4,141                                | –                                         | –            | 88                                          | (164)               | –                      | 4,065                                             | –                                                            |
| <b>Total contributions</b>                       | <b>136,726</b>                       | <b>9,587</b>                              | <b>2,092</b> | <b>2,691</b>                                | <b>(18,361)</b>     | <b>–</b>               | <b>130,643</b>                                    | <b>–</b>                                                     |

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

## G4-2 S7.11 and S7.12 Contributions – under a plan

| \$ '000                                            | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |          | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|----------------------------------------------------|--------------------------------------|-------------------------------------------|----------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                                                    |                                      | Cash                                      | Non-cash |                                             |                     |                        |                                                   |                                                              |
| PARRAMATTA SECTION 7.11 CONTRIBUTION PLAN NUMBER 1 |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Traffic and parking                                | 2,986                                | —                                         | —        | 61                                          | —                   | —                      | 3,047                                             | —                                                            |
| Total                                              | 2,986                                | —                                         | —        | 61                                          | —                   | —                      | 3,047                                             | —                                                            |

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**G4-2 S7.11 and S7.12 Contributions – under a plan (continued)**

| \$ '000                                                                     | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |          | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|-----------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|----------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                                                                             |                                      | Cash                                      | Non-cash |                                             |                     |                        |                                                   |                                                              |
| PARRAMATTA COMPREHENSIVE SECTION 7.11 CONTRIBUTION PLAN                     |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Open space                                                                  | 109                                  | –                                         | –        | 2                                           | –                   | –                      | 111                                               | –                                                            |
| Traffic and transport                                                       | 2                                    | –                                         | 2,092    | –                                           | –                   | –                      | 2                                                 | –                                                            |
| Total                                                                       | 111                                  | –                                         | 2,092    | 2                                           | –                   | –                      | 113                                               | –                                                            |
| PARRAMATTA COMPREHENSIVE SECTION 7.12 CONTRIBUTION PLAN (NON CITY CENTRE)   |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Councils OnLine                                                             | 15                                   | –                                         | –        | –                                           | –                   | –                      | 15                                                | –                                                            |
| Community facilities (A)                                                    | 985                                  | 658                                       | –        | 22                                          | (466)               | –                      | 1,199                                             | –                                                            |
| Drainage, water quality and laneway<br>infrastructure                       | 1,181                                | 376                                       | –        | 25                                          | (250)               | –                      | 1,332                                             | –                                                            |
| Natural environment                                                         | –                                    | 126                                       | –        | –                                           | (126)               | –                      | –                                                 | –                                                            |
| Open space and recreation                                                   | 1,610                                | 1,098                                     | –        | 17                                          | (2,708)             | –                      | 17                                                | –                                                            |
| Public domain                                                               | 2,096                                | 316                                       | –        | 30                                          | (1,442)             | –                      | 1,000                                             | –                                                            |
| Roads and shared paths                                                      | 1,116                                | 572                                       | –        | 19                                          | (937)               | –                      | 770                                               | –                                                            |
| Total                                                                       | 7,003                                | 3,146                                     | –        | 113                                         | (5,929)             | –                      | 4,333                                             | –                                                            |
| PARRAMATTA COMPREHENSIVE SECTION 7.12 CONTRIBUTION PLAN (CIVIC IMPROVEMENT) |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Community facilities                                                        | 8,563                                | 230                                       | –        | 175                                         | (203)               | –                      | 8,765                                             | –                                                            |
| Public domain projects                                                      | 10,082                               | 450                                       | –        | 204                                         | (613)               | –                      | 10,123                                            | –                                                            |
| River foreshore park                                                        | 3,882                                | 172                                       | –        | 61                                          | (2,069)             | –                      | 2,046                                             | –                                                            |
| Arts and cultural facility                                                  | 7,822                                | 344                                       | –        | 160                                         | (186)               | –                      | 8,140                                             | –                                                            |
| Recreation Facilities                                                       | 8,300                                | 287                                       | –        | 138                                         | (3,258)             | –                      | 5,467                                             | –                                                            |
| Historic buildings                                                          | 1,273                                | 57                                        | –        | 27                                          | –                   | –                      | 1,357                                             | –                                                            |
| Car park enhancements                                                       | 415                                  | 57                                        | –        | 6                                           | (252)               | –                      | 226                                               | –                                                            |
| Parramatta Square                                                           | 7,190                                | 1,696                                     | –        | 153                                         | (928)               | –                      | 8,111                                             | –                                                            |
| Access and transport                                                        | 11,856                               | 344                                       | –        | 233                                         | (1,086)             | –                      | 11,347                                            | –                                                            |
| Total                                                                       | 59,383                               | 3,637                                     | –        | 1,157                                       | (8,595)             | –                      | 55,582                                            | –                                                            |
| SECTION 7.11 DEVELOPMENT CONTRIBUTION PLAN - CARLINGFORD PRECINCT           |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Open Space Land – Former Hills                                              | 4,582                                | 52                                        | –        | 94                                          | –                   | –                      | 4,728                                             | –                                                            |
| Open Space Capital – Former Hills                                           | 435                                  | 7                                         | –        | 9                                           | –                   | –                      | 451                                               | –                                                            |
| Transport Facilities Capital – Former Hills                                 | 2,399                                | 29                                        | –        | 49                                          | –                   | –                      | 2,477                                             | –                                                            |
| Administration – Former Hills                                               | 1,059                                | 4                                         | –        | 22                                          | –                   | –                      | 1,085                                             | –                                                            |
| Stormwater Management – Former Hills                                        | 2,242                                | 34                                        | –        | 46                                          | –                   | –                      | 2,322                                             | –                                                            |
| Community Facilities – Former Hills                                         | 1,819                                | 19                                        | –        | 37                                          | –                   | –                      | 1,875                                             | –                                                            |
| Total                                                                       | 12,536                               | 145                                       | –        | 257                                         | –                   | –                      | 12,938                                            | –                                                            |
| SECTION 7.12 DEVELOPMENT CONTRIBUTION PLAN-FORMER HILLS LGA LAND            |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Community Facilities – Former Hills                                         | 605                                  | 63                                        | –        | 8                                           | (489)               | –                      | 187                                               | –                                                            |

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**G4-2 S7.11 and S7.12 Contributions – under a plan (continued)**

| \$ '000                                                                                      | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |          | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|----------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|----------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                                                                                              |                                      | Cash                                      | Non-cash |                                             |                     |                        |                                                   |                                                              |
| Open Space and Recreation -Former Hills                                                      | 3,122                                | 232                                       | –        | 66                                          | (26)                | –                      | 3,394                                             | –                                                            |
| Roads and Natural Paths -Former Hills                                                        | 3,115                                | 271                                       | –        | 57                                          | (487)               | –                      | 2,956                                             | –                                                            |
| Natural Environment -Former Hills                                                            | 62                                   | 34                                        | –        | 1                                           | (39)                | –                      | 58                                                | –                                                            |
| Public Domain -Former Hills                                                                  | 62                                   | 34                                        | –        | 2                                           | –                   | –                      | 98                                                | –                                                            |
| Drainage and Water Quality -Former Hills                                                     | 77                                   | 34                                        | –        | 2                                           | –                   | –                      | 113                                               | –                                                            |
| <b>Total</b>                                                                                 | <b>7,043</b>                         | <b>668</b>                                | <b>–</b> | <b>136</b>                                  | <b>(1,041)</b>      | <b>–</b>               | <b>6,806</b>                                      | <b>–</b>                                                     |
| <b>SECTION 7.11 FORMER EPPING AND HORNSBY TC</b>                                             |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Plan Administration – Former Hornsby                                                         | 27                                   | 1                                         | –        | –                                           | –                   | –                      | 28                                                | –                                                            |
| Community Facilities – Former Hornsby                                                        | 1,133                                | 34                                        | –        | 20                                          | (379)               | –                      | 808                                               | –                                                            |
| Drainage & Water Quality (Former Hornsby)                                                    | 242                                  | 8                                         | –        | 5                                           | –                   | –                      | 255                                               | –                                                            |
| Open Space – Former Hornsby                                                                  | 8,013                                | 300                                       | –        | 154                                         | (872)               | –                      | 7,595                                             | –                                                            |
| Public Domain – Former Hornsby                                                               | 1,842                                | 63                                        | –        | 38                                          | –                   | –                      | 1,943                                             | –                                                            |
| Roads – Former Hornsby                                                                       | 942                                  | 33                                        | –        | 20                                          | –                   | –                      | 995                                               | –                                                            |
| <b>Total</b>                                                                                 | <b>12,199</b>                        | <b>439</b>                                | <b>–</b> | <b>237</b>                                  | <b>(1,251)</b>      | <b>–</b>               | <b>11,624</b>                                     | <b>–</b>                                                     |
| <b>HORNSBY SECTION 7.11 DEVELOPMENT CONTRIBUTIONS PLAN</b>                                   |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Roads – Former Hornsby                                                                       | 707                                  | 2                                         | –        | 14                                          | –                   | –                      | 723                                               | –                                                            |
| Open Space – Former Hornsby                                                                  | 6,055                                | 14                                        | –        | 122                                         | (120)               | –                      | 6,071                                             | –                                                            |
| Community Facilities – Former Hornsby                                                        | 2,122                                | 5                                         | –        | 43                                          | –                   | –                      | 2,170                                             | –                                                            |
| Plan Administration – Former Hornsby                                                         | 25                                   | –                                         | –        | 1                                           | –                   | –                      | 26                                                | –                                                            |
| <b>Total</b>                                                                                 | <b>8,909</b>                         | <b>21</b>                                 | <b>–</b> | <b>180</b>                                  | <b>(120)</b>        | <b>–</b>               | <b>8,990</b>                                      | <b>–</b>                                                     |
| <b>HORNSBY SECTION 7.12 DEVELOPMENT CONTRIBUTION PLAN</b>                                    |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Other – Former Hornsby                                                                       | 2,002                                | 8                                         | –        | 41                                          | –                   | –                      | 2,051                                             | –                                                            |
| <b>Total</b>                                                                                 | <b>2,002</b>                         | <b>8</b>                                  | <b>–</b> | <b>41</b>                                   | <b>–</b>            | <b>–</b>               | <b>2,051</b>                                      | <b>–</b>                                                     |
| <b>AUBURN DEVELOPMENT CONTRIBUTIONS PLAN 2007 - PART B RESIDENTIAL AND PART F EMPLOYMENT</b> |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Community Facilities – Former Auburn                                                         | 99                                   | 46                                        | –        | 2                                           | –                   | –                      | 147                                               | –                                                            |
| Public Domain – Former Auburn                                                                | 215                                  | 102                                       | –        | 5                                           | –                   | –                      | 322                                               | –                                                            |
| Accessibilty and Traffic – Former Auburn                                                     | 150                                  | 29                                        | –        | 3                                           | –                   | –                      | 182                                               | –                                                            |
| Plan Administration – Former Auburn                                                          | 22                                   | 10                                        | –        | 1                                           | –                   | –                      | 33                                                | –                                                            |
| <b>Total</b>                                                                                 | <b>486</b>                           | <b>187</b>                                | <b>–</b> | <b>11</b>                                   | <b>–</b>            | <b>–</b>               | <b>684</b>                                        | <b>–</b>                                                     |
| <b>AUBURN DEVELOPMENT CONTRIBUTIONS PLAN 2007 - PART C HOMEBUSH BAY WEST</b>                 |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Open Space (HBW)                                                                             | 10,477                               | 450                                       | –        | 212                                         | (638)               | –                      | 10,501                                            | –                                                            |
| Community Facilities (HBW)                                                                   | –                                    | 252                                       | –        | 3                                           | –                   | –                      | 255                                               | –                                                            |
| Traffic Management (HBW)                                                                     | 2,640                                | 186                                       | –        | 54                                          | (223)               | –                      | 2,657                                             | –                                                            |
| Plan Administration (HBW)                                                                    | 642                                  | 66                                        | –        | 10                                          | (400)               | –                      | 318                                               | –                                                            |

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## G4-2 S7.11 and S7.12 Contributions – under a plan (continued)

| \$ '000                                                          | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |          | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|------------------------------------------------------------------|--------------------------------------|-------------------------------------------|----------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|                                                                  |                                      | Cash                                      | Non-cash |                                             |                     |                        |                                                   |                                                              |
| <b>Total</b>                                                     | <b>13,759</b>                        | <b>954</b>                                | <b>–</b> | <b>279</b>                                  | <b>(1,261)</b>      | <b>–</b>               | <b>13,731</b>                                     | <b>–</b>                                                     |
| <b>CARTER STREET PRECINCT DEVELOPMENT CONTRIBUTION PLAN 2016</b> |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Community Facilities (Carter Street)                             | 370                                  | –                                         | –        | 8                                           | –                   | –                      | 378                                               | –                                                            |
| Local Open Space (Carter Street)                                 | 977                                  | 2                                         | –        | 20                                          | –                   | –                      | 999                                               | –                                                            |
| District Recreation (Carter Street)                              | 2,220                                | 5                                         | –        | 45                                          | –                   | –                      | 2,270                                             | –                                                            |
| Active Transport (Carter Street)                                 | 740                                  | 2                                         | –        | 15                                          | –                   | –                      | 757                                               | –                                                            |
| Traffic Management (Carter Street)                               | 861                                  | 2                                         | –        | 18                                          | –                   | –                      | 881                                               | –                                                            |
| Plan Administration (Carter Street)                              | 30                                   | –                                         | –        | –                                           | –                   | –                      | 30                                                | –                                                            |
| <b>Total</b>                                                     | <b>5,198</b>                         | <b>11</b>                                 | <b>–</b> | <b>106</b>                                  | <b>–</b>            | <b>–</b>               | <b>5,315</b>                                      | <b>–</b>                                                     |
| <b>HOLROYD SECTION 7.11 DEVELOPMENT CONTRIBUTIONS PLAN 2013</b>  |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Community Facilities (former Holroyd)                            | 25                                   | 30                                        | –        | –                                           | –                   | –                      | 55                                                | –                                                            |
| Parks and Recreation (former Holroyd)                            | 58                                   | 71                                        | –        | 2                                           | –                   | –                      | 131                                               | –                                                            |
| Sporting Fields (former Holroyd)                                 | 58                                   | 71                                        | –        | 2                                           | –                   | –                      | 131                                               | –                                                            |
| Plan administration (former Holroyd)                             | –                                    | 6                                         | –        | –                                           | –                   | –                      | 6                                                 | –                                                            |
| <b>Total</b>                                                     | <b>141</b>                           | <b>178</b>                                | <b>–</b> | <b>4</b>                                    | <b>–</b>            | <b>–</b>               | <b>323</b>                                        | <b>–</b>                                                     |
| <b>SECTION 7.12 FORMER EPPING AND HORNSBY TC</b>                 |                                      |                                           |          |                                             |                     |                        |                                                   |                                                              |
| Other – Former Hornsby                                           | 833                                  | 199                                       | –        | 19                                          | –                   | –                      | 1,051                                             | –                                                            |
| <b>Total</b>                                                     | <b>833</b>                           | <b>199</b>                                | <b>–</b> | <b>19</b>                                   | <b>–</b>            | <b>–</b>               | <b>1,051</b>                                      | <b>–</b>                                                     |

## G4-3 S7.4 planning agreements

### S7.4 planning agreements

|                                                                   |       |   |   |   |   |   |       |   |
|-------------------------------------------------------------------|-------|---|---|---|---|---|-------|---|
| Lennox Bridge Portals                                             | 567   | – | – | – | – | – | 567   | – |
| Parramatta River Pedestrian Crossing                              | 2,682 | – | – | – | – | – | 2,682 | – |
| Local Road Works River Road West                                  | 181   | – | – | – | – | – | 181   | – |
| Local road works Ermington                                        | 12    | – | – | – | – | – | 12    | – |
| Robin Thomas Reserve                                              | 229   | – | – | – | – | – | 229   | – |
| Bushland Regeneration Ponds Creek Reserve                         | 24    | – | – | – | – | – | 24    | – |
| Wentworth Point Library and Community Center                      | –     | – | – | – | – | – | –     | – |
| VPA-21 Hassal St                                                  | 93    | – | – | – | – | – | 93    | – |
| VPA- 258-262 Pennant Hills Road and 17-20 Azile Court, Carligford | 353   | – | – | – | – | – | 353   | – |

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## G4-3 S7.4 planning agreements (continued)

| \$ '000 | Opening<br>balance at<br>1 July 2020 | Contributions<br>received during the year |          | Interest and<br>investment<br>income earned | Amounts<br>expended | Internal<br>borrowings | Held as<br>restricted<br>asset at 30 June<br>2021 | Cumulative<br>balance of internal<br>borrowings<br>(to)/from |
|---------|--------------------------------------|-------------------------------------------|----------|---------------------------------------------|---------------------|------------------------|---------------------------------------------------|--------------------------------------------------------------|
|         |                                      | Cash                                      | Non-cash |                                             |                     |                        |                                                   |                                                              |
| Total   | 4,141                                | —                                         | —        | —                                           | —                   | —                      | 4,141                                             | —                                                            |

## G5 Statement of performance measures

### G5-1 Statement of performance measures – consolidated results

| \$ '000                                                                                                                                                     | Amounts<br>2021 | Indicator<br>2021 | Indicator<br>2020 | Benchmark   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|-------------------|-------------|
| <b>1. Operating performance ratio</b>                                                                                                                       |                 |                   |                   |             |
| Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>                                        | (50)            | (0.02)%           | 1.21%             | > 0.00%     |
| Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>                                                                  | 271,395         |                   |                   |             |
| <b>2. Own source operating revenue ratio</b>                                                                                                                |                 |                   |                   |             |
| Total continuing operating revenue excluding all grants and contributions <sup>1</sup>                                                                      | 249,833         | 78.70%            | 77.81%            | > 60.00%    |
| Total continuing operating revenue <sup>1</sup>                                                                                                             | 317,432         |                   |                   |             |
| <b>3. Unrestricted current ratio</b>                                                                                                                        |                 |                   |                   |             |
| Current assets less all external restrictions                                                                                                               | 405,631         | 5.30x             | 4.21x             | > 1.50x     |
| Current liabilities less specific purpose liabilities                                                                                                       | 76,481          |                   |                   |             |
| <b>4. Debt service cover ratio</b>                                                                                                                          |                 |                   |                   |             |
| Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>                                                    | 51,079          | 3.43x             | 3.43x             | > 2.00x     |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)                                                                      | 14,888          |                   |                   |             |
| <b>5. Rates and annual charges outstanding percentage</b>                                                                                                   |                 |                   |                   |             |
| Rates and annual charges outstanding                                                                                                                        | 18,203          | 8.58%             | 7.00%             | < 5.00%     |
| Rates and annual charges collectable                                                                                                                        | 212,060         |                   |                   |             |
| The ratio is outside the benchmark and deteriorated this year due to the impact of COVID-19 where Council did not pursue the debtors in financial hardship. |                 |                   |                   |             |
| <b>6. Cash expense cover ratio</b>                                                                                                                          |                 |                   |                   |             |
| Current year's cash and cash equivalents plus all term deposits                                                                                             | 418,506         | 19.98 mths        | 18.42 mths        | > 3.00 mths |
| Monthly payments from cash flow of operating and financing activities                                                                                       | 20,942          |                   |                   |             |

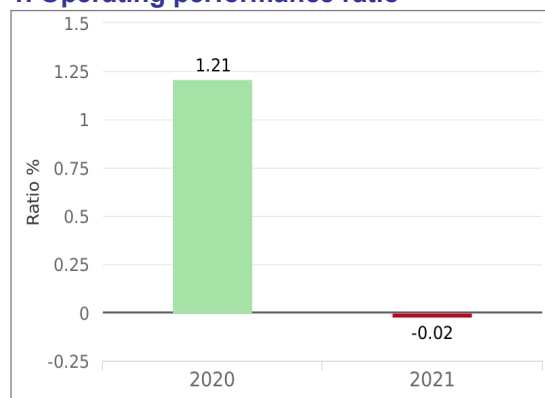
(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

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

## H Additional Council disclosures (unaudited)

### H1-1 Statement of performance measures – consolidated results (graphs)

#### 1. Operating performance ratio



##### Purpose of operating performance ratio

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

##### Commentary on 2020/21 result

2020/21 ratio (0.02)%

The ratio is outside the benchmark and deteriorated this year. The main reason is the impact of COVID-19 and compulsory acquisition of Horwood place car park site resulting in a decrease in car park revenue by \$4m.

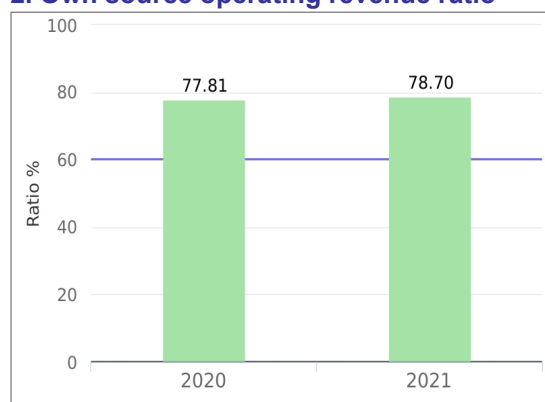
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 2. Own source operating revenue ratio



##### Purpose of own source operating revenue ratio

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

##### Commentary on 2020/21 result

2020/21 ratio 78.70%

The ratio remains above the benchmark with no significant changes since last year.

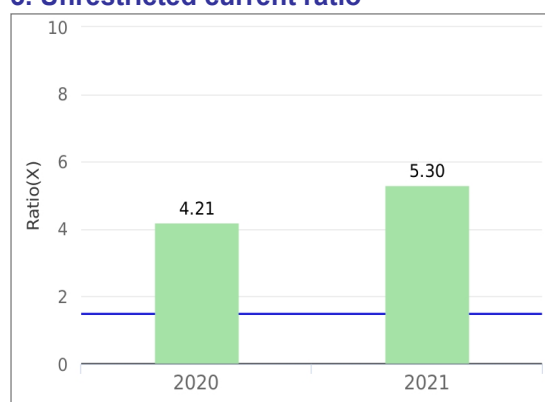
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

#### 3. Unrestricted current ratio



##### Purpose of unrestricted current ratio

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

##### Commentary on 2020/21 result

2020/21 ratio 5.30x

The ratio remains above the benchmark with no significant changes since last year.

Benchmark: — > 1.50x

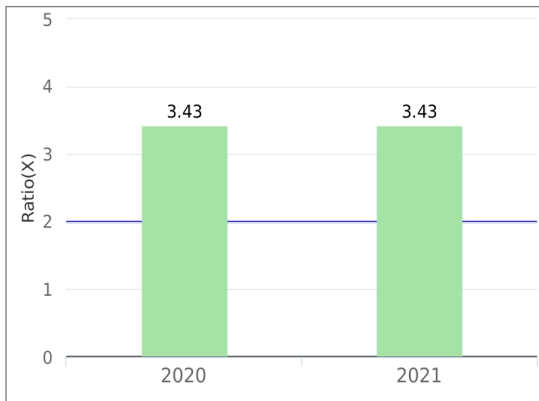
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## H1-1 Statement of performance measures – consolidated results (graphs) (continued)

### 4. Debt service cover ratio



#### Purpose of debt service cover ratio

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

#### Commentary on 2020/21 result

2020/21 ratio 3.43x

The ratio remains above the benchmark with no significant changes since last year.

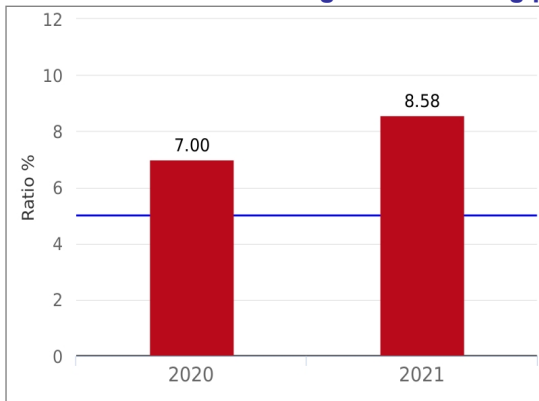
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



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

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

#### Commentary on 2020/21 result

2020/21 ratio 8.58%

The ratio is outside the benchmark and deteriorated this year. The main reason is the impact of COVID-19 where Council did not pursue the debtors in the financial hardship.

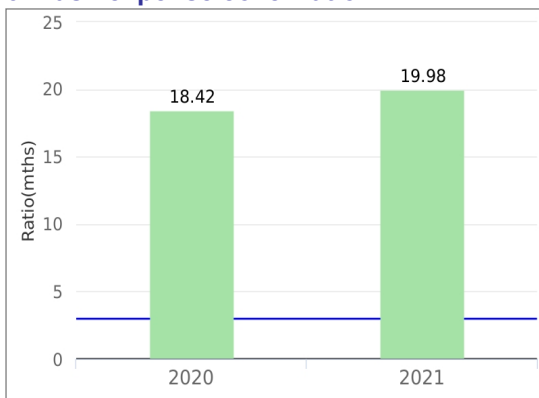
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

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

#### Commentary on 2020/21 result

2020/21 ratio 19.98 mths

The cash expense cover ratio exceeds the benchmark and improved this year due to \$15m received from sale of 189 Macquarie street and capital grants received.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

## H1-2 Council information and contact details

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**Principal place of business:**

126 Church Street  
Parramatta NSW 2150

### Contact details

**Mailing Address:**

PO BOX 32  
Parramatta NSW 2124

**Telephone:** (02) 9806 5050

**Facsimile:** (02) 9806 5917

**Opening hours:**

8:30am - 4:30pm  
Monday to Friday

**Internet:** <http://www.cityofparramatta.nsw.gov.au/>

**Email:** [council@cityofparramatta.nsw.gov.au](mailto:council@cityofparramatta.nsw.gov.au)

### Officers

**Chief Executive Officer**

Brett Newman

**Responsible Accounting Officer**

Richard Sheridan

**Auditors**

Level 19, Tower 2 Darling Park, 201 Sussex St,  
Sydney NSW 2000

### Elected members

**Lord Mayor**

Steven Issa

**Councillors**

Michelle Garrard (Deputy Lord Mayor)

Andrew Wilson

Benjamin Barrak

Pierre Esber

Donna Davis

Bill Tyrrell

Lorraine Wearne

Bob Dwyer

Andrew Jefferies

Phil Bradley

Sameer Pandey

Martin Zaiter

Patricia Prociv

### Other information

**ABN:** 49 907 174 773

**INDEPENDENT AUDITOR'S REPORT**  
**Report on the general purpose financial statements**  
**City of Parramatta Council**

To the Councillors of the City of Parramatta Council

**Opinion**

I have audited the accompanying financial statements of City of Parramatta Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Other Information**

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

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

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

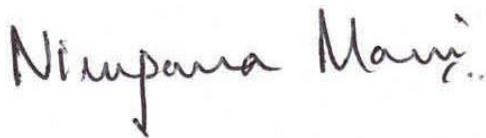
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 October 2021  
SYDNEY

Steven Issa  
Lord Mayor  
City of Parramatta Council  
PO Box 32  
PARRAMATTA NSW 2124

Contact: Nirupama Mani  
Phone no: 02 9275 7111  
Our ref: D2120985/1776

27 October 2021

Dear Lord Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2021  
City of Parramatta Council**

I have audited the general purpose financial statements (GPFS) of the City of Parramatta Council (the Council) for the year ended 30 June 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

|                                                              | 2021<br>\$m | 2020<br>\$m | Variance<br>%                                                                              |
|--------------------------------------------------------------|-------------|-------------|--------------------------------------------------------------------------------------------|
| Rates and annual charges revenue                             | 197.8       | 189.3       |  4.5    |
| Grants and contributions revenue                             | 67.6        | 71.8        |  5.8    |
| Operating result from continuing operations                  | 69.5        | 58.0        |  19.8   |
| Net operating result before capital grants and contributions | 23.4        | 7.8         |  200.0 |

The Council's operating result from continuing operations (\$69.5m million including depreciation and amortisation expense of \$49.5 million) was \$11.5 million higher than the 2019–20 result. This was mainly due to:

- \$8.5 million increase in rates and annual charges, \$15.4 million increase in the net gain from the disposal of assets and \$5.1 million decrease in materials and services expense
- offset by \$6.3 million decrease in user fees and charges, \$4.2 million decrease in grants and contributions provided for capital purposes and \$3.5 million decrease in other revenue.

The net operating result before capital grants and contributions of \$23.4 million was \$15.6 million higher than the 2019–20 result. This was mainly due gain from the compulsory sale of the Horwood Place carpark.

Rates and annual charges revenue of \$197.8 million increased by \$8.5 million (4.5 per cent) in 2020–21 due to:

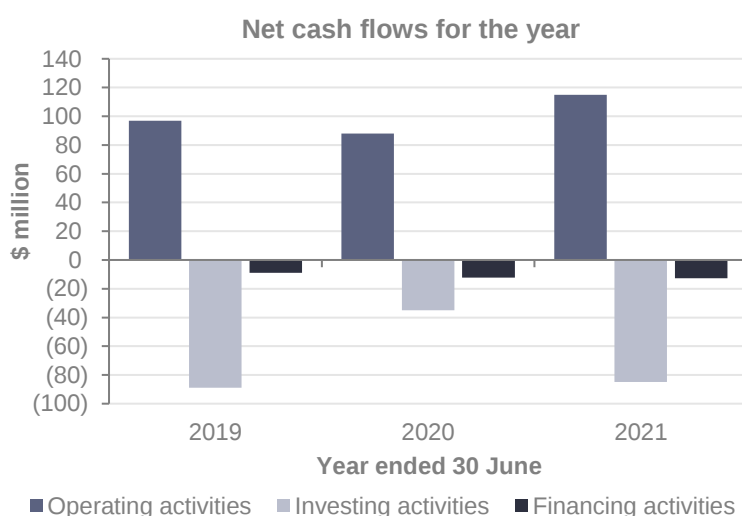
- annual rate peg increase applied to ordinary rates (2.6 per cent)
- increase of \$2.6 million for domestic waste management service charges.

Grants and contributions revenue of \$67.6 million decreased by \$4.1 million (5.8 per cent) in 2020–21 mainly due to lower cash contributions for S 7.11 of \$28.4 million offset by higher special purpose grants and non-developer contributions of \$24.3 million.

## STATEMENT OF CASH FLOWS

The Council's cash and cash equivalents balance at 30 June 2021 was \$74.4 million. Net cash flows for the year increased by \$17.4 million.

The overall increase in net cash flows was due to an increase in operating activities of \$115.1 million. This was offset by net cash outflows used in investing activities of \$85.0 million mainly from purchase of infrastructure, property, plant and equipment.



## FINANCIAL POSITION

### Cash and investments

| Cash and investments                                | 2021         | 2020         | Commentary                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------|--------------|--------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                     | \$m          | \$m          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Total cash, cash equivalents and investments</b> | <b>547.7</b> | <b>554.7</b> | <ul style="list-style-type: none"> <li>Cash and cash equivalents decreased by \$7 million</li> <li>Externally restricted funds mainly include development contributions (\$130.6 million), proceeds from the sale of the Museum of Applied Arts and Sciences (MAAS) site (\$36.9 million), specific purpose unexpended grants (\$33.8 million) and domestic waste management (\$33.1 million).</li> </ul>                                                                  |
| Restricted cash and investments:                    |              |              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| • External restrictions                             | 261.1        | 247.2        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| • Internal restrictions                             | 205.1        | 261.7        | <ul style="list-style-type: none"> <li>Internally restricted cash and investments are restricted due to Council policy. Restricted funds comprise of funds set aside for the Property and significant assets reserve (\$198.2 million), Employee leave entitlements (\$6.4 million) and Urgent ward works (\$0.5 million). The Property and significant assets reserve represent funds set aside from the sale of property, such as the Parramatta Square site.</li> </ul> |

### Debt

The Council had borrowings of \$21.7 million at 30 June 2021, of which \$9.2 million is classified as a current liability to be settled within the next 12 months. Council repaid loan principal of \$9 million during the year.

# PERFORMANCE

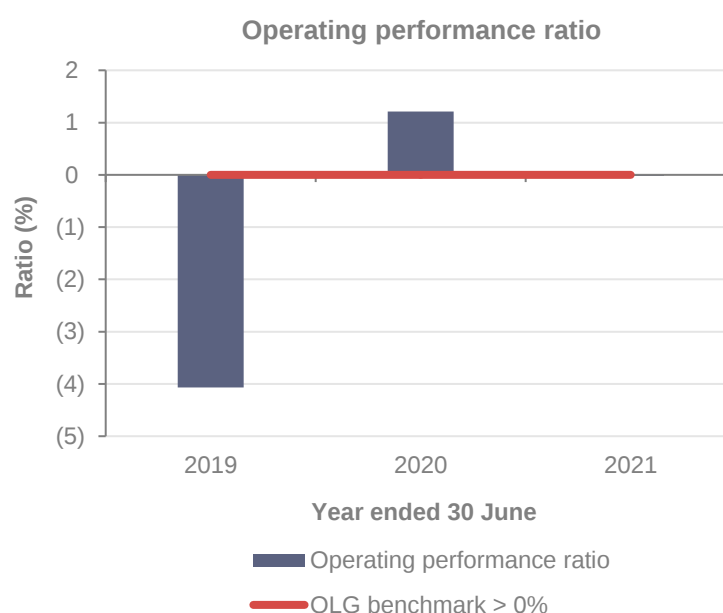
## Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

### Operating performance ratio

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

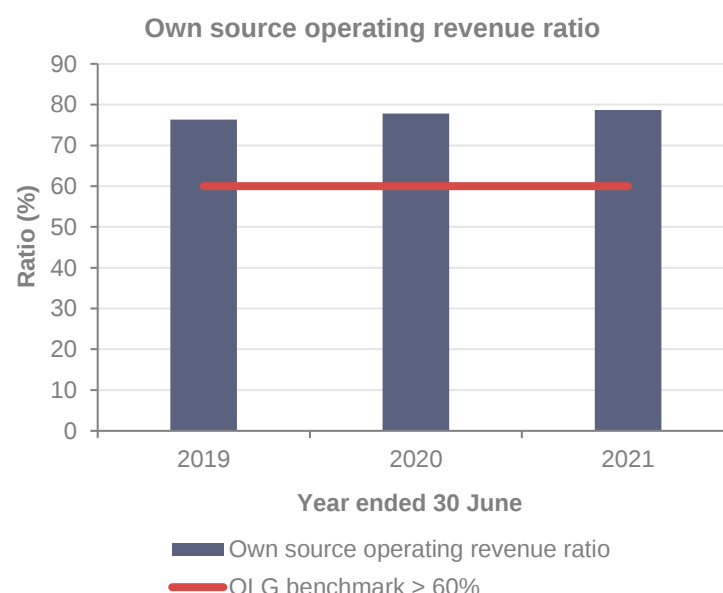
The Council reported an operating performance ratio of (0.02) per cent in 2020-21. The Council did not meet the OLG benchmark for the current reporting period. The ratio has been impacted by COVID-19 and the compulsory acquisition of Horwood place car park site resulting in a decrease in car park revenue.



### Own source operating revenue ratio

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

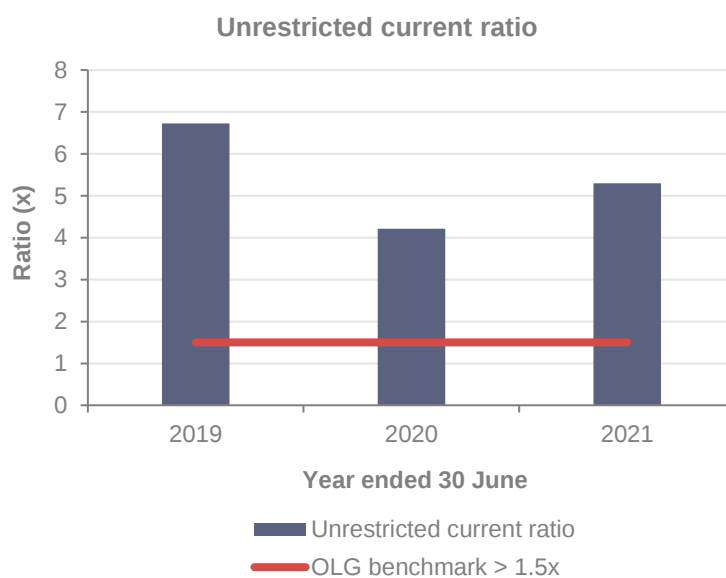
The Council met the OLG benchmark for the current reporting period.



## Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

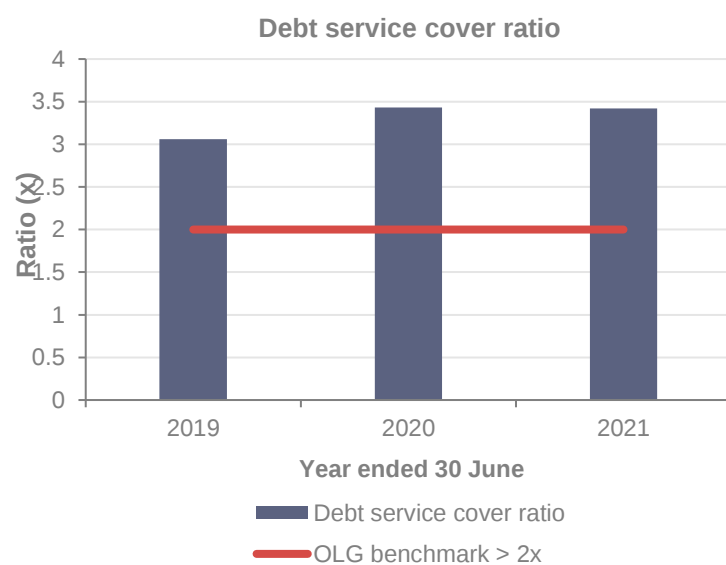
The Council met the OLG benchmark for the current reporting period.



## Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

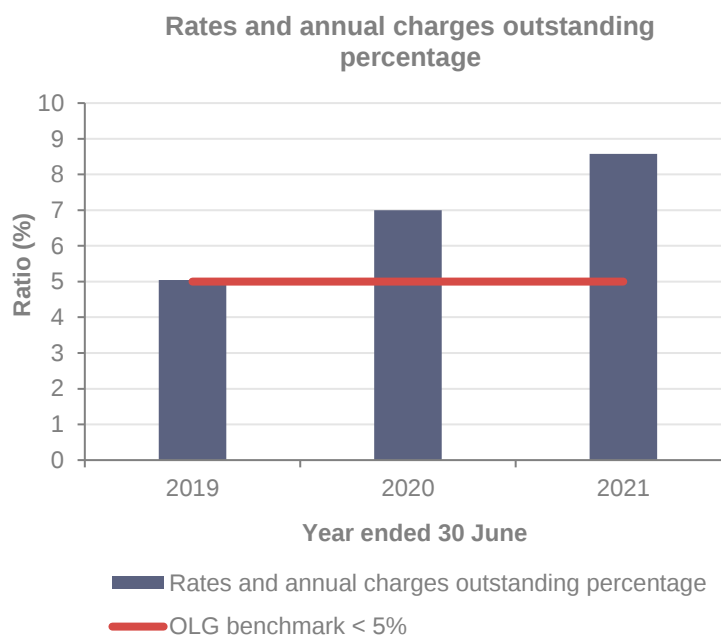
The Council met the OLG benchmark for the current reporting period.



## Rates and annual charges outstanding percentage

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.

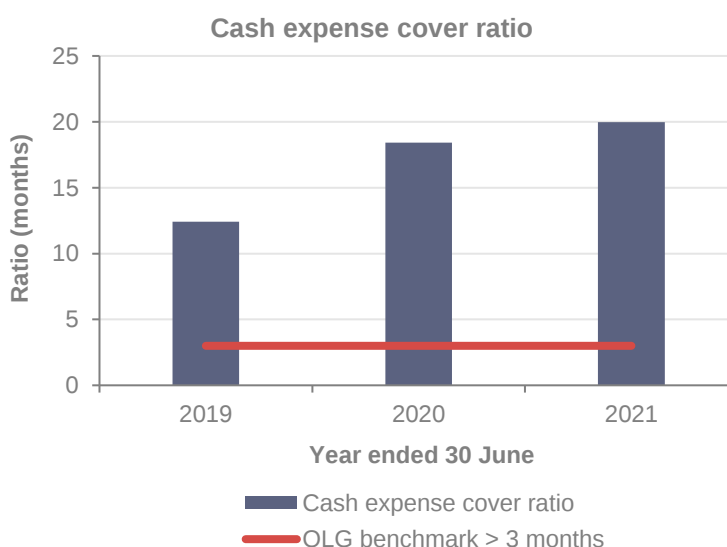
The Council did not meet the OLG benchmark for the current reporting period. This ratio has been impacted by COVID-19 where Council did not pursue certain debtors in financial hardship.



## Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

The Council exceeded the OLG benchmark for the current reporting period.



## Infrastructure, property, plant and equipment renewals

The Council incurred \$58.2 million on asset renewals during 2020-21, which is relatively consistent with asset renewals in the prior year of \$56.2 million.

## OTHER MATTERS

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

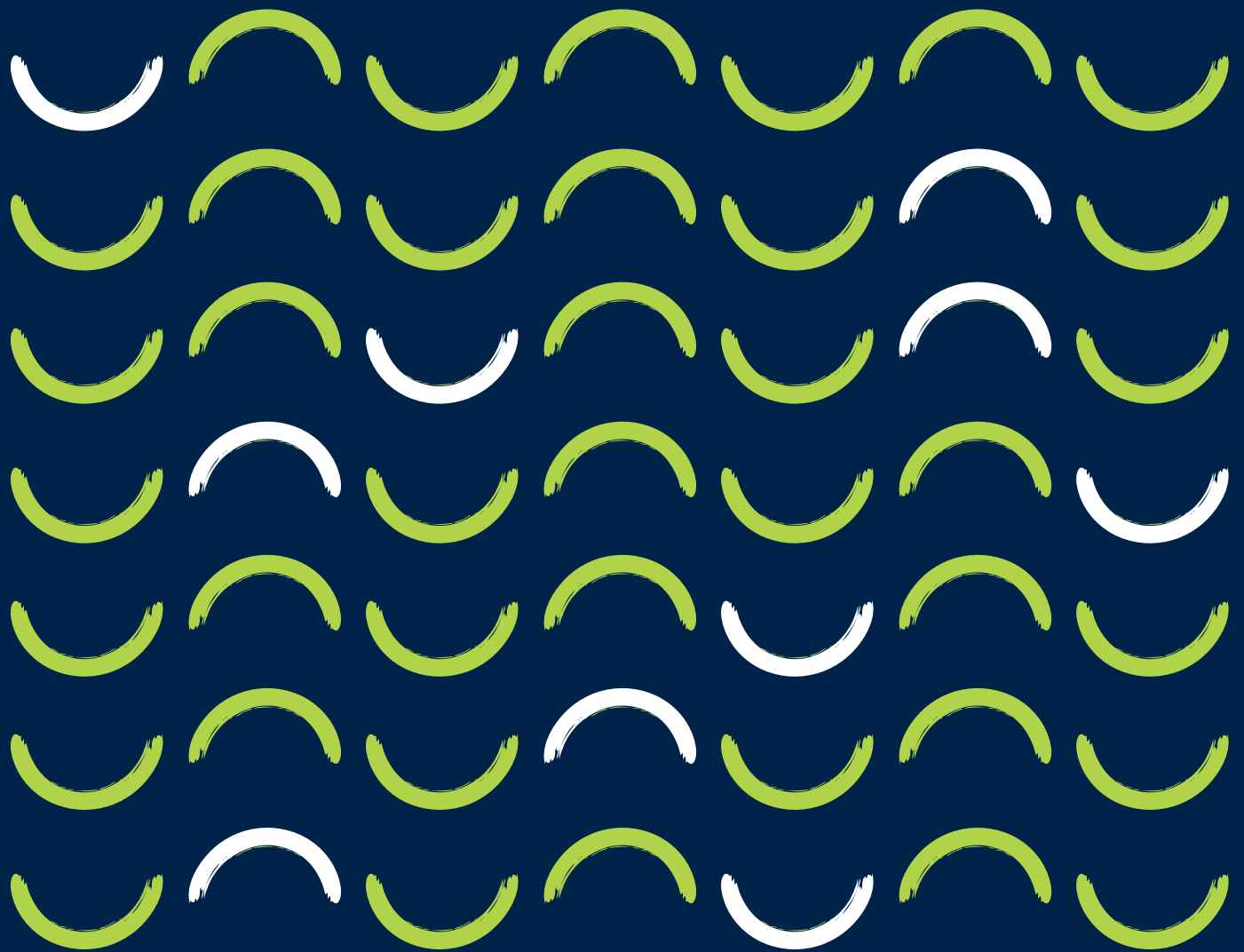
- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Nirupama Mani  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Brett Newman, Chief Executive Officer  
Dr. Col Gellatly, AO, Chair of the Audit, Risk and Improvement Committee  
Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment



# Special Purpose Financial Statements

for the year ended 30 June 2021



**CITY OF  
PARRAMATTA**

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### Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

# City of Parramatta Council

## Special Purpose Financial Statements

for the year ended 30 June 2021

### 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 and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government *Code of Accounting Practice and Financial Reporting*,

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

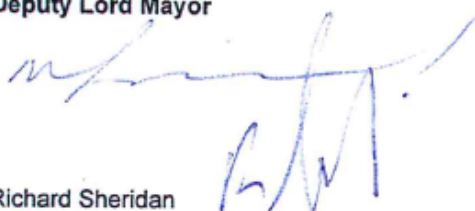
We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 25 October 2021.

Steven Issa  
Lord Mayor



Michelle Garrard  
Deputy Lord Mayor



Brett Newman  
Chief Executive Officer



Richard Sheridan  
Responsible Accounting Officer



## City of Parramatta Council

### Income Statement of Car park operations

for the year ended 30 June 2021

| \$ '000                                                                    | 2021<br>Category 1 | 2020<br>Category 1 |
|----------------------------------------------------------------------------|--------------------|--------------------|
| <b>Income from continuing operations</b>                                   |                    |                    |
| User charges                                                               | 7,788              | 11,509             |
| <b>Total income from continuing operations</b>                             | <b>7,788</b>       | <b>11,509</b>      |
| <b>Expenses from continuing operations</b>                                 |                    |                    |
| Employee benefits and on-costs                                             | 587                | 402                |
| Materials and services                                                     | 1,321              | 1,568              |
| Depreciation, amortisation and impairment                                  | 739                | 770                |
| Calculated taxation equivalents                                            | 1,843              | 2,442              |
| Other expenses                                                             | 2,247              | 1,852              |
| <b>Total expenses from continuing operations</b>                           | <b>6,737</b>       | <b>7,034</b>       |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>1,051</b>       | <b>4,475</b>       |
| Less: corporate taxation equivalent - 26%[based on result before capital]  | (273)              | (1,231)            |
| <b>Surplus (deficit) after tax</b>                                         | <b>778</b>         | <b>3,244</b>       |
| <b>Plus accumulated surplus</b>                                            | <b>146,347</b>     | <b>151,697</b>     |
| <b>Plus adjustments for amounts unpaid:</b>                                |                    |                    |
| – Taxation equivalent payments                                             | 1,843              | 2,442              |
| – Corporate taxation equivalent                                            | 273                | 1,231              |
| <b>Closing accumulated surplus</b>                                         | <b>149,241</b>     | <b>158,614</b>     |
| <b>Return on capital %</b>                                                 | <b>0.9%</b>        | <b>2.7%</b>        |
| <b>Subsidy from Council</b>                                                | <b>669</b>         | <b>–</b>           |

## City of Parramatta Council

### Income Statement of Leasing – Council property

for the year ended 30 June 2021

| \$ '000                                                                    | 2021<br>Category 2 | 2020<br>Category 2 |
|----------------------------------------------------------------------------|--------------------|--------------------|
| <b>Income from continuing operations</b>                                   |                    |                    |
| Rental revenue                                                             | 311                | 303                |
| <b>Total income from continuing operations</b>                             | <b>311</b>         | <b>303</b>         |
| <b>Expenses from continuing operations</b>                                 |                    |                    |
| Employee benefits and on-costs                                             | 89                 | 112                |
| Materials and services                                                     | 34                 | 36                 |
| Revaluation decrements loss                                                | –                  | 45                 |
| Depreciation, amortisation and impairment                                  | 47                 | 47                 |
| Calculated taxation equivalents                                            | 67                 | 32                 |
| <b>Total expenses from continuing operations</b>                           | <b>298</b>         | <b>272</b>         |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>13</b>          | <b>31</b>          |
| Less: corporate taxation equivalent -26% [based on result before capital]  | (3)                | –                  |
| <b>Surplus (deficit) after tax</b>                                         | <b>10</b>          | <b>31</b>          |
| <b>Plus accumulated surplus</b>                                            | <b>5,211</b>       | <b>2,257</b>       |
| <b>Plus adjustments for amounts unpaid:</b>                                |                    |                    |
| – Taxation equivalent payments                                             | 67                 | 46                 |
| – Corporate taxation equivalent                                            | 3                  | –                  |
| <b>Closing accumulated surplus</b>                                         | <b>5,291</b>       | <b>2,334</b>       |
| <b>Return on capital %</b>                                                 | <b>0.2%</b>        | <b>0.6%</b>        |
| <b>Subsidy from Council</b>                                                | <b>67</b>          | <b>17</b>          |

## City of Parramatta Council

### Statement of Financial Position of Car park operations

as at 30 June 2021

| \$ '000                                       | 2021<br>Category 1 | 2020<br>Category 1 |
|-----------------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                                 |                    |                    |
| <b>Non-current assets</b>                     |                    |                    |
| Receivables                                   | –                  | 11                 |
| Infrastructure, property, plant and equipment | 113,139            | 166,012            |
| <b>Total non-current assets</b>               | <b>113,139</b>     | <b>166,023</b>     |
| <b>Total assets</b>                           | <b>113,139</b>     | <b>166,023</b>     |
| <b>LIABILITIES</b>                            |                    |                    |
| <b>Current liabilities</b>                    |                    |                    |
| Payables-due to general fund                  | 63                 | 900                |
| Employee benefit provisions                   | 116                | 86                 |
| <b>Total current liabilities</b>              | <b>179</b>         | <b>986</b>         |
| <b>Total liabilities</b>                      | <b>179</b>         | <b>986</b>         |
| <b>Net assets</b>                             | <b>112,960</b>     | <b>165,037</b>     |
| <b>EQUITY</b>                                 |                    |                    |
| Accumulated surplus                           | 147,124            | 158,614            |
| Distribution to Council (equity)              | (52,854)           | (12,267)           |
| Revaluation reserve                           | 18,690             | 18,690             |
| <b>Total equity</b>                           | <b>112,960</b>     | <b>165,037</b>     |

# City of Parramatta Council

## Statement of Financial Position of Leasing of Council property

as at 30 June 2021

| \$ '000                                       | 2021<br>Category 2 | 2020<br>Category 2 |
|-----------------------------------------------|--------------------|--------------------|
| <b>ASSETS</b>                                 |                    |                    |
| <b>Non-current assets</b>                     |                    |                    |
| Receivables – due from general fund           | 344                | 353                |
| Receivables                                   | –                  | 16                 |
| Infrastructure, property, plant and equipment | 5,266              | 5,272              |
| <b>Total non-current assets</b>               | <b>5,610</b>       | <b>5,641</b>       |
| <b>Total assets</b>                           | <b>5,610</b>       | <b>5,641</b>       |
| <b>LIABILITIES</b>                            |                    |                    |
| <b>Current liabilities</b>                    |                    |                    |
| Payables                                      | –                  | 13                 |
| Employee benefit provisions                   | 11                 | 25                 |
| <b>Total current liabilities</b>              | <b>11</b>          | <b>38</b>          |
| <b>Non-current liabilities</b>                |                    |                    |
| Employee benefit provisions                   | 11                 | 24                 |
| <b>Total non-current liabilities</b>          | <b>11</b>          | <b>24</b>          |
| <b>Total liabilities</b>                      | <b>22</b>          | <b>62</b>          |
| <b>Net assets</b>                             | <b>5,588</b>       | <b>5,579</b>       |
| <b>EQUITY</b>                                 |                    |                    |
| Accumulated surplus                           | 2,343              | 2,334              |
| Distribution to Council (equity)              | 2,877              | 2,877              |
| Revaluation reserves                          | 368                | 368                |
| <b>Total equity</b>                           | <b>5,588</b>       | <b>5,579</b>       |

## Note – Significant Accounting Policies

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

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

The figures presented in these 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 these 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 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' in 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 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and 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 and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

### Declared business activities

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

#### Category 1 - Business activities with gross operating turnover is over \$2 million

##### Car Park Operations

To generate income for the Council through operations of car parking facilities.

#### Category 2 - Business activities with gross operating turnover is less than \$2 million

To generate income for the Council through the leasing of Council-owned shops, buildings.

### 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 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):

## Note – Significant Accounting Policies (continued)

### Notional rate applied (%)

Corporate income tax rate – 26%

Land tax – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,001 up to \$4,616,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** on the value of taxable salaries and wages in excess of \$1,200,000

### 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 26%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to 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 26% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and 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 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 Statements 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'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.52% at 30 June 2021.

## Note – Significant Accounting Policies (continued)

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### (iii) Dividends

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

**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**City of Parramatta Council**

To the Councillors of the City of Parramatta Council

**Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of City of Parramatta Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2021, the Statement of Financial Position of each Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- Car park operations
- Leasing of Council property.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2021, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code).

My opinion should be read in conjunction with the rest of this report.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

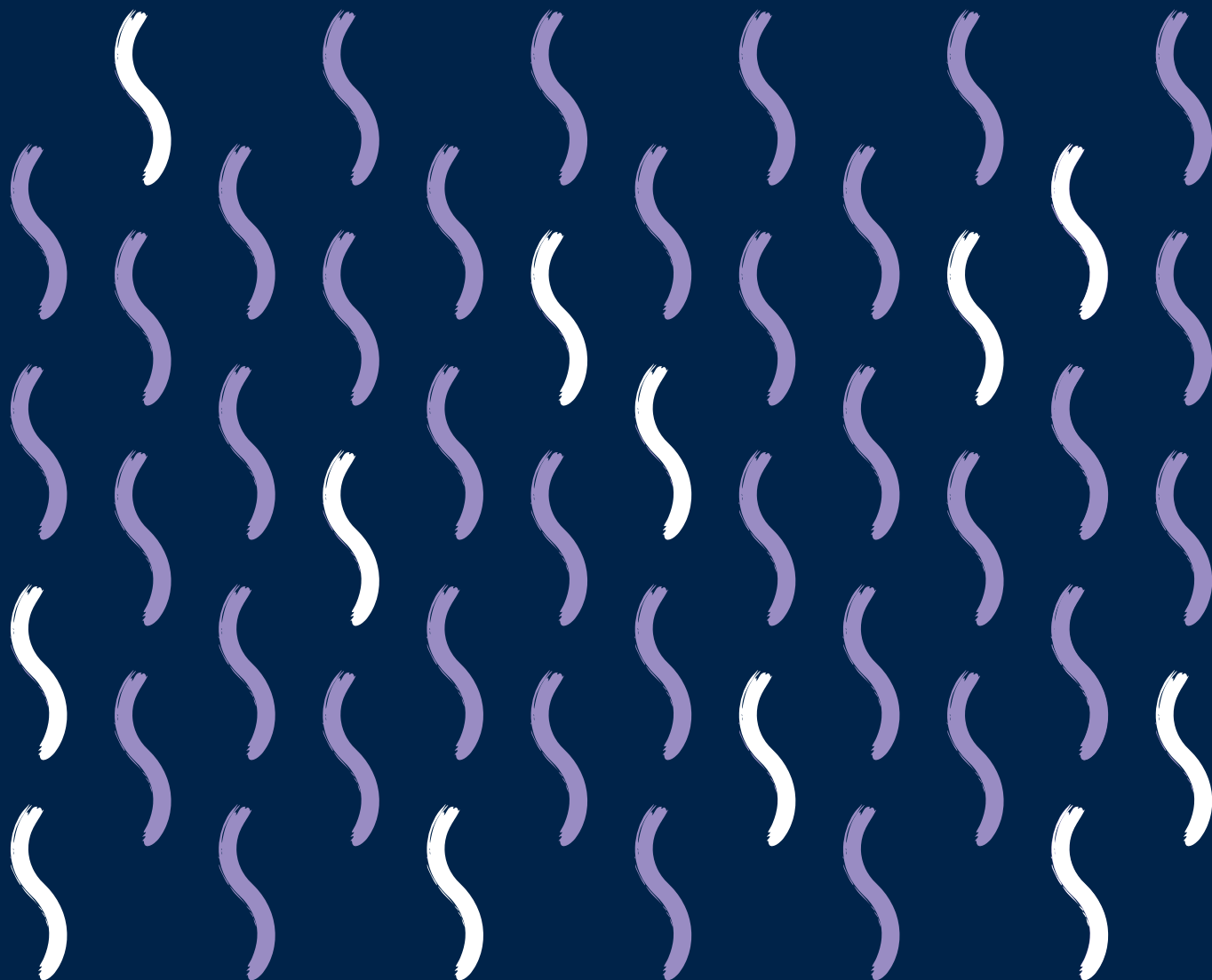
- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in dark ink, reading "Nirupama Mani". The signature is written in a cursive style with a small flourish at the end.

Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 October 2021  
SYDNEY



# Special Schedules

for the year ended 30 June 2021

City of Parramatta Council

Special Schedules

for the year ended 30 June 2021

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## City of Parramatta Council

### Permissible income for general rates

| \$ '000                                                 | Notes     | 2020/21<br>Former Parra-<br>matta City Council | 2020/21<br>Former Hills Shire<br>Council | 2020/21<br>Former Auburn<br>City Council | 2020/21<br>Former Hornsby<br>Shire Council | 2020/21<br>Former Holroyd<br>City Council | 2020/21<br>City of Parra-<br>matta Council | 2021/22<br>City of Parra-<br>matta Council |
|---------------------------------------------------------|-----------|------------------------------------------------|------------------------------------------|------------------------------------------|--------------------------------------------|-------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Notional general income calculation <sup>1</sup></b> |           |                                                |                                          |                                          |                                            |                                           |                                            |                                            |
| Last year notional general income yield                 | a         | 107,082                                        | 12,058                                   | 15,938                                   | 12,089                                     | 1,483                                     | 148,650                                    | 155,184                                    |
| Plus or minus adjustments <sup>2</sup>                  | b         | 909                                            | 215                                      | 909                                      | 278                                        | 1                                         | 2,312                                      | 1,130                                      |
| <b>Notional general income</b>                          | c = a + b | <b>107,991</b>                                 | <b>12,273</b>                            | <b>16,847</b>                            | <b>12,367</b>                              | <b>1,484</b>                              | <b>150,962</b>                             | <b>156,314</b>                             |
| <b>Permissible income calculation</b>                   |           |                                                |                                          |                                          |                                            |                                           |                                            |                                            |
| Rate peg percentage                                     | d         | 2.60%                                          | 2.60%                                    | 2.60%                                    | 2.60%                                      | 2.60%                                     |                                            | 2.00%                                      |
| Or plus rate peg amount                                 | e=c x d   | 2,808                                          | 319                                      | 438                                      | 322                                        | 39                                        | 3,926                                      | 3,126                                      |
| <b>Sub-total</b>                                        | f=c+e     | <b>110,799</b>                                 | <b>12,592</b>                            | <b>17,285</b>                            | <b>12,689</b>                              | <b>1,523</b>                              | <b>154,888</b>                             | <b>159,440</b>                             |
| Plus (or minus) last year's carry forward total         | g         | 25                                             | (220)                                    | —                                        | (14)                                       | 2                                         | (207)                                      | (146)                                      |
| <b>Sub-total</b>                                        | i=g+h     | <b>25</b>                                      | <b>(220)</b>                             | <b>—</b>                                 | <b>(14)</b>                                | <b>2</b>                                  | <b>(207)</b>                               | <b>(146)</b>                               |
| <b>Total permissible income</b>                         | j=f+i     | <b>110,824</b>                                 | <b>12,372</b>                            | <b>17,285</b>                            | <b>12,675</b>                              | <b>1,525</b>                              | <b>154,681</b>                             | <b>159,294</b>                             |
| Less notional general income yield                      | k         | 111,184                                        | 12,592                                   | 17,197                                   | 12,689                                     | 1,522                                     | 155,184                                    | 159,983                                    |
| <b>Catch-up or (excess) result</b>                      | l=j-k     | <b>(361)</b>                                   | <b>(220)</b>                             | <b>88</b>                                | <b>(15)</b>                                | <b>3</b>                                  | <b>(505)</b>                               | <b>(689)</b>                               |
| Plus income lost due to valuation objections claimed    | m         | 359                                            | —                                        | —                                        | —                                          | —                                         | 359                                        | 43                                         |
| <b>Carry forward to next year <sup>3</sup></b>          | n=l+m     | <b>(2)</b>                                     | <b>(220)</b>                             | <b>88</b>                                | <b>(15)</b>                                | <b>3</b>                                  | <b>(146)</b>                               | <b>(646)</b>                               |

#### Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916* (NSW).
- (3) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

**INDEPENDENT AUDITOR'S REPORT**  
**Special Schedule – Permissible income for general rates**  
**City of Parramatta Council**

To the Councillors of City of Parramatta Council

**Opinion**

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of City of Parramatta Council (the Council) for the year ending 30 June 2022.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

## Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in dark ink, reading "Nirupama Mani". The signature is written in a cursive style with a small flourish at the end.

Nirupama Mani  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

27 October 2021  
SYDNEY

## City of Parramatta Council

## Report on infrastructure assets as at 30 June 2021

| Asset Class             | Asset Category                                                   | Estimated cost to bring assets to satisfactory standard | Estimated cost to bring to the agreed level of service set by Council | 2020/21 Required maintenance <sup>a</sup> | 2020/21 Actual maintenance | Net carrying amount | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost |              |              |             |             |
|-------------------------|------------------------------------------------------------------|---------------------------------------------------------|-----------------------------------------------------------------------|-------------------------------------------|----------------------------|---------------------|------------------------------|---------------------------------------------------------------|--------------|--------------|-------------|-------------|
|                         |                                                                  | \$ '000                                                 | \$ '000                                                               | \$ '000                                   | \$ '000                    | \$ '000             | \$ '000                      | 1                                                             | 2            | 3            | 4           | 5           |
| <b>Buildings</b>        | Buildings                                                        | 1,305                                                   | 4,625                                                                 | 16,292                                    | 18,277                     | 188,790             | 253,104                      | 54.3%                                                         | 35.9%        | 7.9%         | 1.6%        | 0.3%        |
|                         | <b>Sub-total</b>                                                 | <b>1,305</b>                                            | <b>4,625</b>                                                          | <b>16,292</b>                             | <b>18,277</b>              | <b>188,790</b>      | <b>253,104</b>               | <b>54.3%</b>                                                  | <b>35.9%</b> | <b>7.9%</b>  | <b>1.6%</b> | <b>0.3%</b> |
| <b>Other structures</b> | Other structures                                                 | 158                                                     | 555                                                                   | —                                         | —                          | 17,473              | 21,232                       | 8.7%                                                          | 73.2%        | 15.5%        | 2.2%        | 0.4%        |
|                         | <b>Sub-total</b>                                                 | <b>158</b>                                              | <b>555</b>                                                            | <b>—</b>                                  | <b>—</b>                   | <b>17,473</b>       | <b>21,232</b>                | <b>8.7%</b>                                                   | <b>73.2%</b> | <b>15.5%</b> | <b>2.2%</b> | <b>0.4%</b> |
| <b>Roads</b>            | Roads                                                            | 6,573                                                   | 20,781                                                                | 13,834                                    | 12,123                     | 916,436             | 1,230,608                    | 33.5%                                                         | 42.7%        | 22.2%        | 1.2%        | 0.4%        |
|                         | Roads (including kerb and gutter and traffic management devices) | —                                                       | —                                                                     | —                                         | —                          | —                   | —                            | 0.0%                                                          | 0.0%         | 0.0%         | 0.0%        | 0.0%        |
|                         | Bridges                                                          | 1                                                       | 4                                                                     | —                                         | —                          | 113,890             | 133,423                      | 69.2%                                                         | 29.8%        | 1.0%         | 0.0%        | 0.0%        |
|                         | Footpaths                                                        | 494                                                     | 1,918                                                                 | 2,252                                     | 2,760                      | 151,967             | 208,997                      | 13.6%                                                         | 37.7%        | 47.8%        | 0.9%        | 0.0%        |
|                         | Bulk earthworks                                                  | —                                                       | —                                                                     | —                                         | —                          | 103,783             | 103,783                      | 100.0%                                                        | 0.0%         | 0.0%         | 0.0%        | 0.0%        |
|                         | Other road assets (incl. bulk earth works)                       | —                                                       | —                                                                     | —                                         | —                          | —                   | —                            | 0.0%                                                          | 0.0%         | 0.0%         | 0.0%        | 0.0%        |
|                         | <b>Sub-total</b>                                                 | <b>7,068</b>                                            | <b>22,703</b>                                                         | <b>16,086</b>                             | <b>14,883</b>              | <b>1,286,076</b>    | <b>1,676,811</b>             | <b>38.0%</b>                                                  | <b>38.4%</b> | <b>22.3%</b> | <b>1.0%</b> | <b>0.3%</b> |

## City of Parramatta Council

## Report on infrastructure assets as at 30 June 2021 (continued)

| Asset Class                      | Asset Category          | Estimated cost to bring to the agreed level of service set by Council |                                                        | 2020/21 Required maintenance <sup>a</sup> | 2020/21 Actual maintenance | Net carrying amount | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost |              |              |             |             |
|----------------------------------|-------------------------|-----------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------|----------------------------|---------------------|------------------------------|---------------------------------------------------------------|--------------|--------------|-------------|-------------|
|                                  |                         | Estimated cost to bring assets to satisfactory standard               | to bring to the agreed level of service set by Council |                                           |                            |                     |                              | 1                                                             | 2            | 3            | 4           | 5           |
|                                  |                         | \$ '000                                                               | \$ '000                                                | \$ '000                                   | \$ '000                    | \$ '000             | \$ '000                      |                                                               |              |              |             |             |
| Stormwater drainage              | Stormwater drainage     | 5,499                                                                 | 16,327                                                 | 3,314                                     | 3,330                      | 452,803             | 653,014                      | 8.8%                                                          | 66.2%        | 22.4%        | 1.6%        | 1.0%        |
|                                  | <b>Sub-total</b>        | <b>5,499</b>                                                          | <b>16,327</b>                                          | <b>3,314</b>                              | <b>3,330</b>               | <b>452,803</b>      | <b>653,014</b>               | <b>8.8%</b>                                                   | <b>66.2%</b> | <b>22.4%</b> | <b>1.6%</b> | <b>1.0%</b> |
| Open space / recreational assets | Swimming pools          | —                                                                     | —                                                      | —                                         | —                          | 973                 | 1,512                        | 0.0%                                                          | 0.0%         | 0.0%         | 0.0%        | 100.0%      |
|                                  | Other open space assets | 328                                                                   | 1,053                                                  | 19,142                                    | 19,482                     | 46,912              | 76,617                       | 57.0%                                                         | 22.1%        | 19.4%        | 1.1%        | 0.4%        |
|                                  | <b>Sub-total</b>        | <b>328</b>                                                            | <b>1,053</b>                                           | <b>19,142</b>                             | <b>19,482</b>              | <b>47,885</b>       | <b>78,129</b>                | <b>55.9%</b>                                                  | <b>21.7%</b> | <b>19.0%</b> | <b>1.1%</b> | <b>2.3%</b> |
| <b>Total – all assets</b>        |                         | <b>14,358</b>                                                         | <b>45,263</b>                                          | <b>54,834</b>                             | <b>55,972</b>              | <b>1,993,027</b>    | <b>2,682,290</b>             | <b>32.7%</b>                                                  | <b>44.7%</b> | <b>20.8%</b> | <b>1.2%</b> | <b>0.5%</b> |

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

## Infrastructure asset condition assessment 'key'

| # | Condition           | Integrated planning and reporting (IP&R) description |
|---|---------------------|------------------------------------------------------|
| 1 | Excellent/very good | No work required (normal maintenance)                |
| 2 | Good                | Only minor maintenance work required                 |
| 3 | Satisfactory        | Maintenance work required                            |
| 4 | Poor                | Renewal required                                     |
| 5 | Very poor           | Urgent renewal/upgrading required                    |

# City of Parramatta Council

## Report on infrastructure assets as at 30 June 2021

### Infrastructure asset performance indicators (consolidated) \*

| \$ '000                                                                  | Amounts<br>2021 | Indicator<br>2021 | Indicator<br>2020 | Benchmark  |
|--------------------------------------------------------------------------|-----------------|-------------------|-------------------|------------|
| Buildings and infrastructure renewals ratio                              |                 |                   |                   |            |
| Asset renewals <sup>1</sup>                                              | 58,260          | 166.25%           | 174.26%           | >= 100.00% |
| Depreciation, amortisation and impairment                                | 35,044          |                   |                   |            |
| Infrastructure backlog ratio                                             |                 |                   |                   |            |
| Estimated cost to bring assets to a satisfactory standard                | 14,358          | 0.68%             | 0.79%             | < 2.00%    |
| Net carrying amount of infrastructure assets                             | 2,111,119       |                   |                   |            |
| Asset maintenance ratio                                                  |                 |                   |                   |            |
| Actual asset maintenance                                                 | 55,972          | 102.08%           | 99.33%            | > 100.00%  |
| Required asset maintenance                                               | 54,834          |                   |                   |            |
| Cost to bring assets to agreed service level                             |                 |                   |                   |            |
| Estimated cost to bring assets to an agreed service level set by Council | 45,263          | 1.69%             | 1.98%             |            |
| Gross replacement cost                                                   | 2,682,290       |                   |                   |            |

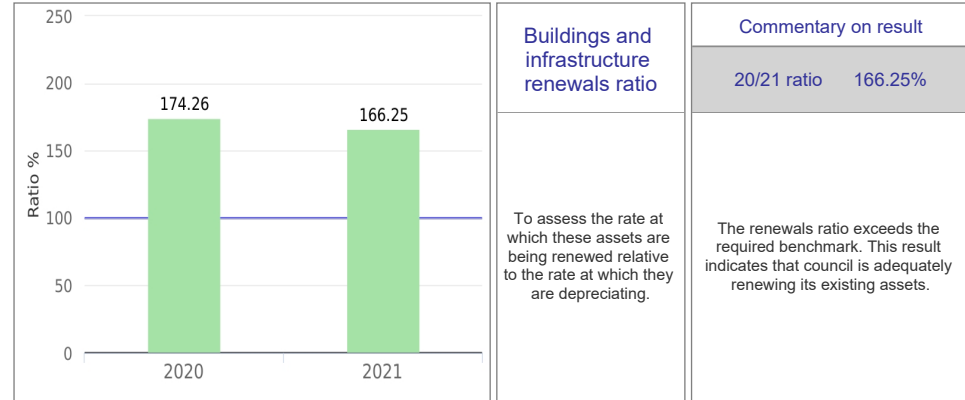
(\*) All asset performance indicators are calculated using classes identified in the previous table.

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

# City of Parramatta Council

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### Buildings and infrastructure renewals ratio



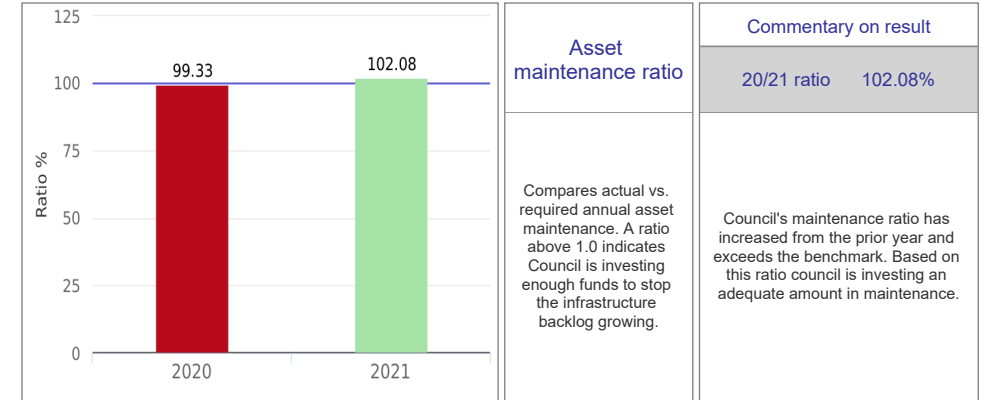
Benchmark: —  $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Asset maintenance ratio



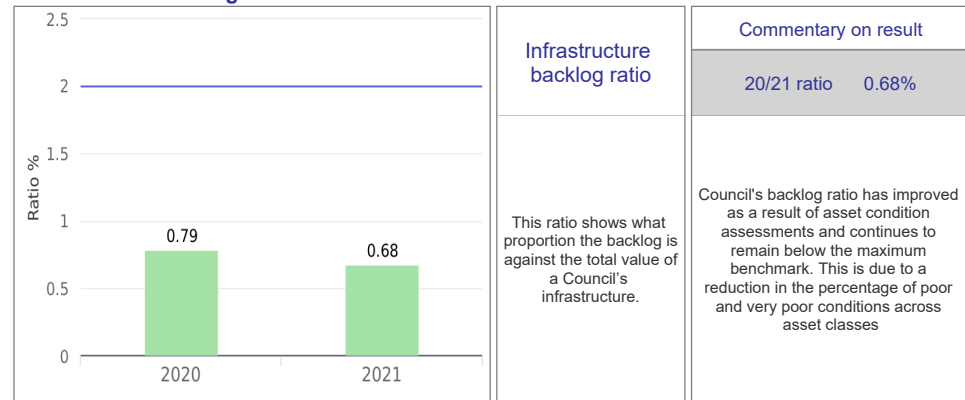
Benchmark: —  $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Infrastructure backlog ratio



Benchmark: —  $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

### Cost to bring assets to agreed service level

