



2017 Community Annual Report



Sydney's central city,
sustainable, liveable and
productive – inspired
by our communities



Contents

Part 1 COMMUNITY SNAPSHOT

02

Part 2 STATUTORY DETAIL

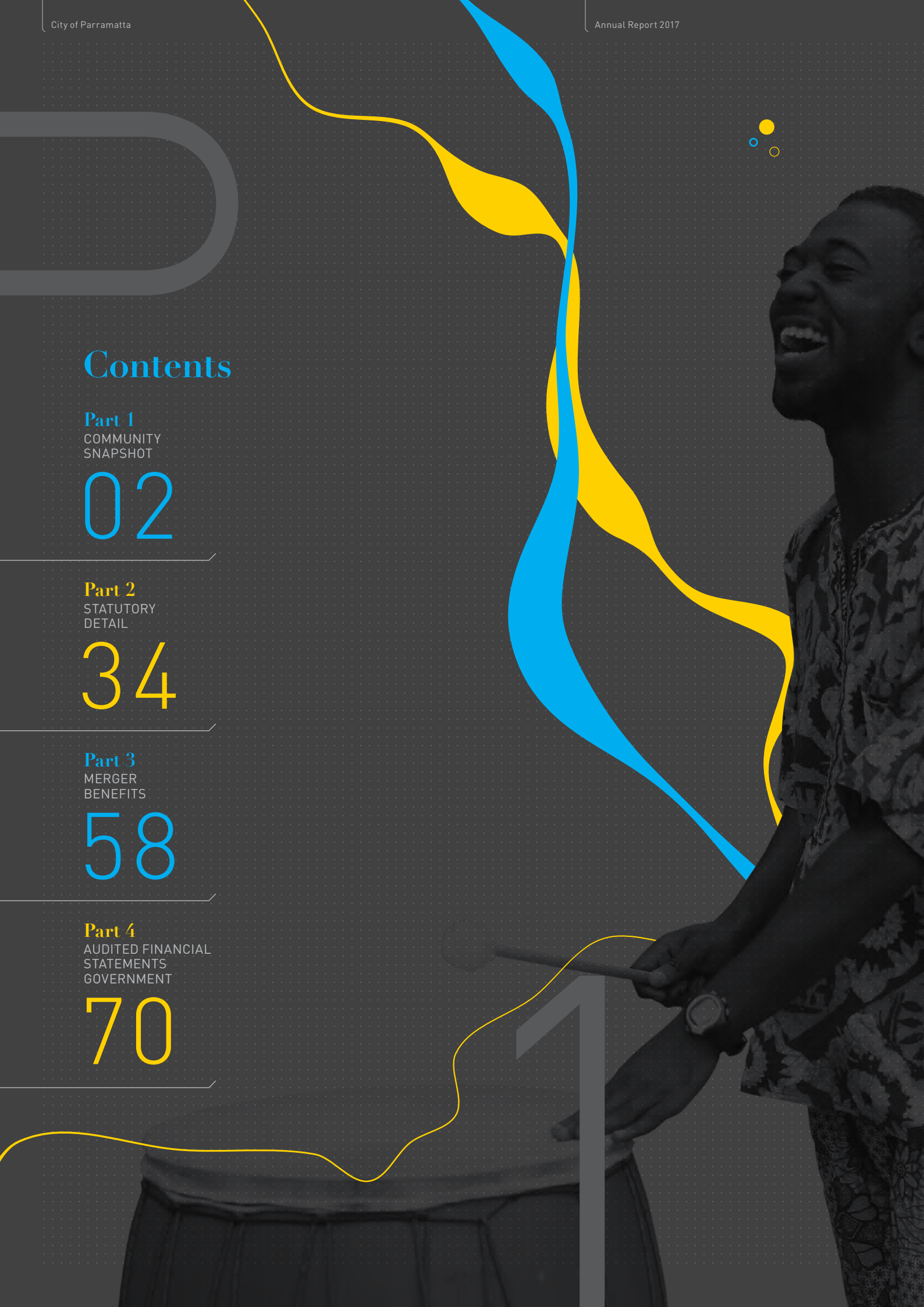
34

Part 3 MERGER BENEFITS

58

Part 4 AUDITED FINANCIAL STATEMENTS GOVERNMENT

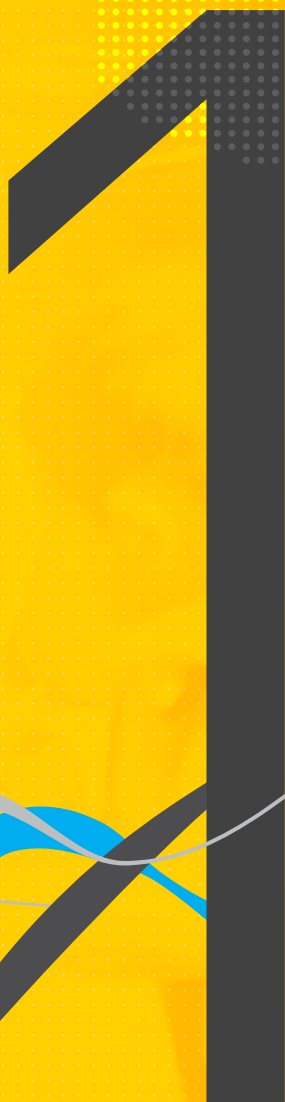
70





We're
building
Australia's
Next Great
City

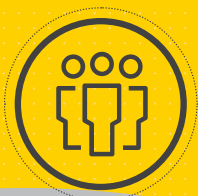
2038_ CITY OF PARRAMATTA_

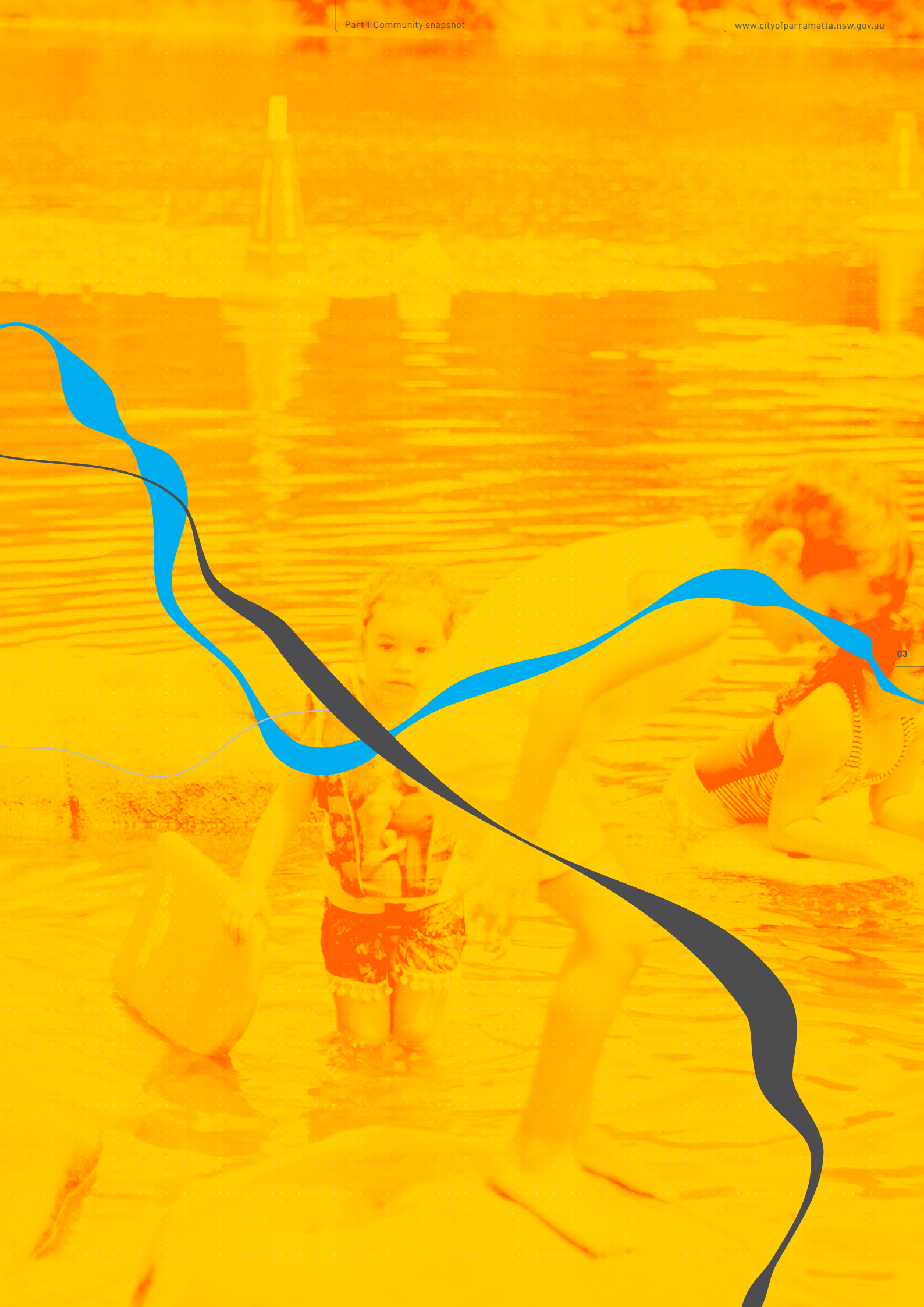


Part 1

COMMUNITY
REPORT CARD

02





Recognition for the Darug people



As the first people of our country – and the longest continuous culture on Earth – the Aboriginal people managed and nurtured the land and waters for thousands of generations. Parramatta has always been an important meeting place for Aboriginal peoples, particularly the iconic Parramatta River. Indeed, the word Parramatta itself is based on the Darug word, Burramatta, meaning 'place where the eels lie'.

By showing respect for the land in the way the Aboriginal people do, we can create a similar sense of belonging that has been felt by Aboriginal people for 60,000 years, which includes managing our environment in a similar way that has allowed Aboriginal people to live with such connection and harmony for so long.

City of Parramatta respectfully recognises the traditional owners and custodians of the land and waters of Parramatta, the Darug peoples.

We acknowledge that Aboriginal and Torres Strait Islander people continue to play a vital role in the ecological, economic, social and cultural life of Parramatta, while maintaining a distinct culture built on the principles of Caring for Country, the primacy of family, and the dignity and governance of Elders.

We are committed to working with Traditional Owners on matters of land, water, culture, language and cultural heritage.





Translations and accessibility



Auslan Interpreting Services

SLC NSW – a division of
The Deaf Society of NSW
1300 123 752
slc_nsw@slcommunications.com.au
www.slcommunications.com.au

TIS National

If you need help with reading and understanding this document, staff from the City of Parramatta Council will be happy to arrange interpreter services for you.

To arrange an interpreter, please contact Council on (02) 9806 5050, or come to Council's Administration Centre at 126 Church Street, Parramatta NSW 2150

ARABIC

إذا كنت بحاجة للمساعدة في ترجمة هذه النشرة، اتصل بـ TIS على الرقم 131 450 واطلب منهم الاتصال نيابة عنك بخدمة زبائن باراماتا على الرقم 9806 5050 من الإثنين إلى الجمعة بين الساعة 8:30 صباحاً و 5:00 مساءً.

CHINESE

如果你需要翻译协助阅读这份新闻简报，请联系 TIS，电话131 450，要求他们代表你接通巴拉玛打市议会顾客服务处，电话 9806 5050。顾客服务处的工作时间是每星期一至星期五，上午8:30至下午5:00。

HINDI

यदि आपको यह सूचना-पत्र समझने में सहायता चाहिए तो कृपया TIS को 131 450 पर फ़ोन करें और उनसे कहें कि आपकी तरफ़ से पैरामाटा कस्टमर सर्विस को 9806 5050 पर फ़ोन करें। यह सेवा सोमवार से शुक्रवार, सुबह 8.30 बजे से शाम 5.00 तक उपलब्ध है।

KOREAN

본 소식지와 관련해 통역 지원이 필요하신 경우, TIS (131 450)에 전화하여 Parramatta Customer Service (9806 5050)를 연결해 달라고 요청하시면 됩니다. 업무시간은 월요일에서 금요일, 오전 8시 30분부터 오후 5시까지입니다.



CEO Message, Council's awards and recognition



This Annual Report, the first for the City of Parramatta Council, represents the summation of the period of Administration following the Proclamation on 12 May 2016. The Annual Report provides detail and update on the broad range of activities, projects and work streams that we had committed to implement in the reporting period between 12 May 2016 and to 30 June 2017.

Since the Proclamation that created the new City of Parramatta, Council concentrated substantial effort on ensuring a seamless and uninterrupted level of services was provided across our expanded community. I am pleased to report that our efforts in this regard have been broadly successful with our community receiving a continuation of previous high levels of services and in some cases services which have been improved or enhanced, right across our expanded geography.

A great community benefit from the local government reform included the \$15m Stronger Community Fund to kick start projects that improve infrastructure and services. Following a robust assessment process, that included representation from the local community and former councillors as well as State MPs, Council distributed \$1m of grants to not-for-profit community groups and \$14m is being invested in larger scale priority infrastructure and services projects that deliver long-term economic and social benefits out to communities.

The City of Parramatta Council continued to deliver significant projects from our merger Councils from The Hills, Hornsby, former Auburn and Holroyd Councils including West Epping Park, Wentworth Point Library, the new preschool at North Rocks in Carlingford and the ongoing investment in infrastructure and community assets right across our neighbourhoods.

During the reporting period, the Greater Sydney Commission outlined a vision to develop Sydney as three great cities, recognising that Parramatta will be a growth centre for population, commercial and government enterprises. Our task here at City of Parramatta Council is to ensure that our organisation is up to the larger task that the Greater Sydney Commission's vision requires of us and to do whatever we can to ensure that the benefits of the growth are delivered equitably across our community.

Council's incredible vision for the Parramatta Square development received significant boosting during the period.

Firstly, we were thrilled to receive confirmation of a substantial leasing commitment by National Australia Bank. In a major statement of confidence in Parramatta, NAB will occupy commercial premises at 3 Parramatta Square, bringing more than half of their Sydney workforce to our City. That announcement, combined with the State Government's equally significant commitment to commercial premises at 4 Parramatta Square, provide certainty that the Parramatta Square precinct will now be fully delivered.

Parramatta Square will be a world class precinct – combining commercial, residential and civic buildings around a brilliant public space. 2017 will see significant work effort to progress the final planning for 5 Parramatta Square, City of Parramatta's futuristic civic and library building.

Greg Dyer
CEO



To ensure the proper planning for transport infrastructure Council has commenced an Integrated across the City Transport, Plan, a Strategic Transport Study, a Parking Strategy and the Epping Town Centre Transport Study. We are preparing new plans of enhanced bike and walking routes to encourage active travel and better connect our city and green spaces.

I am delighted to report the following awards and recognition received by Council during the year.

- > 2016 NSW Tourism Awards Silver Award for Cultural Tourism - recognises tourism operations that foster a great understanding and appreciation of authentic culture, history and/or the arts.
- > 2016 NSW Tourism Awards Finalist for Visitor Information Services - recognises the consistent delivery of high quality and face to face information services for visitors.
- > The Parramatta River foreshore received the highest honour at the Australian Institute of Landscape Architects (AILA) NSW Awards.
- > Under a recent Customer Service Benchmarking Australia Mystery Shopping Program, in the 'Getting Through' and 'Service Delivery' categories, our Customer Contact Centre was ranked in the top 10 customer service performers in Australia. Congratulations to all the staff involved for achieving this impressive result.
- > Council's Media and Communications Team won a RH Dougherty award at the Local Government NSW for Excellence in Communication in Division C (population more than 100,000) for Council's coordination of the 2016 Australia Day events across the City.
- > Council's \$12 million Lennox Bridge won multiple awards in the NSW Architecture Awards and Civil Contractors Federation NSW Earth Awards.
- > City of Parramatta's City Architect Kim Crestani won a prestigious industry award at the annual University of Technology Sydney (UTS): Alumni Award for Excellence - Faculty of Design, Architecture and Building.
- > Congratulations are in order for Council's Home Support and Community Services (HSCS) team which recently won the Aged Care Quality Agency's '2016 Better Practice Award' for innovation and implementation of person-centred approaches.
- > Council's Major Events staff received a major award for the Parramatta Lanes festival, taking home the 'Best Community Event' at the prestigious national Australian Event Awards 2016. This is the third award for the much-loved Parramatta Lanes festival which kicked off again on 11 October and ran till 14 October.
- > Riverside Theatres Director, Robert Love: Robert has been made a Member (AM) in the General Division of the Order of Australia for "significant service to the performing arts, particularly in Western Sydney, as an administrator, and as a supporter of independent artists".

- > Greater Sydney Commission's inaugural Greater Sydney Planning Awards: City of Parramatta was part of the Telopea Master Planning Team that won Project Team of the Year. Council's City Strategy Unit picked up a commendation in the same category for much of the leadership for this work.

From Parramatta Square to the river foreshore, Parramatta is transforming with unprecedented support at State and Federal levels. All levels of Government recognise that from a sustainability perspective, for Sydney to work, Parramatta has to work. Already, 1 in 10 Australians live in Greater Western Sydney (2 million). The economic growth for Parramatta is predicted to nearly double over the next 5 years, from 2.4% to 4.6%. Over the next 20 years Western Sydney is forecast to be home to one million additional residents – contributing to more than half of Sydney's overall expected population growth during this period.

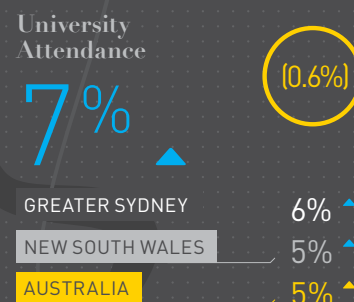
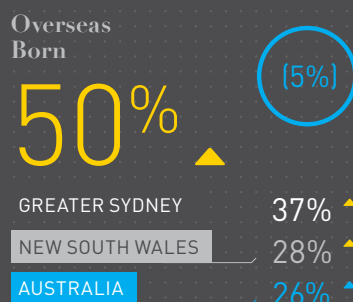
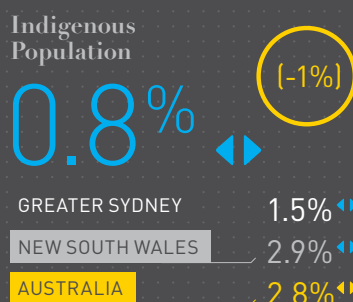
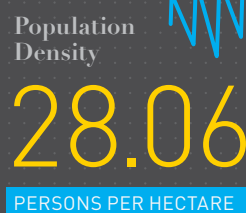
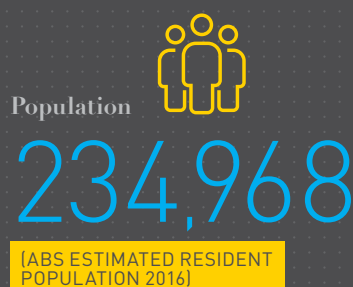
It has been a busy and exciting time for Council since the Proclamation. On behalf of the Executive Team, thank you to our staff for their hard work during this period. We have continued to deliver essential services for our community and laid a strong foundation for the future through community consultations and the incredible volume of work completed. The next Council Term promises to be just as productive and significant for the future of our City.

Greg Dyer



Chief Executive Officer

Community profile



From 2011 to 2016, City of Parramatta's **population** increased by 32,130 people (16.6%).

This represents an average **annual population change** of 3.11% per year over the period.

The major differences between the **age structure** of the City of Parramatta and Greater Sydney were:

- > A larger percentage of 'Young workforce (25 to 34)' (20.2% compared to 16.1%)
- > A smaller percentage of 'Older workers and pre-retirees (50 to 59)' (11.1% compared to 12.2%)
- > A smaller percentage of 'Empty nesters and retirees (60 to 69)' (8.4% compared to 9.5%)
- > A smaller percentage of 'Secondary schoolers (12 to 17)' (5.9% compared to 6.9%)

The three largest **ancestries** in the City of Parramatta in 2016 were Chinese, English and Australian.

In the City of Parramatta, 52% of people spoke a **language other than English at home** in 2016. The top 3 languages other than English at home are: Mandarin (10.5%); Cantonese (6.5%); Korean (5%)

The total number of **households** in City of Parramatta increased by 9,760 between 2011 and 2016.

In the City of Parramatta, 52% of households were purchasing or fully owned their home, 34.1% were renting privately, and 5.2% were in social housing in 2016.

In the City of Parramatta, 55.3% of the dwellings were medium or high density, compared to 44% in Greater Sydney.

The largest changes in the type of dwellings found in the City of Parramatta between 2011 and 2016 were:

- > High density (+9,176 dwellings)
- > Medium density (+2,762 dwellings)
- > Separate house (-1,257 dwellings)

The number of households in City of Parramatta increased by 9,739 between 2011 and 2016.

The largest changes in family/household types in the City of Parramatta between 2011 and 2016 were:

- > Couples with children (+5,336 households)
- > Couples without children (+1,407 households)

Median Age

34▼

[-1%]

GREATER SYDNEY

36▲

NEW SOUTH WALES

36▲

AUSTRALIA

38▲

Household Renting

40%▲

[4.8%]

GREATER SYDNEY

33%▲

NEW SOUTH WALES

30%▲

AUSTRALIA

29%▲

- > More than half of our community (52%) speak a language other than English at home (Greater Sydney = 35.8%).
- > Top three countries of birth (apart from Australia) are India (10.6%), China (10.3%) and Korea (3.9%). (Greater Sydney = China 4.7%, UK 3.1%, India 2.7%).
- > The number of Aboriginal and Torres Strait Islander residents has modestly increased to 1,694 people (0.7%) in 2016 (Greater Sydney = 1.5%).
- > Increasingly family oriented - much more likely to be living in "couples with children" families, 38.3% (2011= 36.0%).
- > Much more likely to be renting, 39.6% (2011= 34.9%).
- > Much more likely to be living in high density dwellings, 35.8% (2011= 26.5%).
- > Less likely to identify as Christian and significantly more likely to identify as Hindu or "no religion" In 2016, 44.4% Christian, 24.5% no religion and 11.3% Hindu.

Community Consultation

- > The Our City Your Say online community engagement panel grew from 3,200 in March 2016 to 7,600 at the end of June 2017, significantly over the benchmark of 1% representation for the LGA population.
- > Panel members aged 18-30 years have grown from under 400 in March 2016 to just over 800 in June 2017.
- > A Citizen's Jury was formed of 33 randomly selected panel members to advise how 5 Parramatta Square (5PS) should best reflect the aspirations and needs of the Parramatta community. The Jury provided recommendations on a range of categories including: identity, sustainability, flexibility, design, future proofing, accessibility, reconciliation and name and uses of 5PS. The result is a series of proposals including that the Civic building should 'encourage connection and interaction between community and visitors and promote knowledge, creativity, diversity and democracy'.
- > The City of Parramatta Youth Forum 'Paint your Parra' providing an opportunity for young people (aged 12 to 25 years old) to have their say on different City of Parramatta projects and share their vision for the City.
- > Social Wellbeing Survey 2016: City of Parramatta conducted a survey with a representative sample of over 600 residents to assess the levels of social wellbeing of the City (including financial stability, health and wellbeing, community connection, access to services and more).
- > The City of Parramatta engaged over 9,000 people across the City to develop a statement of Vision and Priorities as a starting point for the preparation of a draft Community Strategic Plan and the development of the new 2017/18 Operational Plan.
- > The 'Imagine potential Ermington' and 'Imagine Epping' place-making initiative were launched with initiatives being nominated by the local communities.



Community Consultation

Following consultation with our staff and the community, Council has a new Community Engagement Strategy. This strategy reflects the ambitions of the City to create a shared vision across engagement. It aims to provide a roadmap for creating and maintaining good relationships and effective engagement with our community and stakeholders. It will act as a guide for consultation, research and engagement across the organisation in order to ensure best practice engagement with our communities now and into the future.

Highlights and Challenges during 2016/17



Council is pleased to report annually on its progress and achievements, as required under the local government act and the integrated planning and reporting guidelines.

Council Statistics – Fast Facts

- > Customer Service Centre received over 150,000 calls, actioned over 35,000 requests and answered over 27,000 face to face enquiries
- > Processed 1,378 development applications with a construction value totally approximately \$2.1 billion
- > 10% increase in DAs lodged year to year
- > 7% reduction in outstanding DAs year to year
- > 11-day reduction in median processing time, minor reduction in mean (55-day median, 80-day mean)
- > Improvement in DAs determined within 40 days but significantly less than 75%
- > 23% increase in road occupancy permits approved over the last 6 months (991 approved over full year)

Parramatta Square FAST FACTS

- > \$2 billion project
- > One of the largest urban renewal projects in Australia
- > Three-hectare site
- > Twin commercial towers
- > Precinct will be built to a minimum 5 Green Star Rating

During 2016/17 Council commissioned an iconic new civic and community building to be the heart of Parramatta CBD. Known as 5 Parramatta Square (5PS), the five-storey transparent glass building will seamlessly connect to the public domain and will define the character and identity of the future precinct. It will be a major hub for activating the community of residents, students and workers and an extraordinary site for visitors to the region.

In early 2017, Western Sydney University's new Parramatta CBD campus opened within the Parramatta Square Precinct.

CBD Developments

As the City undergoes major transformation, those specialising in commercial and residential development and property management are finding attractive investment opportunities in Parramatta. Cranes scattered in the City skyline reveal that the future vision of Parramatta has arrived.



State Government Partnerships



Cultural Precinct on the Parramatta River

City of Parramatta Council and the NSW Government have signed a Heads of Agreement (or contract) for Council's Riverbank site to create a new cultural precinct on the Parramatta River. The Precinct will include the Museum of Applied Arts and Sciences (MAAS), enlarged and enhanced Riverside Theatres and a new pedestrian bridge across the River. All of which will be underpinned by \$100 million State Government funding.

Under the Agreement, the NSW Government will build a new world class, Museum of Applied Arts and Sciences (MAAS) by the Parramatta River. The new Museum will be built on the Riverbank precinct and is anticipated to open in 2022.

Stronger Communities

The Stronger Communities Fund was established by the NSW Government to provide council with funding to kick start the delivery of projects that improve community infrastructure and services.

- > \$1.056m allocated to 34 successful community organisations.
- > \$13.9m allocated to 18 projects under the Major Projects component that will be delivered over the next 3 years.



2038_ CITY
OF
PARRAMATTA_

Urban Activation Precincts

- > West Epping Park upgrade due for completion in October 2017
- > North Rocks Preschool Facility which continues into 2017/18 reporting year
- > Wentworth Point Library and Community project is anticipated to be completed in mid-2018 subject to successful resolution of outstanding building items and redesigned internal fit out DA approval

Ombudsman's Report on Asbestos Management

The State Government's Heads of Asbestos Coordination Authorities (HACA) group is coordinating the reassessment of a number of James Hardie 'legacy sites' in the City of Parramatta Local Government Area following recommendations from the NSW Ombudsman. Together with the NSW Environment Protection Authority (EPA), Council is assisting with this reassessment. NSW Health advises that asbestos does not present a health risk if covered and left undisturbed. Residents and community members with any questions about asbestos generally can call 1800 ASBESTOS (1800 272 378) or email contact@safework.nsw.gov.au for more information. For information about the assessment program and whether it involves your property, please call the EPA Environment Line on 131 555.

Parramatta Pool

In response to the closure of the Parramatta War Memorial Pool, a concerted effort is being made to fast-track planning for Parramatta's new aquatic leisure centre. Council received considerable community feedback regarding the Pool's closure and has worked hard to provide interim swimming arrangements.



The target date for the completion of the new aquatic leisure centre is March 2020, pending a number of factors outside of Council's control, such as archaeological investigations and the timely provision of utilities and services to the chosen pool site.

Council recognises the importance of having interim swimming arrangements and will continue to work hard to ensure the people of Parramatta have places to swim and enjoy water play while the new facility is developed. This includes reciprocal arrangements with neighbouring facilities.

Interim learn-to-swim agreement

Council has finalised an agreement which will provide learn-to-swim students and lap swimmers in Parramatta access to the pool at Macarthur Girls High School. Following negotiations with the school and Department of Education, Council reached an agreement for shared use of the pool for the next four years. Upgrade works, being funded by Council, are being undertaken at the facility and it was expected they would be complete later in 2017.

Council has committed to the construction of a new all-abilities water play park in the CBD, with various sites under consideration for the park. Council is also investigating additional options to further enhance recreation offerings at Lake Parramatta, and maintenance and upgrade works are being undertaken at Epping Pool in preparation for the upcoming swimming season.

City of Parramatta council strategies and plans adopted during the period



Culture and Our City: The City of Parramatta's Cultural Plan will champion the role that culture plays in city building. Culture will be the key to activating, celebrating and promoting the changing city. During 2016/17 the Cultural Discussion Paper was developed to capture the many conversations and community feedback about the cultural ambition for the City of Parramatta over the next five years.

Economic Development Plan: City of Parramatta's Economic Development Plan is a five-year plan outlining the challenges and opportunities for the local economy of the City of Parramatta. It sets our City's key economic directions and priorities and recognises that employment growth is essential to ensuring the wellbeing of our entire community. The Economic Development Plan works to ensure that in partnership with others, we are focused on delivering inclusive growth for all.

Environmental Sustainability Strategy: A great city is one that grows better every day. We need to ensure that the natural environment creates a better quality of life, not just for people, but for all living things. City of Parramatta's Environmental Sustainability Strategy outlines our key environmental directions and priorities as our City grows, so that all of us - residents, workers and visitors - feel the benefits of that growth.

Parramatta Ways Walking Strategy: This outlines a plan for a green grid across the Local Government Area which aims to better connect people and places while supporting healthy lifestyles by encouraging more walking.

Socially Sustainable Parramatta Framework: We want everyone in our community to benefit from our City's growth and prosperity and we recognise that now is the time to take significant strides to shape a future for our City in which all people can share. 'Sharing The

Opportunities of Growth for All' is City of Parramatta's Framework for advancing social sustainability in our local government area and sets out a new way of working for City of Parramatta which puts people first.

Transport Planning: Although Parramatta is already considered well-connected, transport is critical to the future of a sustainable, liveable and productive city. Smart, multimodal transport solutions are being considered and progressing to planning and delivery stages that will transform the joint futures of both Sydney and Parramatta metro regions. This includes:

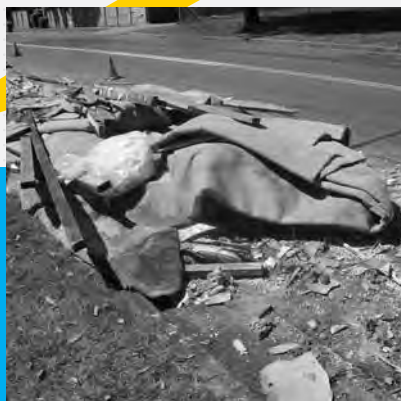
- Parramatta Light Rail: A State Government project, the light rail will link the area's residential, employment, cultural and educational precincts. Stage One of the Parramatta Light Rail Network from Westmead to Carlingford is expected to be completed by 2023. Planning for Stage Two from Camellia to Sydney Olympic Park has commenced.
- Sydney Metro West: Planned to offer a direct connection between Sydney and Parramatta CBDs and integrate with plans to service Western Sydney Airport.
- Parramatta Bike Plan: This 20-year plan for developing Parramatta's cycling network will play an important role in supporting the liveability of Greater Parramatta through enabling residents, workers and visitors to have more transport choices as the city densifies

- Western Sydney Airport: To be developed over the next 40 years, it will stimulate the local economy and direct population and employment growth towards Western Sydney, helping to rebalance economic activity across the Sydney metropolitan area.

Council has also developed and consulted on a number of other important plans aimed at making the City of Parramatta more productive, liveable and sustainable, including:

- Community Engagement Strategy
- Disability Inclusion Action Plan
- Parramatta CBD Pedestrian Strategy
- Civic Link Framework
- Charles Street Square Strategy
- Public Domain Guidelines
- Reconciliation Action Plan
- Draft Parramatta CBD Public Car Parking Strategy
- Draft Social Infrastructure Strategy
- Draft Affordable Housing Policy
- Draft Voluntary Planning Policy





Good governance, regulation and reducing red tape



Easy to do Business

Council supports the NSW Government, 'Easy to do Business' program, that aims to cut the red tape so small and large businesses can focus on their operations rather than bureaucracy. Combining a digital solution with personalised support, 'Easy to do Business' simplifies applying for government licensing and the approvals needed to operate a business. 'Easy to do Business' launched its first trial with the City of Parramatta Council in May 2016 to businesses in the café, restaurant and small bar sector. In 2017/18, via a partnership with the NSW Government, Council will introduce online lodgement of development applications.

The regulatory functions of Council play a key role in maintaining liveable suburbs and assisting businesses to thrive across the City of Parramatta LGA. Parking Officers, Rangers and Environmental Health Officers help keep the Local Government Area safe and open for business by regulating parking, at building and constructions sites, outdoor dining and conducting inspections of food premises.

Improving corporate governance

- > Introduction of the successful Independent Hearing and Assessment Panel (IHAP)
- > The introduction of a shared Ombudsman service with Cumberland and Inner West Councils. Internal Ombudsman, between Cumberland and Inner West Council areas.
- > Review and adoption of more than 48 Corporate Policies
- > Live streaming of Council meetings

Community support and capacity development

- > 'Let's Dine Out Program' was introduced to reduce social isolation.
- > A Memorandum of Understanding (MOU) was signed with TAFE NSW to strengthen local jobs growth through Parramatta Skills Exchange.
- > The Preventing Violence Against Women Grants was an initiative that aimed to address a major issue within society. An important part of Council's vision for Parramatta is to build a stronger community tackling serious issues such as gender inequality as this has been recognised as a fundamental cause of violence against women and their children. Council's Preventing Violence Against Women Grants Program is one of several projects funded by the Commonwealth Department of Social Services' Building Safer Communities for Women (BSCFW) grants program.

Community Arts, Culture and Events

- > A record 320,000 people enjoyed our range of Arts, Culture and Events across the LGA including Parramatta Lanes, Tropfest, New Year's Eve, Australia Day, Luna New Year, Loy Krathong Festival and many others.
- > The 'Amplify' pilot project was launched to support the Parramatta and Western Sydney live music industry.
- > A National Refugee Initiative was coordinated by Council's Community Capacity Building Unit to support newly arrived refugees.

Small Business Support

Council's Economic Development Team delivered 77 business workshops. This included 110 people graduating from the 'How to Start a Small Business Program' in partnership with TAFE. 180 people attended business workshops delivered in partnership with Western Sydney Business Centre and the University of New England, through a partnership with Services NSW to deliver the 'Easy to do Business' program.

Strategic Partnerships

- > Western Sydney Wanderers – endorsed by Council on 13 March 2017 and signed by both parties 1 May 2017
- > Sydney Olympic Park Authority – endorsed by Council on 8 May 2017 and signed 30 May 2017
- > University of New England (UNE) – endorsed by Council 10 July 2017
- > Parramatta Square - Property Development Agreement (PDA) was endorsed
- > New Aquatic Centre – Agreement was signed
- > Riverside Theatre redevelopment – Heads of Agreement was signed and endorsed by Council
- > Museum of Applied Arts and Sciences (MAAS) – Heads of Agreement was signed and endorsed by council
- > Light Rail – Development Agreement was signed and endorsed by council

**Hornsby
Shire
Council**

Service
Trust
Respect
Innovation



Performance Snapshot



This is the first Annual Report for the City of Parramatta Council, covering the period from the merger, 12 May 2016 to 30 June 2017. The 2016/17 Operational Plan was developed to ensure a continuity of the plans of the five former Councils of Auburn, Hills, Holroyd, Hornsby and Parramatta. The public services, investment projects and key initiatives of the former councils were incorporated into the City of Parramatta Operational Plan.



**Former
Holroyd
Council**



Quality Customer Service
Contestability
Community Leadership
Technical Excellence
Continuous Improvement & innovation
Open Government
Best Practice
Sound Financial Management



**Former
Auburn
City
Council**



Good Governance
Transparency & Accountability
Economic, Environmental
& Social Sustainability
Excellence
Respect & Integrity
Making a difference





Hills Shire Council



Community Spirit
Accessibility
Sustainability
Leadership
Natural Beauty
Innovation
Balance
Proactivity



Former Parramatta City Council



Customer Service
Teamwork
Integrity
Innovation

Performance Report Card

The Annual Report outlines Council's achievement against the actions and performance measures detailed in the 2016/17 Operational Plan. This was assessed against the merged five council plans as discussed in the previous section. The performance report card provides a statistical snapshot of the performance measurement data across all focus areas for the whole of Council. The following table summarises the progress of the number of Actions and Projects included in Council's Operational Plan 2015/16 and the number that were completed during the reporting period.

Economy



Environment



Connectivity



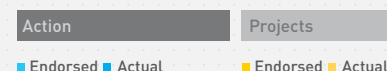
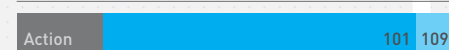
People & Neighbourhood



Culture & Sport



Leadership & Corporate



Actions and/or Projects that were not delivered or delayed during 2015/16, (due to capacity, phasing, inclement weather, pending various authority approvals or where council held a partnership role) have been carried over into the 2017/18 Operational Plan. Some examples are listed below:

- > Precinct Infrastructure Strategy and Precinct Plans in partnership with Department of Planning and Environment (DP&E)
- > Deliver re-zoning proposal for Camellia and Rydalmere Precinct in partnership with Department of Planning and Environment (DP&E)
- > Deliver Inclusive Playground at Ollie Web
- > Reynolds Park basketball court
- > Deliver fenced off-leash dog area at Pierre de Coubertin Park, Wentworth Point
- > Adopt revised Smart City Strategy and Implementation Plan
- > Delivery of outstanding former Hills, Auburn, Holroyd Council capital works programs
- > Delivery of some projects within rolling Capital Programs
- > Parramatta River Foreshore Stairs
- > St. John's Cathedral Lighting Treatment
- > Neighbourhood Policy and Place Plans
- > Governor Phillip Commemorative Public Art Project
- > Implement Business Unit Workforce Plans
- > Transitional Service Agreements (TSAs) – settlement with Hornsby and Cumberland Council's still outstanding
- > Finalise ICT Strategic Plan and Security Strategy
- > Finalise review of Privacy Management Plan

Financial Summary



Council has maintained a strong and sustainable budget. Council's net operating result for the year (subject to Audit) was \$15.2m. This was \$12.1m above the budget of \$3.1m. Revenue was \$8.7m above budget due mainly to Federal Government grants of \$5.0m received in advance and revenue transferred from other councils for merger areas resulted in favourable revenue variance of \$1.8m in rates and annual charges.



6 Strategic Objectives



01

ECONOMY

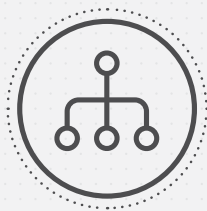
Parramatta's economic growth will help build the City as a centre of high, value-adding employment and the driving force behind the generation of new wealth for Western Sydney.



02

ENVIRONMENT

Parramatta will be an eco-efficient city that effectively manages and uses the City's growth to improve and protect the environment.



03

LEADERSHIP & GOVERNANCE

Parramatta will be widely known as a great city, a centre of excellence and an effective capital of Western Sydney, with inspirational leadership and good governance.



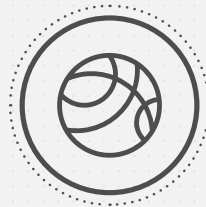


PEOPLE & NEIGHBOURHOODS

Parramatta will be a world-class city at the centre of Sydney that attracts a diversity of people – a city where people can learn, succeed and find what they need; a city where people live well, get together with others, feel like they belong and can reach their potential.



04



CULTURE & SPORT

Parramatta will be a place where people want to be – a place that provides opportunities to relate to one another, the City and the local area; a place that celebrates its cultural and sporting heritage; and a place that uses its energy and cultural richness to improve quality of life and drive positive growth and joy.



05



CONNECTIVITY

Parramatta will be a city with fast, reliable transport and digital networks that connect people to each other, to the information and services they need and to where they need to go.

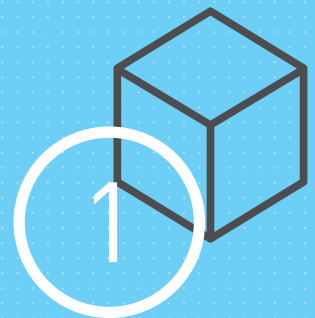


06

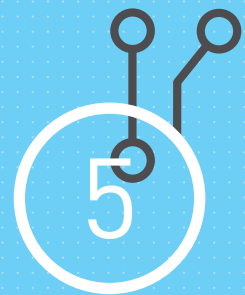
12

Priorities

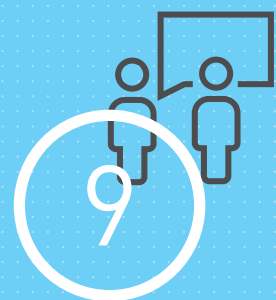
The following twelve (12) Major Priorities represent the key focus areas that were agreed by the former Parramatta City Council. The priorities are focused on Council's development as Sydney's second CBD, promoting economic growth, development of its cultural and sporting assets, significant development projects in the CBD and along the riverbank, strong advocacy around transport links and a focus on building a more efficient council.



} PARRAMATTA
SQUARE



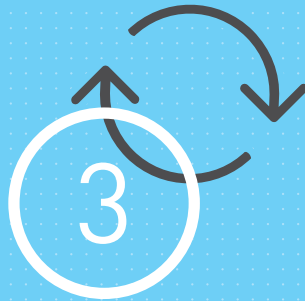
} DIGITAL
CITY



} EXTERNAL
COMMUNICATION
& CONSULTATION



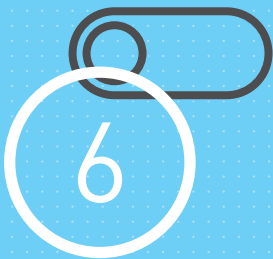
2
CITY
CENTRE



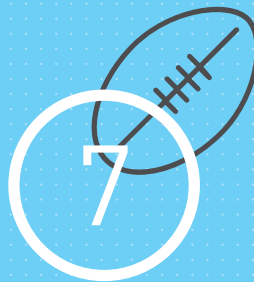
3
PRECINCT
RENEWAL



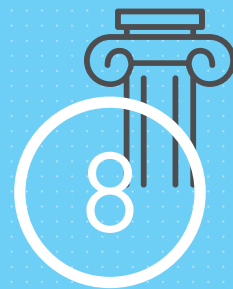
4
TRANSPORT



6
CITY
ACTIVATION



7
SPORT AND
RECREATION



8
A DESTINATION FOR
SPORT AND CULTURE



10
PROVIDING
GREAT SERVICES
TO OUR
COMMUNITY



11
FINANCIAL
SUSTAINABILITY



12
ENSURING PARRAMATTA
IS 'FIT FOR THE FUTURE' -
MERGER BENEFITS

NOTE: Many of the activities and actions listed in this Part contribute to the achievement of a number of strategic objectives

Strategic Priority

PARRAMATTA SQUARE



A transformational new three (3) hectare precinct of high density urban living and commercial space. Open to the public from 2019, the precinct will accommodate workers, residents, retail, entertainment and dining venues, along with Council and community facilities. Council will plan these major development projects to deliver world class office, retail, residential and public space outcomes to accommodate population growth and meet demand for more jobs and better services.



What we said we would do

- > Designs developed for all elements of Parramatta Square.
- > Development Applications approved for all elements of Parramatta Square.
- > Construction completed on one building in Parramatta Square.
- > Construction commenced but not completed on one additional building in Parramatta Square.
- > A program for the delivery of all Council facilities, including library.

PS1 – The stunning new Western Sydney University building was completed on time and student classes commenced in January 2017, creating a thriving student campus and new public space in the heart of the city centre.

PS3 – Walker Corporation has been appointed as the developer for the site and, working with Council, secured a significant leasing commitment from the National Australia Bank for its staff to take up residency in the A-grade commercial building to be developed on the site. Approval of the planning proposal is underway with approval being sought in August 2017. Some preparatory construction work has already been completed.

PS 4&6 – Walker Corporation was also appointed as the developer for the site and secured a major commitment from NSW Government Properties to lease the 4PS building, a significant achievement that will drive the delivery of these buildings. Walker Corporation lodged the Development Application for the 4 and 6 PS site during the year with approval secured in the 2nd Quarter. Construction activity has commenced on site with all demolition works completed and with construction of walls commencing in July 2017.

PS5 – The final exterior building design has been completed, responding to additional overshadowing rules introduced on the Parramatta Square site. The Development Application (DA) for early works was approved and is progressing well. An application for the external envelope and structure will be lodged in August 2017. A Citizens Jury process provided additional guidance for the development of the internal building design. The development application for the internal works is scheduled for lodgment in December 2017.

PS8 – The developer (Walker Corporation) was scheduled to lodge the Development Application (DA) on the 8PS Aspire Tower. This has been delayed as a result of the need to finalise commercial negotiations on the removal of the experience centre that Council resolved to relocate into the 5PS building.

PS Public Domain – Council endorsed a revised Public Domain design to ensure the design fits well with the approved Parramatta Square buildings. As part of the development agreements for the square, Walker Corporation will undertake works on behalf of Council, scheduled for completion mid 2020.



In May 2017, design options were explored to extend the building further to the East, to maximise value and adherence to the design brief requirements. Options were presented in response to the interpretation of the draft Civic Link Framework Plan prepared by Council Planning Department that specifically outlines the intent of the 20m setback from 3PS site. The option to extend 5PS building 3m beyond the air space of the 20m setback line from Level 1 above, was deemed as a more appropriate response to the draft Civic Link Framework Plan.

Link to Strategic Objectives:



Responsibility: Director Property & Significant Assets

Strategic Priority

CITY CENTRE



2



We are Building Australia's Next Great City. The Government's Plan for Growing Sydney recognises that Parramatta is a CBD of metropolitan significance, and describes Parramatta as Sydney's dual CBD and a vibrant and dynamic place to live, work and play. We will work collaboratively with key partners to deliver vibrant and attractive office, retail, residential and public space to accommodate more jobs and better services to meet the demand of population growth in one of Australia's fastest growing economies.



What we said we would do

- > A revitalised Centenary Square.
- > A River City Strategy adopted and a staged approach is underway to improve the river foreshore including terracing, moving the sewer pipe, and improving water quality in Parramatta River.
- > The next group of Design Parramatta priority projects delivered, improving Parramatta's streets, and public spaces.
- > A review of the CBD planning framework completed, stimulating quality development that delivers jobs, housing, entertainment recreation facilities and shopping and dining experiences.
- > Investigation of innovative methods to deliver infrastructure including the Voluntary Planning Agreement process.
- > A review of the Parramatta Car Parking Strategy.
- > Preparation of a Retail Strategy to promote and support diversity in retail and dining experiences.

Draft Parramatta CBD Public Car Parking Strategy

A draft Parramatta CBD Public Car Parking Strategy 2017 was prepared to update the current Parramatta City Centre Car Parking Strategy 2011 by considering the impacts and mitigations for public parking resulting from the introduction of Parramatta Light Rail. Together these will be used to inform

negotiations on the Development Agreement between Council and Transport for NSW on the Parramatta Light Rail project. The draft Parramatta CBD Public Car Parking Strategy 2017 will be presented to the Council, after the Local Government elections in September 2017, for its consideration.

The draft Parramatta CBD Public Car Parking Strategy, the current Parramatta City Centre Car Parking Strategy endorsed by Parramatta City Council on 26 September 2011, as well as with the Bike Plan, Pedestrian Strategy and Strategic Transport Study (which considers private parking) will inform the Integrated Transport Plan. The Integrated Transport Plan is required to be prepared in 2017/18 to support the Parramatta CBD Planning Proposal.

Parramatta CBD Pedestrian Strategy

The Parramatta CBD is currently subject to significant public and private investment that is transforming the buildings, streets and very fabric of the city. This growth will be the catalyst to transform our streets into places that are safe, active, and accessible for people at all times of the day and week. The Strategy seeks to encourage all residents, workers, students, shoppers and visitors to make safe, accessible and simple walking journeys to jobs, to schools, as well as recreational, cultural, and retail districts. The Strategy is a technical, guiding document that makes recommendations on how a better walking CBD could be realised as the City develops. It was adopted by Council on the 13 of June 2017, and was co-funded with a \$75,000 RMS grant.

Charles Street Square Concept Design

A Concept Design for Charles Street Square (working title) has been prepared to improve way finding, access and legibility between the ferry terminal and the Parramatta CBD. It was adopted by Council on the 13 June 2016 to guide further consultation with adjoining landowners and detailed design with an aim to align delivery with the NSW State Government's upgrade of the Parramatta Ferry Wharf.

River City Strategy

Parramatta River City Strategy implementation progressed with the Charles Street Concept Plan was endorsed June 2017.

Civic Link Framework

The Civic Link Framework Plan envisages a green corridor that would connect Parramatta Square to the Parramatta River. This was placed on public exhibition during this period and will be finalised early in the new financial year.

Parramatta CBD Planning Proposal

Council has progressed final documentation to facilitate the release of a Gateway Determination from the Department of Planning and Environment to enable the public exhibition of the Parramatta CBD Planning Proposal.

Retail Strategy

Retail is recognised as a significant sector for Parramatta CBD. As detailed in the recent report prepared for Council by Price Waterhouse Coopers, Parramatta 2021: Unlocking the potential of a new economy (2017):

"Within five years, it's forecast that an additional \$1.2 million will be spent by workers, residents and visitors on retail each and every day in Parramatta, and the anticipated growth both in terms of population and commercial development will see an additional \$3b in retail turnover in city centre in this timeframe."

Link to Strategic Objectives:



Responsibility: Director Strategic Outcomes and Development

Strategic Priority

PRECINCT RENEWAL

3



The future of the City will rely heavily upon the renewal of key precincts throughout the City. The concept of a Greater Parramatta that connects the existing city centre to Westmead, Parramatta North, Camellia and Rydalmere is recognised in the Plan for Growing Sydney. Renewal plans for these precincts will be developed along with Auto Alley and Parramatta Road in a series of staged projects to drive renewal and increased development in the precincts to bring more jobs and housing to Parramatta. These will be prepared and implemented over the next 5 – 10 years. These precincts will be connected by Light Rail, Ring Road and the River. Due to local government boundary changes, other precincts will be reviewed both during the course of this Operational Plan and future plans, including an update of our Community Strategic Plan.



What we said we would achieve

- Establishing effective collaborative relationships with the state government, major land owners, agencies, institutions and developers to make the process happen.
- Develop quality precinct master plan, review planning instruments and identify infrastructure needs.
- Advocate for investment (public and private) to implement actions.
- Investigate innovative methods to deliver infrastructure including the Voluntary Planning Agreement.
- Redevelopment sites and infrastructure throughout this Council term.

Parramatta North

On 20 November 2015, the (then) Minister for Planning announced the approval of UrbanGrowth NSW (UGNSW) application to rezone the Parramatta North Urban Transformation Special Precinct. An amendment of the Parramatta DCP 2011 was exhibited concurrently with the first Development Application (DA/1124/2016) lodged by UGNSW for the site. An amendment to the Parramatta DCP 2011 will provide for specific controls for the site and enable a thorough assessment of the Development Application.

Draft Amended Voluntary Planning Agreement (VPA) Policy

At its meeting on 13 June 2017, Council resolved to place the draft Amended Voluntary Planning Agreement (VPA) Policy on public exhibition subject to amendments for a minimum period of 56 days. This Policy is yet to be placed on public exhibition. It is recommended that prior to public exhibition of the draft amended VPA Policy that further amendments be made to reflect the relationship between the draft Affordable Housing Policy and the draft VPA Policy and that the two policies be exhibited concurrently.

Epping Planning Review

Epping Town Centre Planning Review seeks to revise planning rules and address concerns regarding transport, access, community facilities, open space, heritage and the economic role of Epping following its consolidation into the City of Parramatta local government area.



Other Precincts

Council continues to work in partnership with other government agencies on the planning for Telopea, Camellia, Carter Street, Sydney Olympic Park, and Westmead (with the Westmead Alliance).

Link to Strategic Objectives:



Responsibility: Director Strategic Outcomes and Development

Strategic Priority

TRANSPORT

4

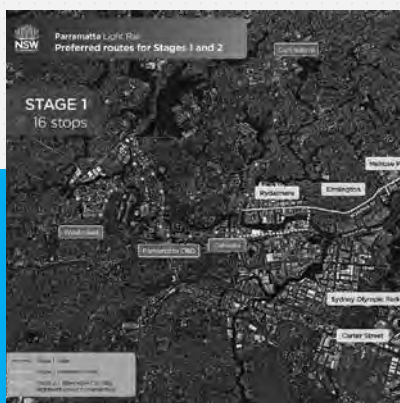


Transport connections within and to Parramatta will be improved to connect our precincts, and connect people to jobs and the rest of the region. The focus will be on a Light Rail network, Regional and Local Ring Roads and a network of pathways linking our city to parks and recreation spaces with a focus along the river.



What we said we would achieve

- > Commitment from State Government and private partners to build Western Sydney Light Rail.
- > Commitment from State Government for staged implementation of regional and Parramatta ring road and WestConnex on/off ramps.
- > Improved walkable network throughout the city.
- > Advocate for a fast rail connection from Sydney CBD to Parramatta.



Light Rail Stage 1

The NSW Government has announced the preferred Parramatta Light Rail – Stage 1 route on 17 February 2017. Stage 1 seeks to connect Westmead to Parramatta and Carlingford via Camellia with a two-way track spanning 12 kilometres. Council is working closely with Transport for NSW to ensure design, transport and community objectives are met. Further information can be found at www.parramattalightrail.nsw.gov.au

Sydney Metro West

Council has consistently advocated to the State Government for a fast rail connection between Sydney and Parramatta CBDs. Following the announcement of the new Metro West, Council will continue to call for the fastest possible connection between the two CBDs, and to continue onto Western Sydney Airport.

Subiaco Creek Link

On behalf of the Roads and Maritime Services, Council delivered, on time and under budget, a missing link in the river foreshore path – Subiaco Creek in Rydalmere. The \$4.5 million Subiaco Creek link was opened in July 2017. It is now possible to walk or cycle away from traffic for almost 20km on a path network between Parramatta Park and Sydney Olympic Park via the Parramatta CBD and the Western Sydney University (WSU) campus in Rydalmere. Delivering these links has contributed to a consistent 10 to 20 per cent year-on-year increase in cyclists using the cycleway in recent years.

Parramatta Ways Walking Strategy

Parramatta Ways is a plan to improve walkability across Parramatta, a key attribute for a liveable city. The strategy seeks to deliver a network of high quality walking routes through Parramatta's streets, open spaces and river corridors. The Strategy was publicly exhibited during 2017 and adopted by Council in June 2017.

Parramatta Bike Plan

Council recently developed a new Bike Plan for the Local Government Area, the purpose of which is to set the priorities and principles for cycling; the necessary cycling infrastructure, education and other programs that support cycling. Over 3,000 comments and submissions from the community informed the Plan and their priorities of safety, CBD connectivity, and physical separation directly influenced the network. Parramatta's future bicycle network has been designed for both local and regional trips, with a focus on connecting areas planned for substantial population growth, helping to make cycling an attractive option for both the Parramatta of today, and the future. The Bike Plan was adopted by Council in June, and was co-funded with a \$75,000 RMS grant.

Link to Strategic Objectives:



Responsibility: Director Strategic Outcomes and Development

Strategic Priority

DIGITAL CITY



5

Position City of Parramatta as a “Smart City”, capable of creating well-connected businesses, residents, government and community organisations and clusters of knowledge capital and high skill jobs through creative partnerships and advocacy that produce investment in leading-edge technology.

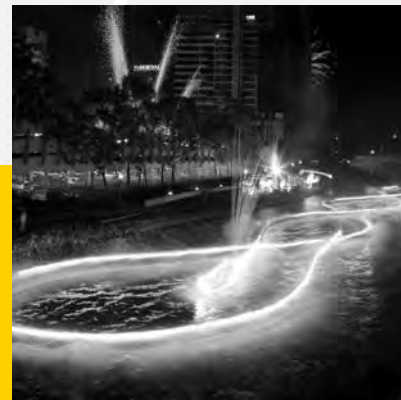


What we said we would achieve

- › A Smart City Strategy that provides a framework for investment in technology and positions Parramatta as a Smart City.
- › Improved connectivity in the CBD and neighbourhoods.
- › Increased clusters of knowledge and high skill jobs.

Smart City

The Smart City Advisory Committee was established and had its first meeting in February 2017. The Committee has met a total of three times. The Committee has overseen the creation (and Council adoption) of new terms of reference, commencement of an open data policy and the submission of two major Federal Smart Cities and Suburbs grant applications. These applications have prioritised a significant implementation component of the Smart City Strategy. In the interim, a number of projects including specifying the ‘smart’ components of Parramatta Square, CCTV analytics, lighting sensor trials, a primary school safety project and a parking technology review have continued to implement components of the Smart City Plan (within other projects and services).



Link to Strategic Objectives:



Responsibility: Director Strategic Outcomes and Development

Strategic Priority

CITY ACTIVATION



Build positive experiences and perceptions of Parramatta as a dynamic, diverse and creative city, nurturing and delivering a program of high quality festivals, major events and street activities to celebrate the City's cultural life.



What we said we would achieve

- > People engaged in the life of the City.
- > A City perceived as a destination of choice.
- > Activation that supports commerce and enterprise and stimulates economic activity.
- > Enhanced perceptions of Parramatta as Australia's Next Great City.

The year end result for the 2016/17 major events season saw considerable growth in annual attendance to 320,000, a 50% increase in attendance over the 2015/16 event season.

The Tropfest short film festival was held in Parramatta in February 2017 - a new significant event added to the City's cultural calendar. The event provided new experiences for locals and attracted new visitors to the City.

The multi award-winning Parramatta Lanes Festival was staged from 11 to 14 October 2016. This year's festival increased its event footprint to include 10 laneway sites within the Parramatta CBD. The 2016 festival experienced significant growth in attendances over the four nights with a total festival audience of close to 100,000 (up from 34,000 in 2015). In September 2016, the Parramatta Lanes Festival was awarded the Best National Community Event at the 2016 Australian Special Events Awards.

In March 2017 Council released the discussion paper, Culture and Our City, which set out a plan to expand the cultural offering of Parramatta and strengthen the cultural and social fabric of the region. This paper sets out goals and actions to guide the City to achieve its cultural vision.

Council's Memorandum of Understanding with TAFE NSW strengthens local jobs growth, including the operation of the Parramatta Skills Exchange to provide opportunities for young, unemployed and underemployed workers.

Developed in partnership with The Live Music Office and APRA AMCOS, City of Parramatta Council commenced its 24-month pilot project 'Amplify' to help support the growth of the City's live music industry.

City of Parramatta recognises the importance of a safe night time economy. The Draft Late Trading Management Development Control Plan has been prepared to provide a framework that ensures there is a consistent approach in the assessment of night trading premises to increase safety, discourage anti-social behaviour, and assist in setting expectations for residents and applicants. The Draft DCP identifies appropriate trading hours for three precincts: Parramatta CBD, Harris Park and Epping as well as assessment principles and requirements for Plans of Management and Social Impact Assessments.

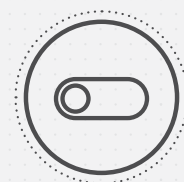


The City of Parramatta Economic Development Plan will inform the preparation of the next Community Strategic Plan which is currently in development and is required to guide the appropriate expenditure of the Economic Development Special Rate over the next financial year 2017/2018.

Link to Strategic Objectives:



Responsibility: Director Marketing and City Identity



Strategic Priority

SPORT AND RECREATION



We will encourage active and healthy lifestyles by increasing participation in sport, physical recreation and other activities that improve health and wellbeing across our local government area. Council can positively influence health and wellbeing through provision of recreation facilities and services, planning of the built and natural environment and influencing partners who provide a diversity of recreational opportunities and services to the local community.

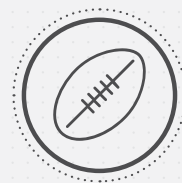


What we said we were going to do

- > Increased participation in sports and activities that improve health and wellbeing.
- > Well planned and maintained open spaces, sport and recreation assets.
- > Integrated approaches to land use and transport planning to improve access to open spaces and recreational opportunities.

Council continues to work closely with our local sports clubs and sport field hirers, encourages participation and monitoring usage, and is undertaking further planning for more Open Spaces and Parks that will meet the needs of the community. Sportsgrounds improvements include:

- > Upgrade of automated remote-control system for floodlighting to a number of playing fields.
- > Homelands Reserve Telopea - new storeroom building.
- > John Curtin Reserve Winston Hills - first floor meeting room addition & upgrade of picnic facilities, BBQ & landscaping.
- > Binalong Park - floodlighting upgrade.
- > Eric Primrose Reserve - electrical mains upgrade for sporting pavilion.
- > Playing fields goal posts replacement at Jones Park and Peggy Womersley Reserve.
- > Hazel Ryan Oval - driveway entry upgrade.
- > Winston Hills Lions Park and Third Settlement Reserve - new amenities buildings.
- > Recent playgrounds replacements include Sherwin Park North, Parramatta and Cowells Lane Reserve, Ermington. The Stronger Communities Fund will invest in a further 20 new parks and the West Epping Park upgrade will provide superb sports and leisure facilities.
- > Council has invested in the Epping Aquatic Centre and has secured arrangements for swimming groups to access the pool at Macarthur Girls High School in Parramatta whilst plans are made for a new Aquatic Leisure Centre. A new all-abilities water play park is being discussed for the CBD.



- > The Over 55s Leisure and Learning Program has experienced an 18% increase in membership and the popular 'Active Parramatta' program has been extended to Newington Community Centre, giving more residents access to healthy activities.

Examples of Council's recreation programs during 2016/17 include:

- > 3,205 participants in the 4 school holiday programs offered (with a wait list of 3,652) and an average of 93% customer satisfaction.
- > 236 participants January-June 2017 in new Active Parramatta classes.
- > 113 young children in Move, Play and Learn classes and 125 participants in 2016 Girls in Sport event.

Link to Strategic Objectives:



Responsibility: Director City Services

Strategic Priority



A DESTINATION FOR SPORT AND CULTURE



8

As Australia's Next Great City, Parramatta will be a destination for Sport and Culture. Council will support existing facilities and work with other agencies, such as Sydney Olympic Park Authority (SOPA) to develop precincts, facilities and partnerships which maintain and enhance the City of Parramatta as the central sporting and entertainment destination for Western Sydney, with particular focus on Parramatta Stadium, Riverside Theatres and other regional facilities.

These facilities provide locations for regular major sporting and cultural events within the City, create a significant positive impact on the City's brand, reinforce the cultural and sporting identity of the City and create day to day activation and vibrancy. There are economic, social, recreational and cultural benefits for residents, business owners, workers and visitors within the City and across the Greater Western Sydney region.



What we said we were going to do

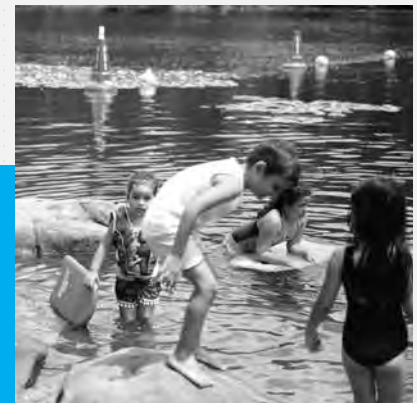
- > Increased recognition of Parramatta's position as a sport and entertainment destination.
- > Increased visitors to Parramatta's sport and cultural facilities.
- > Increased opportunities for local residents and businesses to benefit from significant sporting and entertainment events being held in Parramatta.
- > An agreed precinct masterplan and advocacy program for development of sport and recreation facilities in North Parramatta.

Sport and cultural facilities

During the exhibition and consultation of the Cultural Plan, some respondents in the community saw sport and art as very separate activities, while many of our community said that spectating and participating as a fan is a powerful, shared cultural experience. We acknowledge the nostalgic and cultural significance of sport and recreation as experiences and activities we do as individuals, families and as groups. Professional sport and large events provide an entertainment outlet – as well as reflecting and forging a shared cultural identity.

Aquatic Leisure Centre for the City

Parramatta War Memorial Swimming Centre was closed to make way for the new Western Sydney Stadium. The State Government has pledged \$30m towards development of a new aquatic leisure centre in Parramatta and substantial community engagement has recently been underway to help define priorities and ensure that the new aquatic centre will meet the contemporary needs of the community.



Riverside Theatres

The Theatres continue to entertain locals and entice people to visit Parramatta, with 161,912 people attending shows and performances over the past 12 months. In its first year of operation the National Theatre of Parramatta (NToP) produced six major pieces, and played to audiences of 7,420.

A recent satisfaction survey indicated that Riverside was well regarded; curating a good mix of performances for current patrons' tastes and offering value for money. Feedback also indicated that patrons were looking for a more complete experience that included dining through bundled packages or discounts.

Link to Strategic Objectives:



Responsibility:

Director City Services

Strategic Priority

EXTERNAL COMMUNICATION & CONSULTATION



Ongoing consultation with the community will continue to shape Council's priorities, supported by improved engagement and communication strategies and processes. Our external communication activities will serve to reinforce the positioning of Parramatta as "Australia's Next Great City" through the development and execution of a comprehensive marketing strategy that will demonstrate the City's position and grow positive perceptions of Parramatta



What we said we would achieve

- › Improved stakeholder engagement measured by survey.
- › Recognition of Parramatta as Australia's 'Next Great City'.

Stakeholder Engagement

Council published the 'Our Vision and Priorities' statement in December 2016, following an extensive program of engagement, capturing input from over 9,100 residents, staff and stakeholders. Council has enhanced the opportunities for the community to participate in Council's decision-making process, by introducing a program of high street drop-in kiosks and engagement activities, the introduction of live streaming of Council meetings held in locations across the local government. It has also achieved this by increasing the membership and diversity of the 'Our City Your Say' community, the development of a new Council website and greater community participation through the Citizens Jury, the Youth State of the City Forum, and the 'Imagine Ermington' and 'Imagine Epping' websites to capture community ideas, and through precinct and town centre master planning consultations and workshops.

Australia's Next Great City

Council is improving perceptions of Parramatta as Sydney's central city through our work with the Greater Sydney Commission and by promoting recognition of the regionally significant role of our City. This is also being achieved through the production and distribution of the Parramatta magazine "Australia's Next Great City" to key business leaders and business forums, implementation of a better website, the development of a Parramatta brand strategy, and a program of signature partnership festivals and the strengthening of our many other strategic partnerships.



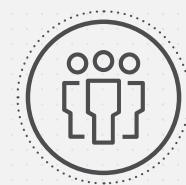
Link to Strategic Objectives:



Responsibility:

Director Marketing and City Identity

Strategic Priority



PROVIDING GREAT SERVICES TO OUR COMMUNITY



10

Maintain or improve the quality of Council's core services across the new Parramatta Local Government Area by planning for additional capacity and resources to meet challenges of growth, continuously improving Council's operational processes and functions and putting the customers at the heart of service delivery



What we said we would achieve

- > A new Operations Centre with greater service delivery capacity.
- > Sustained implementation of service improvements and operational capacity improvements to deliver better, more efficient local services.
- > Smarter ways to do business with our customers using technology.
- > Continuous improvements to the customer experience.

New Operations Centre & Customer Contact Centre Restyling

Council successfully transitioned its premises at 126 Church Street Parramatta to cater for the administrative operational needs of the newly formed City of Parramatta Council following the Council mergers on 12 May 2016. A restyling of the Customer Contact Centre was completed in 2016 which provided a new approach to customer servicing and has resulted in an improved customer queuing experience and customers being served by the Customer Service Representative with the most appropriate skill set for the enquiry type. Council has rostered a mobile concierge to guide customers through the ticketing process and with general non-transactional enquiries to improve the overall customer service experience.

Improved Operational Capacity

Following the establishment of City of Parramatta Council, the Customer Contact Centre had to quickly build additional operational capacity to meet a 15% increase in customer contacts such as service requests, telephone calls and day-to-day business contact (compared to the previous corresponding period of the former Parramatta City Council). Council has worked quickly to recruit and train staff to ensure a high quality of customer service.

Council increased its compliance staffing resources and stepped up parking patrols and building site management activities in the large-scale medium - high-rise development areas of Epping (Carlingford Rd, Cliff Rd, Hazelwood Pl and Forest Grove) to respond to construction related complaints such as early and late starts on building sites, excessive noise and the disregard to traffic management routes.

Council's Community Care Services won the Australian Aged Care Quality Agency Better Practice Award for Innovation in Person Centred Care. Our Library network has added 18.5 hours per week of public access and experienced nearly 300% increase in new membership applications. Our childcare centres run at a utilisation rate of 96%.

With the additional resources in place, response times are being reduced and will continue to improve to ensure service level targets are met.

Customer Service Improvements

Council launched a new website in December. The new site was developed to upgrade Council's web presence with current best practice in website design, architecture and user experience. The new website provides users with a better online experience making it easier to do business with Council and includes a new on-line tracking system for development applications to assist applicants in monitoring the progress of their application.

Daily compliance patrols continue in known hotspot areas around the City in response to regulatory matters raised by residents. In addition, private enforcement agreements have now been entered into for the Wentworth Point area to help residents in dealing with regulatory enforcement matters.

Planning approvals at City of Parramatta have been streamlined through the new Independent Hearing and Assessment Panel (IHAP). Together with changes to the delegations of Council staff, the IHAP is reducing the time taken to make decisions and improve transparency, bringing improved rigor and expertise to planning decisions, allowing Council to better focus on driving policies and projects that meet community needs.

Continuous Improvements to the Customer Experience

Council commenced a Building Service Excellence for Our Customers project during the year to assess our most critical services and identify opportunities to be more effective and efficient in our service delivery. This review has considered national and global best practices in service delivery and identified a prioritised program of continuous improvement initiatives. The first round of reviews for 7 individual services has been completed and improvement initiatives identified which are currently being implemented. These improvements are resulting in increased service capacity and improved service standards. The Service Excellence Program is a continuous program that will progressively review services across all Council's areas of operation.

Customer Service

Our City Operations team received a significant increase in the number of written compliments since 12 May 2016. These compliments have ranged from thanking Council for sweeping their residential streets (new services), improved park servicing, reduced response time for dealing with issues, and general maintenance of public areas.

Link to Strategic Objectives:



Responsibility:

Chief Financial Officer

Strategic Priority



FINANCIAL SUSTAINABILITY



11

Council will prepare and execute a range of financial management strategies to ensure its financial position remains strong and delivers the financial benefits of the Stronger Councils reform program. Council's business practices will deliver maximum value for money - services will be efficient, funded and assets well managed on behalf of the community.



What we said we were going to do

- › Net operating position is in surplus.
- › Prudent financial management of Council resources, debt and insurance, alongside strong record of delivery of our Major Priorities.
- › Business practices that ensure value for money and unlock efficiencies.
- › Returns on Council investments that exceed benchmarks by 10 per cent.
- › Equitable and efficient rating system.

Operating Result

Council's net operating result for the year (subject to audit) was \$8.8m. This was \$5.7m above the budget of \$3.1m. Revenue was \$7.3m above budget due mainly to Federal Government grants of \$5.0m received in advance and \$1.0m in contributions and donations.

Expenses variance is unfavourable by \$2.5m, mainly the result of other operating costs being \$2.7m above budget. This resulted from providing services as part of the Transitional Service Agreements (TSA) due to the merger. Staff costs were also above budget by \$0.8m due to employment termination payments (ETP) and leave entitlements associated with the merger.

Investments

Council's investment return for the year was 3.32%. The result achieved, is consistent with Council's strong investment performance despite difficult market conditions. Council continues to outperform the Ausbond index which had an annual result of 1.82%.

For the past 4 years Council has consistently outperformed the Ausbond index by over 30%.

Rating System

The rate paths as proclaimed on 12 May 2016 have been applied. As a consequence, Council will have 5 different rating systems until 2020.

Fees and Charges

Council's fees and charges will be harmonised for the 2017/18 financial year and outwards ensuring consistency in fees charged.



Link to Strategic Objectives:



Responsibility:

Chief Financial Officer

Strategic Priority



12

ENSURING PARRAMATTA IS 'FIT FOR THE FUTURE' – MERGER BENEFITS BUILDING A STRONGER COUNCIL FOR OUR COMMUNITY



Council is committed to building a stronger council to meet our community's needs. We will develop an implementation plan to underpin the formation of the new Council to ensure continuity and improvement of service to the community and build a strong platform from which the elected Council can build upon.



What we said we were going to do

- > A seamless transition to the new council ensuring council services to the community are maintained.
- > Develop and deliver a community engagement program to ensure that the community has a voice in the formation of the new council and its priorities.
- > Develop and deliver an implementation plan to ensure that Council delivers tangible benefits to the community.
- > Deliver tangible service and infrastructure improvements to the community as a result of the creation of a new larger council.
- > Invest in new and improved infrastructure and better services through the Stronger Communities Fund Program.



Tangible benefits to the community

Council staff worked quickly to deliver 'early' wins in the form of improved services that addressed clear, targeted community needs and obvious pain points. At the same time Council undertook 7 comprehensive service reviews of its key functions to deliver long term strategic service improvements for residents of the whole of the LGA. This project is known as Building Service Excellence. Council has received outstanding feedback from new residents within our LGA praising our service offerings and our levels of service. A merger benefits scorecard was developed to track the improvements and benefits to the community. This scorecard is regularly updated and reported to Council.

Review and harmonisation of other key policies

In line with the Proclamation, a program to review Council's policies was implemented which considered the policies of the former Councils; best practice policies of other councils and organisations references and requirements for current legislation, guidelines, codes of practice and standards; and as the basis for the amended policies of City of Parramatta Council.

Community and Stakeholder Engagement Policy and the Staff Toolkit

Council has enhanced the quality and frequency of community engagement on initiatives that impact local people. A Community Engagement Strategy, Community and Stakeholder Engagement Policy and Staff Toolkit were developed to guide engagement activities. A Community Engagement Strategy has also been prepared to support inform the development of a new Community Strategic Plan, Resourcing Strategy and Delivery Program.

Stronger Communities Fund

The Stronger Communities Fund was established by the NSW Government to provide council with funding to kick start the delivery of projects that improve community infrastructure and services. \$1.056m was allocated to 34 successful community organisations and \$13.9m allocated to 18 projects under the Major Projects component that will be delivered over the next 3 years.

Outstanding Issues

City of Parramatta Council has a Binding Arbitration process with Cumberland Council to resolve outstanding issues in relation to financial settlements. Additionally, City of Parramatta Council have invoiced Hornsby Shire Council for an amount of \$22.858m for cash reserves due at Proclamation and any relevant financial items that occurred during the 2016/17 financial year, primarily unpaid rate revenue and outstanding \$94 funds. A letter of demand has now been sent to Hornsby Shire seeking payment.

Link to Strategic Objectives:



Responsibility:

Chief Executive Officer

{ 2038 CITY OF PARRAMATTA }



Part 2

STATUTORY
DETAIL





Part 2: Statutory Detail



Information on Companion Animals Management

Councils are required to include in their annual reports a detailed statement of their activities during the year relating to the management and enforcement of the Companion Animal Act (CAA), ensuring compliance with the CAA for both dogs and cats.

Educational Programs

Council completed two major subsidised de-sexing programs, one offered in conjunction with the Animal Welfare League (AWL) and the other as a standalone program conducted by City of Parramatta Council. This program was offered on a one on one basis with our residents, resulting in approximately 400 animals being de-sexed with the assistance of several vets across the LGA.

Companion Animal Statistics



Category	Number
Reportable dog attacks*	40
Number of animals de-sexed	400

* These reports are lodged through the Companion Animals Register as per legislative requirements

Animal Management Expenditure



Animal Management Activities	Cost
Pound costs	\$217,000
Officers' salary costs (3 Officers)	\$210,000
Ancillary costs	\$100,000
Total expenditure	\$527,000

Council staff attended community events for various charity/ rescue groups to provide education regarding the CAA and free microchipping services. In addition, Council purchased a Name-Tag engraving machine and also offered free engraved name/contact tags.

Animal Holding Procedures

Council currently uses Blacktown City Council's Animal Holding Facility (BCCAHF) which holds, releases, sells, rehomes or euthanizes companion animals from Parramatta LGA including animals that come from both residents and Council staff. BCCAHF has two strategies relevant to the rehoming of unclaimed animals through advertising and the sale of unclaimed animals to new owners and rehoming through a number of reputable rescue groups which significantly reduces the number of animals euthanised.

The euthanasia rate for 're-homable' dogs for the last financial year was 0%, with a total of 6 dogs euthanised which were either 'unsuitable' for 'rehoming' or a 'dangerous dog'.

The euthanasia rate for cats was 21%, this was made up of feral cats and cats assessed as unsuitable to be rehomed. The greater majority of all cats seized are taken by the public to BCCAHF. The euthanasia rate of re-homable cats was 0% for the same period, with 209 cats released through sale or to rescue organisations for rehoming.

Council also uses its own temporary holding facility where applicable/possible for reuniting pets with their owner, therefore avoiding animals entering BCCAHF where fees apply and, due to financial hardship, may not be claimed. Council returned 148 dogs to owners prior to transportation to BCCAHF.

Council has also formed working relationships with a number of reputable rescue groups for assistance in taking on kittens and other animals at high risk of not being claimed or rehomed (i.e. dumped/timid/old animals). This further helps reduce the requirement of seizure and possible euthanasia.



Animal Holding Facility Categories	Total Number	Total %
Euthanasia rate for re-homable dogs	0	0%
Euthanasia rate for dangerous or not suitable dogs	6	100%
Dogs returned to owners from temporary holding facility	148	100%
Cats released through sale or to rescue organisations for rehoming	209	100%
Euthanasia rate for re-homable cats	0	0%
Euthanasia rate for cats assessed as feral or unsuitable to be rehomed	60	21%

Council owned off leash parks

Council has the following off leash parks;

- > Cowell's Lane Reserve, Ermington.
- > McCoy Park, Toongabbie.
- > Barnett Park, Winston Hills.
- > Burlington Memorial Park, Northmead.
- > Dan Mahoney Reserve, North Parramatta.
- > George Kendall Riverside Park, Ermington.
- > Deakin Park, Silverwater.
- > Don Moore Reserve, North Rocks.
- > Pierre De Coubertin Park, Newington.

Rates and Charges Written off During 2016/17



	Type	Amount
Written-off under s575 LGA 1993	Mandatory Pensioner Rebate	\$847,418.06
Written-off under s582 LGA 1993	Voluntary Pensioner Rebate	\$476,248.87
Written-off under s595 LGA 1993	Postponed Rates Write-off	\$23,117.29
Written-off under s607 LGA 1993	Small Balances	-\$1,627.51
TOTAL		\$1,345,156.71

 Details of Overseas Visits By Councillors, Council Staff Or Other Pers Ons Representing Council
 (Including Visits Sponsored By Other Organisations)


	Expenditure	Total
No overseas visits were undertaken by Councillors or the Administrator while representing Council.		
Sue Weatherley, Director: Indonesia - to present on Resilient Cities at the Australian Government, AusTrade Summit at the request of the Australian Government. Date: 6 March to 8 March inclusive.	Airfares: \$774.65 Accommodation: \$1073.37	\$1,848.02
Jennifer Concato, Unit Manager – to attend a study tour Copenhagen, Hamburg, and three Cities on the outskirts of Paris, at the invitation of the Ministry of Foreign Affairs Denmark. The Royal Danish Consulate in Sydney has a program on fostering connections between Denmark and Australia in the fields of Urban Design and architecture. The Danish Government provided funding to the Consulate to send a delegation from Australia and New Zealand. The Australian delegation included representatives from Urban Growth, Greater Sydney Commission and Frasers Property.	Airfares: \$2,318.10 Accommodation: \$1,965.17 Per diems: \$1,320.00 Charge back fee: \$7.68 Other: \$44.28 Booking fee: \$61-45 Rail: \$95.00	\$5,811.68
Callantha Brigham, Urban Design Officer – As part of the program, the Royal Danish Consulate in Sydney funded 1 international return flight and 4 nights of accommodation in Copenhagen. This has been attributed to in the expenses.	Airfares: \$355.40 Accommodation: \$1,119.33 Per diems: \$1,320 Service fee: \$16.01 Charge back fee: \$7.68 Booking fee: \$61.45 Rail: \$95.00	\$2,974.87
Total Overseas Visits		\$10,634.57

Administration expense (details of expenses)



Accounts	16/17 Spend
Catering - Council meetings	\$2,585
Catering - General	\$1,710
Councillor facilities	\$17,840
Election (annual provision)	\$200,000
Former Councillors Representative Committee	\$480,167
ICT expenses	\$27,534
Administrator & Councillor Fees	\$45,803
Administrator and Councillor support staff	\$1,007,658
Administrator Car	\$32,539
Other Expenses	\$152,439
Stationery & Business Cards	\$5,884
Donations & Cont to Local and Reg Bodies	\$30,386
Total	\$2,004,545

Competitive neutrality complaints during 2016/17

Competitive neutrality is one of the principles of National Competition Policy which is applied throughout Australia at all levels of Government, including Local Government. Competitive neutrality is based on the concept of a "level playing field" for competitors in a market, be they public or private sector competitors. Government business organisations, whether they are Commonwealth, State or Local Government, should operate without net competitive advantages over businesses as a result of their public ownership.

Where the City of Parramatta Council competes in the market place with other private businesses, the Council will do so on the basis that it does not utilise its public position to gain an unfair advantage over private businesses who may be in competition with the Council.

Council did not receive any complaints regarding competitive neutrality during the reporting period.

Summary of legal proceedings and expenditure

The table below summarises legal proceedings taken by or against during the period 12 May 2016 and ending on 30 June 2017.

The expenses incurred by Council for legal proceedings is identified in the table below, as a total of **\$3,114,201**. In a few matters, details of final costs are yet to be received and audited financial statements will not be ready until December 2017.



Row Labels	Actual
Legal Fees	\$599,839
Legal Expenses – Other including Court Expert Costs	\$1,443,579
Work in Progress – Legal Costs	\$1,315,676
Legal Cost Revenue – Rates	\$-203,824
Legal Costs Recovered – Other	\$-41,070
Grand Total	\$3,114,201



Nature of legal proceedings	Description of proceedings	Status of progress of proceedings
Land and Environment Court – Class 1 Appeal – 26 Kindelan Road Winston Hills	Refusal of development application for an attached dual occupancy.	Appeal discontinued
Land and Environment Court – Class 1 Appeal – 6 Felton Road Carlingford	Refusal of development application for in-fill affordable rental housing.	Appeal upheld – consent orders issued
Land and Environment Court – Class 1 Appeal – 69-71 Boundary Street Granville	Refusal of development application for retention of and restoration works to heritage items, lot consolidation and construction of a 3 storey residential flat building.	Appeal dismissed
Land and Environment Court – Class 1 Appeal – 116 Wigram Street Harris Park	Refusal of development application for a 8 storey shop top housing development.	Appeal dismissed
Land and Environment Court – Class 1 Appeal – 5-7 Burbang Crescent Rydalmere	Refusal of development application for a 3 storey Residential Flat Building.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 139 Good Street Rosehill	Refusal of development application for retention of heritage item and construction of a 4 storey Residential Apartment Development.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 103-105 Silverwater Road Silverwater	Refusal of development application for construction of a 4 storey self-storage building and associated signage.	Decision reserved

Nature of legal proceedings	Description of proceedings	Status of progress of proceedings
Land and Environment Court – Class 1 Appeal – 10 Rumsey Crescent Dundas Valley	Refusal of development application for construction of a 2 storey attached dual occupancy development with Torrens title subdivision.	Ongoing
Land and Environment Court – Class 1 Appeal –7/3 Sutherland Street Clyde	Application seeking Council pay the Applicant's legal costs of the proceedings relating to the Court approval of a S96AB Review of modification application DA/910/2008/A which sought modification to delete Condition No. 2 which prescribed a three year trial period for the premises to be used as a Brothel.	Ongoing
Land and Environment Court – Class 1 Appeal –99-119a Macquarie Street Parramatta	Refusal of development application for a Stage 1 Development involving: - Demolition Building envelope for a 13 storey mixed use building at No.99 Macquarie Street; - Building envelope for a 19 storey mixed use building at No.119A Macquarie Street; - Reinstatement of the Leigh Memorial Church Spire, ancillary community facilities; and, - Building envelope component wrapping around the southern side of the Leigh Memorial Church and connection to each of the tower envelopes. The application is to be determined by the Sydney West Central Planning Panel.	Ongoing
Land and Environment Court – Class 1 189 Macquarie Street Parramatta	Refusal of S96 modification applicant for additional basement car parking; and, stop work order.	Appeal dismissed

39

Application for funding /donations under section 356 of the Local Government ACT 1993

Under section 356 of the Local Government Act, Council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions. A proposed recipient who acts for private gain is not ineligible to be granted financial assistance.



Community Capacity Building Administration

Active Citizenship Award	\$1,100
North Rocks Carlingford Senior Citizens	\$908
Startsomegood Pty Ltd	\$5,000
The Rotary Club of North Rocks	\$2,468

Parramatta Heritage and Stories

Think & Do Tank Foundation Limited	\$5,000
------------------------------------	---------

Community Capacity Building Fund Voluntary Organisations

Chinese Christian Community Service Cent	\$3,000
Epping P & C Association	\$4,846
Granville Historical Society Inc.	\$5,000
Parramatta District Men's Shed	\$5,000
Scout Association NSW Branch	\$7,900
SEVA International	\$5,000
VWCCS Incorporated	\$3,561



CCB Fund Non-Voluntary Organisations

Boronia Multicultural Services Inc.	\$10,000
Child Abuse Prevention Service (Sydney)	\$10,000
Diversity Arts Australia	\$10,000
Dundas Area Neighbourhood Centre Inc.	\$6,812
Multiple Sclerosis Limited	\$3,665
Parramatta Holroyd Family Support Inc.	\$5,866
Police Citizens Youth Clubs NSW Ltd (Parramatta)	\$9,860
Sydney Story Factory Inc.	\$10,000
Sydney Youth Orchestra Association	\$9,350
Symphony for Life Foundation Limited	\$9,900
Telopea Family	\$9,930
The Helmsman Project Limited	\$9,915
The Shepherd Centre	\$10,000
The Trustee for Creating Chances Trust A	\$10,000
WIRES	\$3,289
YMCA of Sydney Youth and Community Services	\$10,000

CCB Social Enterprise

Parramatta Clay & Arts Incorporated	\$25,000
Startsomegood Pty Ltd	\$23,000
Taste Cultural Food Tours Incorporated	\$15,000
The Bower re-use and Repair Centre Co-op	\$12,000

Welfare Support Program

Sydney Community Foundation	\$100,000
-----------------------------	-----------

Facilities Bookings

Western Sydney Homeless Connect	\$1,523
Alcoholics Anonymous - Telopea (DCC)	\$1,578
Australian International Elite Cultural & Arts Centre	\$3,577
Australian Tamil Seniors Association	\$5,258
City of Parramatta Art Society	\$8,079
Dundas Area Neighbourhood Centre	\$16,510
Karabi Community and Development Services Inc	\$25,466
Reconciliation for Western Sydney	\$892
Tuesday Day Lighters	\$1,120



Arts Professional Practice Fund

David Capra	\$20,000
Diversity Arts Australia	\$19,500
Form Dance Projects Incorporated	\$15,000
Nautanki Theatre Incorporated	\$6,450
Sydney Youth Orchestra Association	\$20,000
Westwords Ltd	\$15,000

Second Phase Grants

Dharma Karta Pty Ltd	\$10,000
Joining The Dots International	\$10,000
Survivors & Mates Support Network Limited	\$10,000
The Shepherd Centre	\$10,000

Small Grants Fund

Community Migrant Resource Centre Incorporated	\$1,000
Fitted for Work	\$2,000
Grow (ACT)	\$1,000
Harris Park Community Centre Inc.	\$1,000
Language Festival Association	\$1,000
Macquarie Community College	\$1,500
Nautanki Theatre Incorporated	\$3,000
North Rocks Rugby Union Incorporated	\$1,836
NSW Lancers Memorial Museum Incorporated	\$1,000
Parramatta Clay & Arts Incorporated	\$1,000
Ray Park Heritage Group Incorporated	\$650
Roselea Soccer Club	\$2,000
Sydney Youth Dragon and Lion Dance Troup	\$1,000
Telopea Family	\$2,549
Uniting Care Ageing Western Region	\$2,000
Vedanta Centre of Sydney	\$1,000



Small Grants Fund – Sports and Recreation

Aaron Pereira	\$157
Adam Slattery	\$650
Anthony Tucker	\$925
Chloe Holman	\$713
Didier Michel	\$400
Eastwood St. Andrews Association Football	\$2,000
Edward Kim	\$539
Frank Zou	\$1,000
Georgia Platts	\$500
Gordon Hessell	\$1,000
Granville Waratah Soccer Football Club	\$2,000
JunJian Chen	\$450
Lachlan Pereira	\$1,000
Linda Eades	\$550
Marianne Loh	\$1,000
Michael Selleck	\$45
Mikeeli Lake	\$572
Milla Elaro	\$751
Naomi Hessell	\$1,000
Nathan Yuen	\$859
Newington Soccer Club	\$1,060
Northmead Uniting Church	\$1,200
Parra United	\$1,000
Parramatta District Convents Rugby League	\$2,000
Parramatta District Cricket Club Inc.	\$2,000
Parramatta Touch Football Association	\$2,000
Rydalmere Public School Parents Association	\$936
Scout Association NSW Branch	\$2,000
Shaun Yuen	\$859
Sierra Leone Youth Group	\$2,000
Starlight's Netball Club Incorporated	\$2,000
Winston Hills Junior A.F.L. Incorporated	\$1,993



Youth Week

Boronia Multicultural Services Inc.	\$1,500
Community Migrant Resource Centre Incorporated	\$1,500
Information & Cultural Exchange	\$1,500
YMCA of Sydney	\$1,500

Recreation Programs

Western Sydney Academy	\$11,950
------------------------	----------

Strategic Partnerships

Planning Institute Australia Incorporated	\$10,000
---	----------

Bushland Management

Boronia Park Committee	\$400
Duncan Park Committee	\$400
Dundas Park Committee	\$400
James Hoskin Reserve Committee	\$400
Loftus Square Park Committee	\$400
Noller Park Committee	\$400

Christmas Lights Competition

Light's for Kid's	\$273
-------------------	-------

Stronger Communities Fund - Operating

Boronia Multicultural Services Inc.	\$49,080
Carlingford High School P&C Association	\$50,000
Dharma Karta Pty Ltd	\$25,000
Dundas Area Neighbourhood Centre Inc.	\$10,175
Ermington West Public School P&C Association	\$43,100
Fitted for Work	\$49,914
Hope Connect Inc.	\$6,999
Information and Cultural Exchange	\$49,890
Jesuit Refugee Service	\$49,873
Michael Hughes Foundation Limited	\$50,000
Milk Crate Theatre	\$16,050
North Rocks Public School P&C Association	\$39,677
Northcott Society	\$40,500
Northmead Public School P&C Association	\$40,000
NSW Wildlife Information Rescue and Education	\$4,203
Parramatta Computer Pals for Seniors In	\$549
Parramatta Holroyd Family Support Inc.	\$43,950
Parramatta Mission Working Account	\$50,000
Ryde Family Support Service Inc.	\$9,605
Scout Association NSW Branch	\$36,680
Sunnyfield	\$38,713



Symphony for Life Foundation Limited	\$46,800
TAD Disability Services	\$47,000
Taste Cultural Food Tours Inc.	\$25,940
The Foundation For Young Australians	\$50,000
The Hills Community Aid & Information Service Inc.	\$25,275
Wenty Hockey Incorporated	\$5,592
Western Sydney Homeless Connect	\$8,000

Parramatta Lanes

Bright Hospitality Limited	\$4,632
----------------------------	---------

Trades and Building Administration

New South Wales State Emergency Service	\$12,500
---	----------

Land Use

AC & FC Leatham	\$3,300
B Huang	\$3,300
D Hudson	\$6,052
Elizabeth Rose	\$936
F De Santis	\$220
G & A Forsytine	\$2,225
Graham Evans	\$1,590
J Yu Yan & Y Fang Ma	\$2,894
Jin Yu Yan	\$2,125
K Llewellyn-Evans	\$2,186
K Song	\$1,500
M & E C Lovell	\$2,437
M Hardtke	\$1,838
Mr J. H. Kim	\$2,045
Ms Zheng Wu	\$950
O Vancaillie	\$677.13
P Fenton	\$1,700
P Lennon	\$3,000
Peter Moule	\$1,178
S & S Taufique	\$852
S Gray	\$1,375
T & J Davis	\$2,372

Cultural Plan

Information & Cultural Exchange	\$300
---------------------------------	-------

Grand Total:	\$1,626,389
---------------------	--------------------

Summary of resolutions made under section 67 concerning work carried out on private land

No works have been carried out on private land by the Council during the year under the provisions of section 67 of the Local Government Act.

Statement of all external bodies that exercised functions delegated by council

To continue to monitor and prevent illegal dumping of waste and litter across the Local Government Area, Council, in alliance with other Western Sydney Councils, has delegated functions to the **Regional Illegal Dumping (RID) Squad** under the Protection of the Environment Operation Act 1997 and Regulations, the Environment Planning and Assessment Act 1979 and Regulations and the Local Government Act 1993 and Regulations.

The Independent Hearing and Assessment Panel (IHAP) was established by Council in August 2016. It comprises up to 5 members, and can determine developments with a 4-member panel. This includes one community member. All other members have technical expertise and qualification in a range of relevant disciplines, including law, planning, urban design and engineering. The processing and assessment of these applications is undertaken by the staff of the City of Parramatta Council. Council delegated authority to the IHAP, pursuant to sections 377 and 381 of the Local Government Act 1993 exercise all the functions, powers, duties and authorities conferred upon Council pursuant to the Environmental Planning and Assessment Act 1979 (the Act) necessary to:

(1) consider and determine:

- > development applications;
- > section 96 modification applications;
- > section 82A reviews of determinations; and,
- > section 96AB reviews of section 96 modification determinations.

(2) consider and make recommendations to Council about Planning Proposals.

This Delegation of Authority may only be exercised when there is a quorum of members at a meeting of IHAP in accordance with the Charter.

Participation in external bodies, corporations

Parramatta City Council is part of the **Western Sydney Regional Organisation of Councils (WSROC)** alongside Blacktown, Blue Mountains, Cumberland, Fairfield, Hawkesbury, the Hills Shire, Liverpool and Penrith councils. WSROC's role is to identify regional issues and develop policy solutions that have positive impact on member councils and residents of Western Sydney. It is a key advisor on issues of regional importance such as transport planning, employment growth, population management and land use planning and development. WSROC also undertakes the procurement of goods and services for member Councils.

Council participated in **Civic Risk Mutual Group** for the provision of insurance services.

Council holds a 50 per cent interest in **Parramasala Limited**, a company limited by guarantee. The other shareholder is Multicultural NSW, a company formed to promote and deliver a Multicultural Festival staged in Parramatta.

Council participates in the procurement services of **Local Government Procurement Pty Ltd**, a business arm of Local Government NSW, the membership association for all councils in NSW.

Council is a member of the **Greater Western Sydney Local Land Service (LLS) Local Government Advisory Group**. This body delivers programs for environmental management to improve the condition of biodiversity and aquatic systems. The LLS also works with lead agencies such as the Rural Fire Service, State Emergency Service and Department of Primary Industries to assist with effective responses to emergencies arising from natural disasters and biosecurity threats, and manages pest animals in the region.

Council is represented on the **NSW Public Libraries Association** which represents the two peak library associations in NSW – Public Libraries NSW (representing rural and regional libraries) and the **NSW Metropolitan Public Libraries Association** (representing metropolitan libraries).

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest

Council is a co-owner of Parramasala, a company limited by guarantee with the NSW State Government.

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which the council participated

- > Parramatta Park Trust - signed on 18 January 2017
- > Western Sydney Wanderers – endorsed by Council on 13 March 2017 and signed by both parties 1 May 2017
- > Sydney Olympic Park Authority – endorsed by Council on 8 May and signed 30 May 2017
- > University of New England (UNE) – endorsed by Council 10 July 2017 (awaiting signing date)
- > Parramatta Square – Property Development Agreement (PDA)
- > New Aquatic Centre – Agreement with the NSW State Government
- > Riverside Theatre redevelopment – Heads of Agreement with the NSW State Government
- > Museum of Applied Arts and Sciences (MAAS) – Heads of Agreement with the NSW State Government
- > Light Rail – Development Agreement with the NSW State Government

Statement of activities to implement equal employment opportunities (eoo) management plan

Council continues to review on a regular basis its Equal Employment Opportunities (EEO) Management Plan. Actions were prioritised and we have implemented many positive outcomes. We do note that women are well represented across the workforce and the Council staff base has a rich ethnic diversity, but Aboriginal and Torres Strait Islander (ATSI) Community and those with physical disabilities continue to be unrepresented. To correct this factor, Council is currently undergoing a recruitment process to engage a fixed term resource to address this anomaly. This will be done by employing a skilled individual to work with our recruitment team to advance employment opportunities within Council by specifically networking and engaging with these specific communities. The position will report directly to our Head of HR, to reflect the importance of this vital initiative. The funding for this role will allow a 12 to 18 month contract.

Council has developed and adopted an ATSI Employment Strategy and has correspondingly established a Steering Committee which comprises a diverse mix of members from within the organisation as well as two externally appointed members from Aboriginal employment and advisory bodies. The Committee continues to meet and to date has prioritised and commenced addressing actions within the Strategy. Notwithstanding this, all actions within the EEO Plan and ATSI Employment Strategy continue to be worked on and will be implemented throughout the duration of the EEO Plan and ATSI Employment Strategy respectively.

The action of engaging a focused individual in this area is seen as a critical step forward in addressing our current situation and displays the full support of the Executive team in positioning our Council as a proactive participant in this very important area.

Total remuneration of ceo and senior staff

Legislation requires that the total remuneration costs reported include the value of the salary component of the package, the amount of any bonus payments, performance payments or other payments made that do not form part of the salary component, the amount payable by the Council by way of the employer's contribution or salary sacrifice to any superannuation scheme, the value of any non-cash benefits under the package and the amount payable by the Council by way of fringe benefits tax for any such non-cash benefits.

Chief Executive Officer	\$588,680
Senior Staff	\$2,065,626
Total:	\$2,654,306

Environmental upgrade agreements under s406

Council did not enter into any EUAs during the 16/17 reporting period.

2016/17 Service charges and special rate projects

In accordance with the Local Government Amendment (Stormwater) Act 2005, the former councils (excluding Hornsby Shire Council) introduced a Stormwater Management Charge. The Stormwater Management Charge is levied on all parcels of rateable urban land within the City of Parramatta (excluding the former Hornsby area) categorised for rating purposes as Residential or Business (including all subcategories), not being vacant land or land owned by the Crown, or land held under lease for private purposes under the Housing Act 2001 or the Aboriginal Housing Act 1998. Former Hornsby Council ratepayers pay a Catchment Remediation Levy detailed in the special rates section of this document.

Council administers a comprehensive waterways management program. As the principal authority responsible for the management of stormwater, Council:

- > Maintains over 400 km of stormwater discharge drainage pipes for stormwater conveyance.
- > Implements essential flood mitigation measures to protect life, property and infrastructure.
- > Conserves the natural waterways of the City.
- > Protects bushland and other natural assets from the impacts of urban run-off by implementing purpose-built pollution control traps and water retention systems.

The stormwater management services charge helps Council fund these important programs. The following tables provide details of the charges by former council areas. Note that while Hornsby Shire Council does not charge a stormwater levy, it does charge a special rate for catchment remediation that funds similar programs.



Project	Description	Approved Budget	Actual	Comment
Waterways Restoration Program	Conservation and improvements to Council's waterways and riparian vegetation zones.	\$180,000	\$184,618	Ongoing habitat management and revegetation works including along Parramatta Foreshore from Archer Park to Parramatta CBD. Creek stabilisation works were delivered at Cowells Lane Reserve and a retaining wall was reconstruction after flooding at the Parramatta River Foreshore near Charles Street Ferry Wharf.
Parks Stormwater Reuse Program	Provision of stormwater harvesting and reuse facilities in Council's parks, reserves and community facilities.	\$90,000	\$97,848	Stormwater harvesting for irrigation completed at Doyle Ground North Parramatta as part revote from 2015/16. Remainder of this project to be deferred until 2017/18 due to extensive delays by external design consultants in finalising the tender documents for the related George Kendall Riverside Park Master plan Implementation.
Parramatta River Estuary Management Study & Plan & Implementation	Monitoring of the dam wall in accordance with the Dams Safety Act.	\$391,976	\$156,439	The project currently funds the operation and reporting of two real time water quality monitoring buoys in the Parramatta River estuary.
Parramatta River Catchment Group (PRCG)	Council's contribution/ membership fee to the PRCG	\$19,140	\$15,770	The staff at the PRCG co-ordinate a range of catchment wide projects across all LGA's within the Parramatta Catchment, resulting in more effective on ground actions and including the recent Get the Site Right campaign targeting sediment and erosion from private development sites that was conducted catchment wide and resulted in over \$400,000 in fines issues and 439 building sites inspected. Management of the development of the Parramatta River Masterplan to achieve the PRCG goal of making Parramatta River Swimmable by 2025.
Stormwater Drainage Assets Maintenance	Upgrading the existing stormwater system to maximise efficient conveyance of runoff for the protection of life and property.	\$527,275	\$468,013	Completed repair of various stormwater drainage assets across the LGA to ensure the efficient operation of Council's drainage network.
Maintenance of Water Quality Improvement Assets	The maintenance of gross pollutant traps such as trash racks, floating booms and pit litter baskets to improve the water quality of Council's waterways.	\$158,362	\$91,121	Cleaned and maintained Council's water quality improvement devices at various catchments in accordance with Council's frequency requirements and as required after major storm events.
Riparian Maintenance	Protection of the City's natural waterways from the impacts of urban runoff.	\$260,793	\$260,793	The flora and fauna report identifies catchment wide priority corridors and provides council staff with background information to determine local priorities.
Waterway Monitoring	Monitoring of waterways to determine the effectiveness of implemented improvement measures.	\$86,314	\$26,569	Supports routine water quality monitoring at the Lake Parramatta swimming area and other water related projects such as sediment quality in the Parramatta River.
Total		\$1,713,860	\$1,301,170	

The Local Government Act 1993 provides that a council may set a special rate for or towards meeting the cost of any works, services, facilities or activities provided or undertaken, or proposed to be provided or undertaken, by the Council within the whole or any part of the Council's area.

Special rates levied for infrastructure include maintenance and/or the operational phases of approved special rate projects, not just the upfront capital expenditure. This ensures a prudent lifecycle approach to asset management is undertaken by Council.

**Open Space Special Rates****Actuals**

10003. Cultural Parks Program - Cemeteries and Memorials Program	\$3,455
10007. Sportsground Program	\$273,304
10009. Playground Replacement	\$231,790
10012. City of Trees - City of Trees Renewal Program	\$106,000
10013. Walking Track Construction Program	\$71,874
10018. Restoration of Natural Areas Program	\$653,737
11022. Master Plan Implementation for George Kendall Riverside Park	\$201,934
11908. Lake Parramatta Improvement Works	\$102,911
10132. Bushland Resources Management	\$680,917
10134. Asbestos Removal	\$53,095
10185. Protection of Aboriginal Heritage & Cultural Sites in Bushland Reserves	\$2,559
11428. Threatened Species Management of Feral Animals & Native Fauna	\$53,537
Total Open Space Special rates	\$2,435,113

Suburban & CBD Infrastructure Special Rates**Actuals**

10118. Waterways Restoration Program	\$400,006
10121. Flood Mitigation Program	\$159,536
10229. Parramatta River Estuary Management Study & Implementation	\$1,164
11014. Greening the CBD	\$122,020
11015. Adaptation to Extreme Weather	\$16,434
11092. Sustainable Water Program	\$57,888
11488. Lonely Laneway Artwork	\$18,636
11681. Pedestrian bridge design Morton/Alfred	\$262,049
11959. Civil Construction Program	\$134,806
11972. Signage CBD Car Park Name Changes	\$245
11979. Wayfinding Signage	\$25,870
11980. Streetscape Upgrade Between Fennel & Grose Streets	\$49,854
11982. Prince Alfred Square Masterplan	\$4,035
11985. Enhancing Church Street Vibrancy	\$480
11987. St John's Cathedral Feature Lighting Treatment	\$19,235
12013. Arthur Phillip Special Ward Reserve	\$205,967
12088. Prince Alfred Square Power Upgrade	\$57,593
11004. Waterways Litter Removal for Rivers and Creeks	\$67,361



11093. Environmental Education Program to Encourage Sustainability Practices	\$40,551
11355. Waterways and Bushland Rehabilitation Fauna Study	\$70,000
11437. Contaminated Land Management in public parks and land	\$322,534
11929. Catchment Management Program of Environmental Audit & Building Site Management	\$61,063
11964. Parramatta Ways Strategy to Improve Walkability of the City	\$46,598
12004. Eat Street Road Closure & Activation	\$13,941
12032. Walking Access Study	\$34,089
Total Suburban & CBD Infrastructure Special Rates	\$2,191,957

Economic Development Special Rates**Actuals**

10075. Economic Development	\$31,170
12004. Eat Street road closure & activation	\$8,655
12131 – Economic Development Strategy, including perception tracking research.	\$169,901
12146. CRM Software	\$5,836
12147. Economic Development Investment Attraction	\$133,125
12148. Economic Development Economic Software	\$25,484
12149. Economic Development Night Time Economy	\$82,857
12150. Economic Development Stadium Redevelopment	\$25,373
12156. Economic Development Small Business Program	\$74,301
12158. Economic Development Retail Strategy	\$35,000
Total Economic Development Special Rates	\$591,701

Information included on Government Information (Public Access) ACT (GIPA) Activity

The Government Information (Public Access) Act 2009 (GIPA Act) gives the public the right to access government information unless there is an overriding public interest against release. Government information is any record held by an agency, a private sector entity or the State Records Authority to which the agency has an immediate right of access, or a record that is in the possession or under the control of a person in his or her capacity as an officer of the agency. A record means any document or other source of information compiled, recorded or stored in written form or by electronic process, or in any other manner or by any other means.



Table A: Number of applications by type of applicant and outcome*



	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm / Deny whether information is held	Application Withdrawn	Total	% of Total
Media	1	2	0	0	0	0	0	2	5	7%
Members of Parliament	2	0	1	0	0	0	0	0	3	4%
Private sector business	14	4	0	1	2	0	0	0	21	30%
Not for profit organisations or community groups	0	1	0	0	0	0	0	0	1	1%
Members of the public (by legal representative)	4	10	0	0	0	0	0	0	14	20%
Members of the public (other)	7	16	0	3	1	0	0	2	27	38%
Total	28	33	1	4	3	0	0	2	71	
% of Total	39%	46%	1%	6%	4%	0%	0%	3%		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome



	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm / Deny whether information is held	Application Withdrawn	Total	% of Total
Personal information applications	2	0	0	0	0	0	0	0	2	3%
Access applications (other than personal information applications)	26	26	1	4	3	0	0	1	61	86%
Access applications that are partly personal information applications and partly other	0	7	0	0	0	0	0	1	8	11%
Total	28	33	1	4	3	0	0	2	71	
% of Total	39%	46%	1%	6%	4%	0%	0%	3%		

Table C: Invalid applications



Reason for invalidity	No. of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	4	100%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	4	100%
Total Number of invalid applications received	4	100%
Invalid applications that subsequently become valid applications	2	50%

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act



	Number of times consideration used*	% of Total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	1	100%
Excluded information	0	0%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Total	1	

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicated that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act



	Number of times consideration used*	% of Total
Responsible and effective government	2	6%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	29	85%
Business interests of agencies and other persons	3	9%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	34	

Table F: Timeliness

	No. of applications	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	66	99%
Decided after 35 days (by agreement with applicant)	1	1%
Not decided within time (deemed refusal)	0	0%
Total	67	

Table G: Number of applications reviewed under Part 5 of the Act (by type of applicant)

	Decision varied	Decision upheld	Total	% of Total
Internal review	0	0	0	0%
Review by Information Commissioner*	1	0	1	100%
Internal review following recommendation under section 93 of the Act	0	0	0	0%
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0	0%
Total	1	0%	1	
% of Total	100%			

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicated that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review	% of Total
Application by access applicants	1	100%
Applications by persons to whom information the of access application relates (see section 54 of the Act)	0	0%
Total	1	

Table I: Applications transferred to other agencies

	Number of applications transferred	% of Total
Agency-Initiated Transfers	1	100%
Applicant – Initiated Transfers	0	0%
Total	1	

Particulars of compliance with and effect of planning agreements in force during the year

A voluntary planning agreement (VPA) is an agreement entered into by a planning authority (such as the Department of Planning and Environment) and a developer. Under the agreement a developer agrees to provide or fund:

- > public amenities and public services
- > affordable housing
- > transport or other infrastructure.

Contributions can be made through:

- > dedication of land
- > monetary contributions
- > construction of infrastructure
- > provision of materials for public benefit and/or use.

VPAs cannot be entered into unless public notice has been given and an explanatory note is made available for inspection for at least 28 days.



Associated Application	Address	VPA Parties	General Description of VPA	What is the VPA Progress
NCA/16/2010	Channel 7 Studios 61 Mobbs Lane EPPING NSW 2121	Parramatta City Council, Karimbla Properties (No 9) Pty Ltd, Meriton Apartments Pty Limited	Executed Voluntary Planning Agreement involves works in kind and monetary contribution to be paid in stages.	VPA executed and majority of deliverables completed. Minor road upgrades still outstanding and return of security bonds.
RZ/6/2010	2 River Road West PARRAMATTA NSW 2150	Parramatta City Council, Sonenco Apartments Pty Limited, Emin Pty Limited, NGP Investments (No 2) Pty Limited, Parariver Pty Ltd	Amendment to an existing Voluntary Planning Agreement in to increase monetary contributions, change timing of deliverables and ensure maintenance.	The Deed of Variation was executed on 13 October 2016 and has been registered to title. The additional monetary contribution of \$700,000 toward the pedestrian bridge over Parramatta river has been paid. Works relating to embellishment of the foreshore have been completed and Council is awaiting dedication of the foreshore to Council which is expected to occur in August/September 2017.
DA/848/2008/A	Robert's Apartments 9 Hassall Street PARRAMATTA NSW 2150	Parramatta City Council, HSD (Parra) Pty Limited	Executed Voluntary Planning Agreement involves monetary contribution or, alternatively land dedication [affordable housing].	Council officers are monitoring compliance of the land owner with the VPA obligations.
NCA/23/2010	330 Church Street PARRAMATTA NSW 2150	Parramatta City Council, Karimbla Properties (No 22) Pty Ltd	Two separate Voluntary Planning Agreements involving works in kind, monetary contributions and land dedication, in association with a development application.	The deed of amendment has been executed by relevant parties.



Associated Application	Address	VPA Parties	General Description of VPA	What is the VPA Progress
RZ/28/2009	2 Morton Street PARRAMATTA NSW 2150	Parramatta City Council, Frasers Morton Pty Ltd	Executed Voluntary Planning Agreement involves staged payment of monetary contributions, land dedication and works in kind.	Some deliverables met, ongoing monitoring and management of the VPA required. Viewing platform progress delivery inspection undertaken. Licensing arrangement executed. Awaiting works as executed sign off and finalisation before formal asset handover.
RZ/9/2011	Boyded Parramatta 57 Church Street PARRAMATTA NSW 2150	Parramatta City Council, Boyded Industries Pty Ltd	Executed Voluntary Planning Agreement involves monetary contribution, land dedication, through site links.	VPA executed. Development has yet to commence.
RZ/2/2012	24-26 Railway Parade WESTMEAD NSW 2145	Parramatta City Council, Drill Pty Ltd	Executed Voluntary Planning Agreement involves a number of elements including works in kind, embellishment and through site link.	VPA executed. Development has yet to commence. Will require detailed design approval for proposed works and monitoring of implementation.
DA/87/2013	Real Estate House 21 Hassall Street PARRAMATTA NSW 2150	Parramatta City Council, Imperia Capital Pty Ltd	Executed Voluntary Planning Agreement involves works in kind.	Council's Legal Services Team are liaising with the land owner regarding non-compliance with their obligations under the VPA.
DA/173/2013	29 Hunter Street PARRAMATTA NSW 2150	Parramatta City Council, JKN PARA 1 Pty Ltd	Executed Voluntary Planning Agreement involves land dedication (affordable housing).	The obligations of the VPA have been met by the land owner and the VPA has been released from title. The matter is now finalised.



Associated Application	Address	VPA Parties	General Description of VPA	What is the VPA Progress
RZ/4/2013	Lennox Bridge Car Pk 12-14 Phillip Street PARRAMATTA NSW 2150	Parramatta City Council, Lidis Group P/L	Executed Voluntary Planning Agreement involved works in kind and monetary contribution.	The matter is with Council's Legal Services Team to have the security paid and the VPA registered to title.
RZ/7/2013	Macquarie St Car Park 189 Macquarie Street PARRAMATTA NSW 2150	Parramatta City Council, JKN Para Pty Ltd	The site is already subject to an Executed Voluntary Planning Agreement involving land dedication, works in kind and through-site link, in association with a development application. A second Voluntary Planning Agreement in association with a planning proposal seeking to increase height and GFA is also being considered. Potential VPA deliverables not yet known.	A draft letter of offer has been submitted by the applicant. The letter of offer has been considered insufficient and the applicant has been advised in writing. This will be the subject of further negotiation as the related planning proposal progresses.
DA/805/2013	RSL Bowling Club 2 Macquarie Street PARRAMATTA NSW 2150	Parramatta City Council, Castle Hill RSL Club Ltd	Voluntary Planning Agreement involving monetary contribution, in association with a development application.	The Planning Agreement was executed on 18 October 2016 and has been registered to title. Council officers are meeting periodically regarding the progress of the childcare facility upgrade which will dictate the timing of the first cash contribution.
RZ/2/2014	5-7 Parkes Street PARRAMATTA NSW 2150	Parramatta City Council, NR Parkes Pty Ltd	Executed Voluntary Planning Agreement involves land dedication, works in kind, land dedication (affordable housing).	Amendment requested by the applicant. This request is currently being reviewed.
RZ/9/2014	St Ioannis Greek Ort 11 Hassall Street PARRAMATTA NSW 2150	Parramatta City Council, Saab Parramatta Pty Ltd, Sonenco Parramatta Pty Ltd	Executed Voluntary Planning Agreement providing monetary contribution, land dedication (affordable housing).	VPA executed. Development currently underway. Will require monitoring of implementation.



Associated Application	Address	VPA Parties	General Description of VPA	What is the VPA Progress
DA/683/2014	65 Cowper Street GRANVILLE NSW 2142	Parramatta City Council, G1 (Aust.) Pty Ltd	Voluntary Planning Agreement involving laneway works in association with a development application.	Voluntary Planning Agreement involving laneway works in association with a development application.
DA/776/2014	125 Arthur Street PARRAMATTA NSW 2150	Parramatta City Council, JC Parra Pty Ltd	Monetary contribution to be put towards Alfred Street to Morton Street pedestrian bridge	VPA has been signed by both parties and monetary dedication received.
DA/30/2015	2 River Road West PARRAMATTA NSW 2150	Parramatta City Council, Toplace Pty Ltd	Amendment to an existing Voluntary Planning Agreement in to increase monetary contributions, change timing of deliverables and ensure maintenance.	The Deed of Variation was executed on 13 October 2016 and has been registered to title. The additional monetary contribution of \$700,000 toward the pedestrian bridge over Parramatta river has been paid. Works relating to embellishment of the foreshore have been completed and Council is awaiting dedication of the foreshore to Council which is expected to occur in August/September 2017.
RZ/19/2015	HTW House 13 Aird Street PARRAMATTA NSW 2150	Parramatta City Council, Sonenco No 79 Pty Limited	Voluntary Planning Agreement involving a monetary contribution in association with a planning proposal seeking an increase in height and FSR.	The VPA has been executed by relevant parties.
DA/296/2014	Burroway Road WENTWORTH POINT NSW 2127	Parramatta City Council	VPA will deliver the shell of a library and community facility including the public forecourt. Internal fitout is not included as part of the VPA.	Organising final inspection



Associated Application	Address	VPA Parties	General Description of VPA	What is the VPA Progress
DA/597/2016	1 Thallon Street CARLINGFORD NSW 2118	Parramatta City Council	Executed planning agreement transferred to City of Parramatta from the Hills Council. Agreement provides for monetary payment, land embellishment & dedication and works in kind.	The proposed redesign of the open space and built form will be the subject of a separate application to be processed by the Development Services Unit. This application is currently being prepared by the applicant. The VPA will require a Deed of Amendment to be processed once the application has progressed.
DA/868/2016	7 Jenkins Road CARLINGFORD NSW 2118	Parramatta City Council	Executed planning agreement transferred to City of Parramatta from the Hills Council. Voluntary Planning Agreement provides for monetary payment, land dedication and works in kind, in association with a development application.	Deed of Amendment to the VPA was executed on 19 January 2017. Ongoing monitoring of implementation required.
562/2010/JP 561/2010/HB	2-12 James Street, Carlingford		Executed Voluntary Planning Agreement transferred to City of Parramatta from The Hills Council. Agreement provides for monetary contribution, land dedication and works in kind.	The VPA relates to three sites. The terms of the VPA have been met for two of the three sites. Council will continue to monitor the implementation of the VPA.
1103/2011/JP	14-30 Shirley Street, 2-10 Janelle Crescent and 247-261 & 277-281 Pennant Hills Road, Carlingford		Executed Voluntary Planning Agreement transferred to City of Parramatta from The Hills Council. Agreement provides for monetary contribution, land dedication and works in kind.	The applicant has not progressed to the Construction Certificate stage of the development and therefore the VPA has not been implemented. Council will continue to monitor the implementation of the VPA for the third site. No change since last status update

Statistical information on Public Interest Disclosures (PIDs)

Section 31 of the Public Interest Disclosures Act requires an authority prepare an annual report on the public authority's obligations under this Act for submission to the Minister responsible for the public authority within 4 months after the end of each reporting year. The following information constitutes the report of the Parramatta City Council for the 2016-2017 financial year.



Summary – All PIDs received	July 2016 – June 2017
Number of public officials who made PIDs	1
Number of PIDs received	1
Of PIDs received, number primarily about:	
Corrupt conduct	1
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0
1. PID's made by public officials in performing their day to day functions as such public officials,	
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0



Summary – All PIDs received	July 2016 – June 2017
2. PIDs not within paragraph 1 above that are made under a statutory or other legal obligation	
Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0
3. All other PID's	
Number of public officials who made PIDs	1
Number of PIDs received	1
Of PIDs received, number primarily about:	
Corrupt conduct	1
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	2

Commentary on PID obligations

1.1. Internal Reporting Policy

In accordance with the requirements of the Public Interest Disclosures Act, The City of Parramatta Council has a Public Interest Disclosures Policy. This policy was adopted by Council on 10 July 2017.

1.2. Staff Awareness (6E(1)(b))

Section 6E of the *Public Interest Disclosures Act* requires that the head of an authority ensure that staff are aware of the policy and the protections offered by the Act. In the 2016 – 2017 Financial Year, The City of Parramatta Council commenced Fraud and Corruption Prevention training across the organisation, which included coverage of the Act and Council's policy.

Contracts awarded exceeding \$150,000



Contractor	Description	Estimated amount payable
OC Civil Pty Ltd	Church Street Parramatta between Fennell and Grose Streets Western Footpath upgrade and Fennell St Parramatta between Church and Villiers Streets Northern footpath Upgrade	\$338,918
Australian Concert and Entertainment Security	Security Management at Councils Major Events and Celebrations	\$174,000
MA Operations	Service Agreement for the Digitisation of Development Application and Subdivision Files between City of Parramatta and SEMA Operations Pty Ltd	\$153,065
Regal Innovations	Retaining the existing advanced Jacaranda trees; demolition of the existing paved areas and tree surrounds; construction of new exposed aggregate tree surrounds; new high quality granite paving; installation of irrigation, upgraded lighting and landscaping throughout the Erby Street pocket park.	\$318,137
Hibernian Contracting Pty Ltd	Landscape improvement works Rydalmere Foreshore	\$302,340.06
Designinc Sydney Manuelle Gautrand Architecture Lacoste & Stevenson Pty Ltd	Consultancy Agreement - 5 Parramatta Square - Architectural Services	\$1,102,000
Bonacci Group (QLD) Pty Ltd trading as Bonacci Infrastructure	Design consultancy services - Pedestrian and cyclist bridge between Morton and Alfred Streets Parramatta	\$684,700
Downer Infrastructure East Downer Mouchel	Albert and O'Connell Streets Parramatta - Traffic Control Signal Upgrade and kerb ramps reconstruction	\$409,808.19
Statewide Civil Pty Ltd	Construction of Roundabout and associated works - Isabella St at Brabyn St North Parramatta	\$233,873.00
Toolijooa Pty Ltd	Creek Restoration Works - Cowells Lane Reserve Ermington	\$260,127.19



Contracts awarded exceeding \$150,000 (continued)



Contractor	Description	Estimated amount payable
Antoun Civil Engineering (Aust) Pty Ltd	Levee Remediation works - Peter Parade Old Toongabbie	\$3,923,402
O.C. Civil Pty Ltd	Bells Road Neighbourhood Centre Upgrade Oatlands: Construction of upgrade of footpath paving, kerb and gutter, parking upgrade and associated works	\$233,060
Stateline Asphalt Pty Ltd	Westmead Cycleway Upgrade – construction of shared path and cycleway facility	\$425,513
Monitor Business Machines	Delivery of replacement of library public technology self service solutions	\$185,378
The Sydney Festival Limited	Strategic Partnership Agreement – Sydney Festival Program January 2018	\$500,000
Richez Assoc	Advice and design on the Parramatta light rail project	\$613,843
Frank Lombardi	Demolition of council chambers building and detailed excavation work for archaeological salvage	\$3,169,617
Mather Delaney Design Pty Ltd > Taylor Cullity Lethlean > Tonkin Zulaikha Greer > Aurecon > Waterforms International Pty Ltd > Play DMC > Making Life Fit > May Horticulture > Callum Morton > Lighting Art and Science > Toko Design > SDA Structures Pty Ltd > Milliken Berson Madden	Design and Documentation Services for Parramatta Square Public Space including art and interpretation	\$3,108,625
Aver Pty Ltd	Parramatta Square – Project Manager – Services PCC and Aver Ltd	\$2,805,000
Dial A Dump	Receipt and Processing of Kerbside Clean Up	\$3,675.650

Note: Further details can be requested in writing to the Council's GIPA Officer.

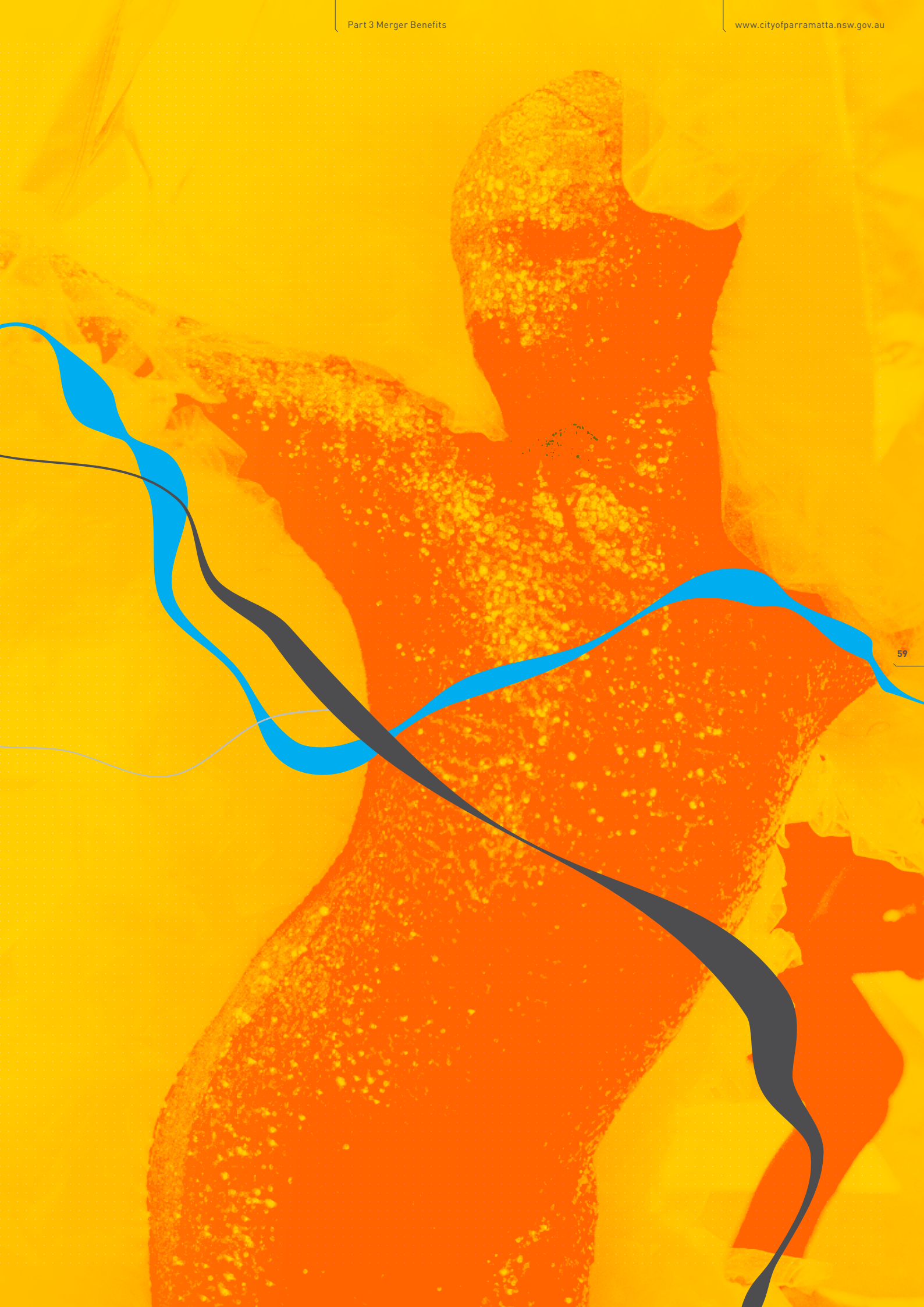
{ 2038_ CITY
OF
PARRAMATTA_ }



Part 3

MERGER BENEFITS – A YEAR IN REVIEW





Part 3 : Merger Benefit – A year in review



Summary of the key results areas targeted for all merger councils

This Part describes the objectives and outcomes by the City of Parramatta during the period of 12 May 2016 to 30 June 2017. During the period of Administration, Council's role remained focussed on achieving three key outcomes:

1. Uninterrupted services to the residents and ratepayers
2. Residents experiencing change would also experience early merger benefits
3. Building a strong best practice governance Council

Services continued smoothly, and major Council projects and State Government partnerships have progressed as planned. Residents have regularly provided with positive comments to Council on its improving services - from street cleaning through to parking enforcement. Economies of scale and the harmonisation of rebates and charges have resulted in financial benefits for many pensioners and savings on domestic waste charges for many. The Council and its governance has been further strengthened through the introduction of an Independent Hearing and Assessment Panel, livestreamed Council meetings, an Internal Ombudsman and refreshed policies.

Strengthening Community Relationships

Communities have their say

Increased, real and regular council community engagement has been a key feature of the new Council. Adopted in 2017, Council's new Community Engagement Strategy includes appropriate methods and social media platforms to engage the diverse communities of the City and explore web-based engagement tools that improve accessibility for our community that complies with W3C's Web Content Accessibility Guidelines.

Examples of community engagement initiatives for 2016/17 include:

- > 5 Parramatta Square Citizens' Jury – a determinative forum about the services and interior feel of Council's new library and civic centre
- > Youth State of the City Forum – to seek young peoples' view of Council services and initiative
- > 'Imagine Ermington' and 'Imagine Epping' – online engagement to seek communities' views on priority asset and services issued for their area
- > Numerous Master Plan consultations
- > Epping Town Centre workshops
- > A suite of Strategic Plans and Policies consultations
- > Pop-up kiosks across a range of locations
- > Consultation on the draft Community Engagement Strategy
- > Launch of the new City of Parramatta website
- > Increased online engagement through Council's Our City Your Say panel.
- > Public exhibition for the development of the Operational Plan.



Communities can readily identify with the new Council

The Council, its leadership and its staff are proud of all our combined efforts to build robust relationships with the communities the City of Parramatta. Council has made sustained efforts to engage, listen, understand and respond to the needs and aspirations of its growing and diverse communities. Grown its use of participative democracy techniques as an evidential tool to inform best practice decision-making.

This engagement – together with seamless service delivery during the change period- has been instrumental in building community support for the new Council. A NSW Local Government Community Satisfaction Survey was coordinated by the NSW Department of Premier and Cabinet on behalf of the newly established councils. This survey gave the City of Parramatta Council an indexed score of 68, higher than the average state-wide index score of 58, and higher than the metropolitan index score of 61.

Right from the start of the transition period, Council help pop-up consultations held a range of places where communities gather such as shopping centres, playgrounds, train stations and post offices. We laid the groundwork for a long-term relationship by asking 'what do you love about your neighbourhood?' and 'what does your area need more of?' to introduce the Council. We believe that by listening and by understanding the valued attributes of each different place in the LGA, Council will be able to better serve its residents and ratepayers.

Through the transition period, more than 490 external meetings and 207 community events were held in order to effectively engage residents and stakeholders.

Key committees and forums of the Council were formed or refreshed including:

- > Councillors from relevant wards of the former Parramatta City Council and of Hills and Hornsby Councils were invited to join Council's Former Councillor Representation Committee to recognise and enable their continuing involvement with the Council during the transition period.
- > Additionally, a Local Representation Advisory Committee was established that included both community members from areas formerly Auburn, Hills and Hornsby Council and former councillors.
- > A Smart City Advisory Committee was established and chaired by former Councillor Steven Issa.
- > A committee was formed to make recommendations on the nominees for Council's Australia Day Awards to ensure the awardees represented a broad community perspective.
- > The terms of reference and membership of Council's Access, Cycleways, Heritage and Aboriginal and Torres Strait Island advisory committees were refreshed to ensure all parts of the much larger area were represented.
- > The Inaugural Youth Forum was a big success with bright, articulate young people having joined each of the above committees.
- > A new Parramatta Light Rail Community and Business Advisory Committee was established.

Building Stronger Governance

Council reviewed and improved its key institutions for good governance to enhance transparency and accountability. Reflecting risks and community concerns Council has focussed institutional governance reform efforts on:

- > Improving the transparency and integrity of its development and planning decisions by establishing an Independent Hearing and Assessment Panel (IHAP).
- > Improving the transparency and recording of Council's deliberations and decision-making processes by live streaming and archiving of council meeting proceedings and enhanced internal management controls to improve the accuracy and completeness of Council business papers.

- > Working collaboratively with its new external auditor – the Auditor General.
- > Establishing an Internal Ombudsman shared service to provide an impartial and independent mechanism for complaints, misconduct and address past concerns regarding the effectiveness of Code of Conduct complaint processes.
- > Updating the governance systems and controls that support Council's property development functions to enable Council at all times to be a model developer, rate payers' interests are protected and Council can demonstrate that its developments are appropriately separated from its regulatory functions.

Independent Hearing and Assessment Panel

An Independent Hearing and Assessment Panel (IHAP) was successfully established to provide an open and transparent framework for the consideration of planning decisions. The IHAP ensures all stakeholders are appropriately consulted and provides a means by which planning decisions can be independently reviewed.

The first Parramatta IHAP meeting was held on 16 August 2016 and since then 13 meetings have been held. The Panel has considered 50 Development Applications and 18 Planning Proposal reports during this time.

In order to evaluate the effectiveness of the Parramatta IHAP, Council commenced a survey of IHAP participants in early 2017 which included applicants, IHAP members, consultants, Council staff, and community members who have addressed the IHAP. In addition to this survey, Council undertook a number of small focus groups on the development assessment process which includes the Parramatta IHAP.

This consultation has highlighted key results and benefits of the Parramatta IHAP, and also highlighted several areas for improvement.

Participants were positive about the IHAP process and that it is less political and more transparent, with 70 per cent of survey respondents strongly agreeing that the professional expertise, composition and independence of the Panel benefits the final decision. Participants who had spoken at the IHAP felt it was a positive experience, and they felt heard and listened to regarding their concerns. Over 70 per cent of respondents believe that the IHAP is very or extremely important for development in the LGA.

The feedback identified some opportunities for further refinement are being considered by Council and will be shared with Planning NSW.



Live-streaming of council meetings

Live-streaming and recording of all Council meetings commenced from 13 February 2017, increasing the access of residents and stakeholders to Council decisions and debates while eliminating geographic barriers.

Live-streaming has been introduced as part of Council's commitment to improving transparency, accessibility and community participation in Council meetings. It provides greater flexibility and convenient access for residents. The public is able to watch the meeting in real time via the internet, or through the published recordings of Council meetings, enabling greater accessibility into the level of detailed discussion and debate that is engaged in prior to coming to a decision.

In the period of 1 February 2017 to 15 August 2017, there were 1,105 views of the Council meeting live-streams, and 846 views of published meeting recordings.

Internal management controls for Council meeting business papers

To improve the quality of the reports presented in Council meeting business papers, enhanced internal management controls were implemented that included:

- > Review Business Paper process
- > Improved forward planning
- > Improved format and structure

Review of internal governance functions

External Audit

Consistent with recent amendments to the Local Government Act, the NSW Auditor General was appointed as Council's external auditor. The Audit Office undertakes both financial audits of individual councils and performance audits of the whole sector.

The first audit by the Audit Office is for 2016/17 financial year. The Audit Office's first three performance audits of the local government sector will be undertaken in 2017/18 on the following topics:

- > reporting on Council's service delivery
- > fraud risk control
- > efficient and effective shared services.

Internal ombudsman

Arrangements for an Internal Ombudsman, for resolving Community, Councillor and staff issues and complaints, are being finalised. City of Parramatta, Inner West and Cumberland Council have entered into a joint agreement to deliver a shared internal ombudsman service. This approach is expected to be more efficient and enable opportunities for continuous improvement.

It has been established as a key tool to enhance and protect the reputation of the new Council, councillors and staff; and build community confidence in the operation of the Council and Council's internal investigation capacity.

The Internal Ombudsman will provide a free and independent option for the investigation of claims of maladministration, misconduct, corruption or other improper conduct by Council or Council officers. They will also identify opportunities for systemic improvements to Council's processes and provide education services. The ombudsman will provide a public report each year on their activities and outcomes.

Consistent with their scope to investigate, review and refer any complaints or allegations of maladministration, misconduct, corruption or other improper conduct, the Internal Ombudsman would have the power to take suitable action or make recommendations to matters of investigation. This would include making suitable recommendations to the Chief Executive Officer, Audit and Risk Committee or other relevant external agency about investigations or improvements to Council's policies, procedures and processes.

Subject to the cost sharing arrangement being entered into with Inner West and Cumberland Councils, it is considered that City of Parramatta's portion of the costs of a shared Internal Ombudsman role would be less than \$200,000 per annum. These costs have been provided for in the 2017/18 Operational Plan and Budget.

Review of Councillors' Expenses and Facilities and key governance policies

The aim of the policy review was to ensure the policy was robust and transparent, that the support provided to councillors was aligned to other relevant councils and to ensure the policy matched expectations. When on exhibition, more than 330 stakeholders commented on the draft Councillor's Expenses Policy – demonstrating the community has high expectations of the probity of its future Councillors.

In preparing the policy, inconsistencies between Council accounts and annual reporting were identified and were subject to audit. No misconduct was identified by the auditor, however a number of opportunities to strengthen financial and accountabilities systems were identified. This audit report was published together with the management response to implement the recommendations.

To ensure new controls are implemented and effective, Council's Audit and Risk Committee is expected to review compliance with the new policy in quarter 2 (Oct to Dec) of the 2018/19 audit program.

Review of governance of property functions

Council has a large portfolio of property assets and is creating new developments on some of its Council-owned sites to make the most of its assets and bring the best of urban living to the community.

Council needs to carefully manage risks and meet the highest standards of probity and governance in all its dealings, because Council is in the unique position of having 3 separate roles as developer, a regulator and a planning authority.

During 2017 Council initiated reviews of the governance framework for Council's property development activities. Dawson Management made a number of recommendations to strengthen governance and ensure the City plays its role as a model developer, instil transparency, and help to avoid real or perceived conflicts of interest. Management has prepared a response to the recommendations and was endorsed by Council on 14 August 2017.

Key outcomes are to emphasise:

- > Probity and other controls
- > The clear separation of property development and planning and regulatory activities
- > Strengthening Council's capability
- > Document and contract control
- > Council's role in setting funding allocations and receiving regular reports against the business case.

A refreshed policy that incorporates the recommendations is due to be presented to the incoming Councillors.



The Major Projects Advisory Committee (MPAC) provides independent assurance and advice to Council in relation to risk identification and mitigation regarding major property development projects.

The charter of Council's Audit and Risk Committee has been updated to bring it into line with the Model Guidelines published by the Office of Local Government and to reflect the establishment of a new Internal Ombudsman and the existence of the MPAC.

Review of Council's Audit & Risk Committee Charter

The Audit and Risk Committee Charter was reviewed and amended in relation to committee membership, roles and responsibilities and meeting quorum. The Audit and Risk Committee membership provides for the appointment of 2 Councillors (excluding the Lord Mayor) and three independent external members with a quorum of the committee being that of a majority of committee members including at least one independent external member.

The roles and responsibilities of the committee have been extended to include cooperative information sharing and collaboration with Council's Internal Ombudsman function and Council's Major Project Advisory Committee (MPAC).

Review and harmonisation of other key policies

Following the amalgamation, and in line with the Proclamation, a program to review Council's policies was implemented which considered the policies of the former Councils; best practice; references and requirements for current legislation, guidelines, codes of practice and standards; the new Council name and provided for the needs of Sydney's Central City. This also included Council leveraging several key policies of Canterbury Bankstown Council which were reviewed by the Independent Commission Against Corruption as the basis for the amended policies of City of Parramatta Council, including the Councillors' Interaction with Staff Policy, the Fraud and Corruption Prevention Policy and Statement of Business Ethics.

Following the review, 45 policies were recommended for amendment or new policies recommended for implementation, with 11 policies retired as they were identified to have been superseded, merged or no longer applicable to the City of Parramatta.



Merger implementation funding: funding, expenditure and commitments

Following proclamation, Council received a \$10m grant, the New Council Implementation Fund (NCIF) to offset the cost of implementing the changes incurred as part of the process. The grant is subject to regular reporting requirements. City of Parramatta Council did not experience the standard merger with one or more councils, but rather a boundary readjustment, creating a larger LGA. As a result, there was some increase in staff costs to serve the larger LGA.

Funds were allocated over the following areas:



	Amount \$
Transformation Projects	1,001,448
Technology – Data Migration	1,750,000
Restructuring Costs	1,700,000
City Visual Identity and Branding including signage	1,607,000
Project Management – Transformation and Change Unit	1,064,000
Community Engagement	738,620
Land Use Planning	658,059
Asset Audit and Data Transition	487,000
Human Resources	338,127
Stronger Communities Fund – Management	244,706
Council Rates Transition	180,000
Libraries Transition	142,000
Domestic Waste Management	89,000
	10,000,000

This funding is subject to six monthly reporting to the Office of Local Government (OLG) on 31 July (reporting to 30 June) and 31 January (reporting to 31 December), and is also subject to audits around NCIF expenditure.

Service Improvements

Service improvement: faster DA processing

Despite a 50 per cent increase in the number of DA's lodged, the median processing time for Development Applications reduced by 12 days during the transition period due to an extension of the delegation to staff and through the introduction of an Independent Hearing and Assessment Panel (IHAP) in August 2016. On average, a DA determined at a Council meeting takes about 40 per cent longer to determine than DA's determined through an IHAP.

Strong Increase In Both Library Visits And Library Loans

In 2016-17, the Libraries network in the City of Parramatta experienced a 10 per cent increase in visits and a 25 per cent increase in loans (hard copy and e-resources) compared to the previous financial year. The total number of visits and loans were each just under 1 million for the full financial year.

A review of library programming was also completed which will lead to a more diverse range of higher quality programs being available from all branches in the network in the future.

Service improvement: targeting 70 per cent diversion of wastes from landfill

In 2016/17, Council achieved its goal for diversion of 60 per cent of all household wastes and is on track meet its 2018 target of 70 per cent for the diversion of waste from landfill target.

This improvement is largely due to new arrangements to send waste to an alternative waste treatment facility in Eastern Creek and innovative programs such as kNOw Your Waste, the Mobile Community Recycling Service, the Bower's Collection and Rehoming service and free e-waste and asbestos collection days.

Other Achievements

Other service improvements over the period include:

- > extended the supplementary pensioner rebate of \$100 (on top of the State Government rebate of \$250) which was previous only available to former Parramatta City and Holroyd residents, to all eligible pensioner ratepayers within the LGA. A review identified that former Hills, Hornsby and Auburn pensioner residents had received less support from their former councils
- > Council introduced a new Healthy and Active Communities Program to encourage healthier lifestyles, and community based programs across our library network such as Senior digital literacy classes to support their participation with our 'SmartCity'
- > the next phase of the Food Services 'Let's Dine Out Program' was delivered to enable older residents to dine out at affordable restaurants and help to reduce social isolation
- > through a Memorandum of Understanding (MOU) between Council and TAFE NSW, a new Parramatta Skills Exchange commenced operation to provide opportunities for young, unemployed and underemployed workers on Parramatta CBD infrastructure projects
- > in partnership with The Live Music Office and APRA AMCOS, Council commenced its 12-month pilot project 'Amplify' to help support the growth of the City's live music industry

Major projects delivered from former councils

West Epping Park Upgrade

Before the merger Hornsby Shire Council had undertaken a public tender and selected the preferred contractor for this \$11.2m project. Hornsby staff had also undertaken extensive consultation with various stakeholder groups including local residents.

Delivery of the project by City of Parramatta was challenged by unexpectedly encountering large amounts of buried asbestos not identified in the project planning. Despite this delay to the project the completion date is scheduled for October 2017.

Council allocated additional funding of \$1.3m from the Stronger Communities Fund for the construction of an amenities building at the park in 2018/19 to complement the upgrade works.

North Rocks preschool

This project will provide a 40 place preschool for the community which includes two children's classrooms; children's locker room and toilets; library/resources room and craft room; kitchen, office, staff room and storage rooms and an alfresco veranda. Playground facilities will feature covered shade areas, a softfall bike track, a cubby house, a sand pit, a gardening activity area, and a rainforest and fairy garden. There is also a large open space to the lower ground floor and car parking with pick up and drop off facilities. The project has funding of \$2.2 million.

The City of Parramatta recently completed construction of a new preschool facility within North Rocks Park, Carlingford to be opened later this year once the essential accreditation and licensing arrangements are finalised.

This project was originally commenced by the Hills Shire Council, which had completed the tender at the time of the merger. Following consultation to ensure that the tender process complied with the City of Parramatta guidelines, Council accepted the selected tender. The project construction period exceeded expectations due to factors including inclement weather and difficulties the contractor experienced securing essential sub-contractors due to high market demand.



Wentworth Point Community Centre And Library

When complete, Wentworth Point Community Centre and Library will provide a much needed community facilities and programs for local residents.

Before the merger, Auburn Council had negotiated with a developer for the delivery of a 'cold shell' building, prepared an initial design and allocated more than \$5m to the delivery of the project from section 94 revenues collected from developers. While some building issues are still being resolved with the developer, Council has further consulted with the local community and other stakeholders about the proposed functions and spaces within the Centre. A revised internal design and fit out scheme has been prepared and an application lodged for Development Approval. This process also identified that the budget that had been allocated by Auburn was inadequate when compared to the original design and Council has now committed \$9M in the 2017/18 Operational Plan and Budget to complete the fit out of the facility.

Parramatta Square

The \$2 billion Parramatta Square urban renewal precinct has continued to make strong progress throughout the transition period. Key milestones and achievements include:

- › Tenants on Parramatta Square already include Western Sydney University in a state-of-the-art vertical campus, PriceWaterhouseCoopers, and Sydney Water.
- › National Australia Bank, the NSW Department of Planning and Environment, the NSW Office of Environment and Heritage, the Environment Protection Authority and NSW Department of Finance, Services and Innovation have also committed to leasing 3 and 4 Parramatta Square.
- › Council endorsement of the recommendations of the Citizen's Jury to help shape the interior design and function of 5 Parramatta Square, the landmark civic and community building on Parramatta Square.
- › Bulk excavation works commenced on the twin Commercial Towers, 4 & 6 Parramatta Square, by June 2017, with bulk excavation works scheduled to commence in January 2018 for 3 Parramatta Square and 8 Parramatta Square.

Council has also agreed to explore changing the predominant use of 8 Parramatta Square from residential to commercial, subject to approval from the new Council. If the new Council agrees, developer Walker Corporation would be given the option to change the use of 8 Parramatta Square - also known as Aspire Tower - to accommodate up to 71,000 square metres of A-grade commercial floor space.

New Parramatta aquatic leisure centre

On 31 March 2017, the NSW Government announced that it will contribute \$30 million for a new Parramatta aquatic leisure centre, providing certainty that a new pool will be built in the City following the closure of the Parramatta War Memorial Swimming Centre.

Following this announcement, Council sought to identify additional funding options of up to \$30 million to be provisionally allocated to the project, and is working closely with Parramatta Park Trust and the State Government to deliver this project to the community as soon as possible. In its exhibition of draft designs for the Mays Hill Precinct Master Plan, Parramatta Park Trust identified the site adjacent to Park Parade, near the corner of Pitt Street as the preferred location for the new centre.

Following extensive community consultation, a Draft Feasibility Study commissioned by Council has supported the development of a contemporary aquatic facility with options for the inclusion of additional recreation offerings. The community has said the new centre should be affordable, inclusive, accessible, include modern facilities, and be suitable to meet Parramatta's needs now and in the future, as the City and its population continue to grow.

A concerted effort is being made to fast-track planning for Parramatta's new aquatic leisure centre. The target date for completion of the centre is March 2020 pending the successful implementation of strategies aimed at fast-tracking the project, and the impact of a number of factors outside of Council's control, such as archaeological investigations and the timely provision of utilities and services to the chosen pool site.

A final report that includes a detailed financial business case, funding availability and recommendation of a preferred scheme will be presented to the new Council in December this year, together with confirmation of the scheduled completion timeline.



Improving customer service

Easy to do business with a person and online

In November 2016, a Smart Ticketing Solution and Customer Feedback Kiosk were implemented in Council's Customer Contact Centre to improve the customer experience and ensure Council provides a more consistent level of service and information to all of our customers. Customers entering the Customer Contact Centre are able to select their query type using a touch screen, take a numbered ticket and be assigned to the right virtual 'queue' in a much faster and friendlier way.

This has enabled staff to service customers faster by knowing in advance what their queries are going to be about. Along with this new service delivery initiative we have rostered a mobile concierge as a first point of contact meet and greet, to help guide customers through the ticketing and feedback process and to assist with general non-transactional enquiries to improve the overall customer service experience.

These initiatives have been well received by customers with minimised waiting times due to more streamlined queue management. Eliminating physical queuing has allowed a more relaxed and pleasant queuing experience. Customers feedback to date indicate a customer satisfaction rating at 82 per cent.

City of Parramatta has also successfully delivered the 'Easy to do Business' pilot for small bars and cafes in partnership with the Office of the NSW Small Business Commissioner and Service NSW. Council has continued this project which is now being delivered at scale across a number of NSW Councils.

Through a second partnership, in 2017, Council will pilot options to make outdoor dining applications easier and faster through a trial program in Harris Park.

Robust governance that delivers confidence to communities

Council reviewed its grants, donations and sponsorship policies and its leases and licence policies to ensure these policies matched community and audit expectations of integrity, transparency and service.

The Grant, Donations and Sponsorships Policy applies to all aspects of grant programs, including their design, application processes, decision making, agreement making, monitoring and support services. The objective is to ensure that the administration of grant programs follows best practice principles of grant-making, underpinned by efficient, effective and ethical grants administration.

Council has property in the Local Government Area available for short and long term use under an agreement. The purpose of the Leases and Licence Policy is to ensure that when Council considers an agreement for a property, that it applies an appropriate and thorough review process to ensure that the most suitable use, tenant and value for money outcome is achieved.

Engaged staff who understand their roles and how they contribute to the new council

The majority of the staff of the City of Parramatta are employees of the former Parramatta City Council. Compared to the staff engagement levels of the former Parramatta City Council there has been a small improvement in surveyed staff engagement levels rising from 47 per cent in 2014/15 to 50 per cent in 2016/7.

During the transition period, the staff of those libraries, childcare centres and preschools facilities that were transferred from Hornsby and Hills Councils in the Proclamation were engaged in conversations about their futures and their employment preferences. Each of these employees chose to transfer to the City of Parramatta Council.

Through the transition period, the Interim General Manager and Executive have:

- > maintained regular team meetings and staff forums
- > continued a program of staff recognition for service and values recognition
- > initiated a new employment program, MyCareer, to assist staff in playing an active part in their own career development.

Additionally, the Administrator met with each of the teams at Council to communicate, listen and thank staff at the '100-day', '1 year' and 'end of transition period' milestones.

Rates Maintained Within Existing Pathways And Resource Used Wisely To Serve The Entire Council Area

In accordance with the NSW Government policy for all newly merged councils, the current rate structure including category and subcategories of the former council areas will continue to be maintained for four years. This means rate structures will only change in line with the Independent Pricing and Regulatory Tribunal annual rate peg, pre-existing special rates variations and the individual property's land valuations.

In 2018 Council will commence its work on a rates harmonisation review, across the whole local government area.

Council has harmonised the structure of fees and charges for all of the areas making up the City of Parramatta for 2017/18. An extensive review was undertaken of all fees and charges with a substantial consolidation and simplification of the number of fees to make it easier for users of Council's services.

A number of fees imposed by Council are determined by NSW Government legislation. In some cases, these have not been increased for several years, despite an increase to Council in the costs of providing the service.



Building Service Excellence

Council undertook the 'Building Service Excellence for our Customers' (BSEC) project to review current services, identify efficiencies and best practice models, as well as reviewing and implementing the findings into our daily objectives to provide the City with the best service levels.

A Sustainable Improvement Framework (SIF) and methodology was developed for use by Council, and seven key services, with high levels of community engagement, were selected to participate in the BSEC project: Sustainability and Waste, Library Services, Regulatory Services, Development and Traffic Services Unit, Park Maintenance, Open Space and Natural Resources and Information, Communication and Technology (ICT).

From February to June 2017, the teams worked through the SIF in a series of workshops and meetings identifying issues and potential solutions, refining and streamlining solutions until improvements were identified, tested and developed. The teams identified both additional 'quick wins', outcomes that could be implemented at unit level with little or no financial impact but would provide efficiencies and improvements, and 'Projects' – outcomes that may have impacts on the broader organisation, require a financial commitment or are targeted for implementation over a longer period of time.

These outcomes are now being implemented by the teams and will become embedded in Council's business as usual activities, providing efficiency benefits for both staff and the community.

- > Examples of these actions and outcomes include:
- > Improved collaborations with DA and Regulatory teams
- > Expanded Libraries Program Coordinator capability
- > Implemented a story time survey
- > Refined Development Application (DA) compliance table and clearinghouse checklists to reduce processing times
- > Developed factsheets by development type
- > Developed critical questions to improve pre-lodgement meetings
- > Implemented new development application lodgement process

- > Developed customer-centric workflow to improve the customer experience and website functionality
- > Drafted a comprehensive asset plan
- > Refined the asset plan process for future years

The Building Service Excellence has developed and implemented a framework for an ongoing Service Excellence Program. This will be embedded into Council's processes.

Epping Pool, Dence Park

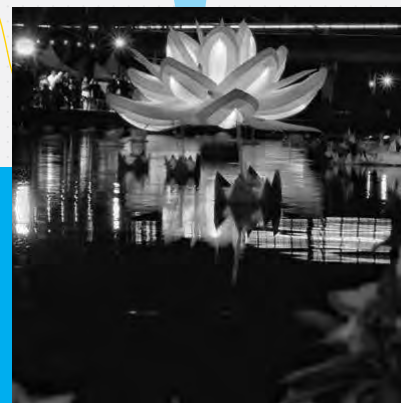
Council reopened the upgraded Epping Aquatic Centre in October 2016 after investing \$300,0000 to improve water treatment, upgrade change facilities and kiosk, replace grand standing seating and other centre improvements. More than 38,000 patrons visited the centre throughout the summer. Prior to the merger, pool attendance had been declining for a number of years.

The centre closed for winter at the end of April 2017. Council has been undertaking further improvements including establishing a café on the pool deck. The Epping Aquatic Centre will reopen for the spring/summer season in early October 2017 and Council recently committed to preparing a master plan for Dence Park in 2018/19 to establish long-term plans for these facilities with the community.

Street cleaning

Early in the transition period, Council received considerable favourable feedback from residents following the introduction of regular street cleaning services in areas such as North Rocks, Epping, Carlingford and Beecroft. Regular street cleaning better meets resident's expectations, aligns with service provided to the rest of the LGA and reduces risks associated with built up leaf litter that can otherwise negatively impact stormwater management.

The 2017/18 Operational Plan and Budget commits Council to further service enhancements with daily street cleaning of the CBD, Epping and Harris Park.



Wentworth Point parking enforcement

The majority of the roads within Wentworth Point are the private property of the current three Community Associations (community title subdivisions), typically meaning that local government can't address unsafe parking or enforce parking restrictions on these roads. This was a source of community frustration when cars were parked unsafely, such as on roundabouts. It is envisaged that there will ultimately be 4 predominant Community Associations when the precinct is completed.

In 2016, the City of Parramatta approached the Community Associations with a solution. Council has so far negotiated an agreement with the first of the Community Associations to enforce traffic safety on these private roads. Negotiations are continuing with the next two Community Associations with the expectation that a similar result will be achieved.

Council Rangers have regularly patrolled Wentworth Point since the establishment of the initial agreement on 21 February 2017 and have issued more than 2,000 traffic and parking related infringements since this time.

Enhanced Strategic Capacity

Economies of scale are already delivering financial savings to the community

Savings from economies of scale and revised systems have already resulted in savings in Council's 2017/18 budget. Two areas of savings are listed below: waste collection; and tree management.

In relation to waste collection in 2016/17, Council completed a competitive tendering process to secure contractors for waste collection and resource recovery services to commence during 2017/18. The new waste collection and resource recovery services contract will deliver approximately \$800,000 in annualised savings.

As a result of this process, there will be no increase in domestic waste fees for households who were previously part of Parramatta City Council. For those from the other four Council areas, waste fees will actually be reduced compared to their previous fees.

Other operational areas of Council have also experienced efficiency gains through improved technology and work processes, increased scale, workplace reform and better utilisation of plant and equipment. Council's Public Trees team, for example, now looks after 51,000 street trees and achieved an efficiency gain of 7 per cent or \$105,570 per annum. Industry benchmarking with over 100 other government agencies involved in urban tree management confirm that City of Parramatta is performing well in terms of both service standards and efficiency.



Stronger Regulatory and Enforcement Capacity

Since May 2016, Council's regulatory and enforcement team has increased by 50 per cent reflecting the growing scale of their work and also the importance of matching community expectations. With the resources of an enlarged team, Council has been able to provide parking ranger services to areas not patrolled by the former Auburn Council (i.e. Wentworth Point) and extended DA and parking compliance patrols to areas experiencing high levels of construction activity (such as Epping Town Centre). We know that the community expects Council to manage growth and that this includes ongoing, active efforts to ensure regulatory compliance on building sites.

Additionally, as a stronger and larger Council, collaborative relationships with the State Government have facilitated a rapid reassessment of reported James Hardie Legacy sites by the Environment Protection Authority, supported by a State-provided regime of soil sampling of a number of residential properties assessed as being on or near where James Hardie asbestos waste is reported to have been deposited.

Social Infrastructure Planning

Within the next 20 years, an additional 150,000 people will live in the City of Parramatta and it is critical that Council's social infrastructure keeps pace with that growth to ensure the City remains liveable, sustainable and productive for its current and its future residents. Council recognises this growth brings exciting opportunities and major responsibilities. By managing growth there are opportunities to improve community access to services provided by Council, State Government and our other partners working together effectively.

Successful implementation of this strategy will realise the delivery of quality social infrastructure in our neighbourhoods and CBD as the population grows.

Financial issues and risks

Cumberland Arbitration

City of Parramatta Council has entered into a binding Arbitration agreement to address the financial claims made by Cumberland Council against the City of Parramatta Council. The arbitration proceedings will be held between 25 August to 31 August 2017. The Arbitrator appointed to the proceedings has indicated that following deliberations, his decision should be handed down to September 2017. The decision of the Arbitrator is binding and both parties must comply with his decision.

Hornsby Unpaid liability

City of Parramatta Council have invoiced Hornsby Shire Council for an amount of \$22.858m for cash reserves due at Proclamation and any relevant financial items that occurred during the 2016/17 financial year, primarily unpaid rate revenue and outstanding S94 funds. This amount is based on draft financials provided to Council in early 2017. A letter of demand has now been sent to Hornsby Shire seeking payment.

At present, City of Parramatta is unable to issue rates notices to this area as Hornsby Shire Council has refused to provide the necessary data. To date the only data provided to City of Parramatta from Hornsby Shire Council is Property Address and Parcel/Titles Lot/DP data. All other operational data, including Owner-names and addresses; conditions; zoning; 149 templates/extras; assessment numbers/property records and rates; historical data and the Electronic Data Migration (TRIM System or equivalent) remain outstanding. Hornsby Shire Council have not indicated when this data might be provided to City of Parramatta.

Hornsby Shire's refusal to provide this information is preventing City of Parramatta completing operational requirements, including issuing rates to the sections of the LGA formerly within Hornsby Shire, and means that Council has been unable to provide information and advice to residents and stakeholders.

It is hoped that the election a new mayor for Hornsby Shire Council will assist in quickly bringing this issue to a constructive resolution, avoiding legal actions. Nevertheless, City of Parramatta will continue to provide services to the community, in the expectation of future payment

2038_ CITY
OF
PARRAMATTA_



Part 4

AUDITED FINANCIAL STATEMENTS GOVERNMENT.



An extension of time has been granted by the Office of Local Government for the completion of the Audited Financial Statements in December 2017.

This version of the Annual Report will be updated and republished in January 2018.

For specific enquiries relating to the financial position of Council please contact the Office of the Chief Financial Officer on 9806 5050.



General Purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Contents

1. Understanding Council's Financial Statements	73
2. Statement by Councillors and Management	74
3. Primary Financial Statements:	
– Income Statement	75
– Statement of Comprehensive Income	75
– Statement of Financial Position	76
– Statement of Changes in Equity	77
– Statement of Cash Flows	77
4. Notes to the Financial Statements	78
5. Independent Auditor's Reports:	
– On the Financial Statements (Sect 417 [2])	144
– On the Conduct of the Audit (Sect 417 [3])	146



Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for City Of Parramatta Council.
- (ii) City Of Parramatta Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the *Local Government Act 1993* (LGA).

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

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

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 11 December 2017. Council has the power to amend and reissue these financial statements.

General Purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Introduction

Each year, individual local governments across New South Wales are required to present a set of audited financial statements to their council and community.

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the period 13 May 2016 to 30 June 2017.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

Summarises Council's financial performance for the period 13 May 2016 to 30 June 2017, listing all income and expenses.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, Property, Plant and Equipment.

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

Council's annual financial statements are required to be audited by the Audit Office of NSW. In NSW the auditor provides two audit reports:

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

Who uses the financial statements?

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

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

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

General Purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



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

- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standard and professional pronouncements and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly the Council's operating result and financial position for the period 13 May 2016 to 30 June 2017, 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 11 December 2017.

Andrew Wilson
Lord Mayor

Greg Dyer
Chief Executive Officer

Michelle Garrard
Deputy Lord Mayor

Craig Becroft
Responsible Accounting Officer

Income Statement

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000	Notes	13/5/16 to 30/6/17
Income from continuing operations		
Revenue:		
Rates and annual charges	3a	168,398
User charges and fees	3b	43,635
Interest and investment revenue	3c	9,387
Other revenues	3d	11,993
Grants and contributions provided for operating purposes	3e,f	40,936
Grants and contributions provided for capital purposes	3e,f	66,880
Other income:		
Net gains from the disposal of assets	5	9,663
Net share of interests in joint ventures and associates using the equity method	19	780
Total income from continuing operations		351,672
Expenses from continuing operations		
Employee benefits and on-costs	4a	106,161
Borrowing costs	4b	3,923
Materials and contracts	4c	81,454
Depreciation and amortisation	4d	46,983
Other expenses	4e	35,176
Total expenses from continuing operations		273,697
Operating result from continuing operations		77,975
Net operating result for the period		77,975
Gain on local government amalgamation		
Net assets transferred from former councils	29	2,800,102
Net result for the period		2,878,077
Net operating result attributable to Council		2,878,077
Net operating result for the period before grants and contributions provided for capital purposes		11,095

This statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000	Notes	13/5/16 to 30/6/17
Net result for the year (as per Income Statement)		2,878,077

This statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT 30 JUNE 2017



\$ '000	Notes	13/5/16 to 30/6/17
Assets		
Current assets		
Cash and cash equivalents	6a	32,430
Investments	6b	109,301
Receivables	7	66,759
Inventories	8	84
Other	8	383
Non-current assets classified as 'held for sale'	22	209,650
Total current assets		418,607
Non-current assets		
Investments	6b	9,663
Receivables	7	83,229
Infrastructure, property, plant and equipment	9	17,641
Investments accounted for using the equity method	19	2,498,688
Intangible assets	25	5,748
Total current assets		1,918
TOTAL ASSETS		3,025,831
Liabilities		
Current Liabilities		
Payables	10	44,550
Income received in advance	10	8,052
Borrowings	10	10,806
Provisions	10	31,706
Total current liabilities		95,114
Non-current liabilities		
Payables	10	878
Borrowings	10	48,451
Provisions	10	3,311
Total current liabilities		52,640
TOTAL LIABILITIES		147,754
Net assets		2,878,077
Equity		
Retained earnings	20	2,878,077
Council equity interest		2,878,077
Total equity		2,878,077

This statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000	Notes	Retained earnings	Total equity
Opening balance		-	-
Revised opening balance		-	-
a. Net result for the year		2,878,077	2,878,077
b. Other comprehensive income		-	-
Other comprehensive income		-	-
Total comprehensive income (a&b)		2,878,077	2,878,077
Equity – balance at end of the reporting period		2,878,077	2,878,077

Statement of Cash Flows

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000	Notes	13/5/16 to 30/6/17
Cash flows from operating activities		
Receipts:		158,491
Rates and annual charges		41,524
User charges and fees		9,362
Investment and interest revenue received		103,372
Grants and contributions		3,073
Other		33,720
Payments:		(102,031)
Employee benefits and on-costs		(100,520)
Materials and contracts		(4,455)
Borrowing costs		(2,645)
Bonds, deposits and retention amounts refunded		(26,103)
Other		
Net cash provided in operating activities	11b	113,788
Cash flows from investing activities		
Receipts:		195,976
Sale of investment securities		10,698
Sale of infrastructure, property, plant and equipment		
Payments:		(203,729)
Purchase of investment securities		(88,026)
Purchase of infrastructure, property, plant and equipment		
Net cash provided used in investing activities		(85,081)
Cash flows from financing activities		
Receipts:		
NIL		
Payments:		(13,787)
Repayment of borrowings and advances		
Net cash flow used in financing activities		(13,787)
Net increase in cash and cash equivalents		14,920
Plus: cash transferred on amalgamation of councils	29	17,511
Cash and cash equivalents – end of the year	11a	32,431
Additional Information:		
plus: Investments on hand – end of year	6b	192,530
Total cash, cash equivalents and investments		224,961

Please refer to Note 11 for additional cash flow information

- Non-cash financing and investing activities
- Financing arrangements
- Net cash flow disclosures relating to any discontinued operations

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Contents of the notes accompanying the financial statements details

1	Summary of significant accounting policies	79
2(a)	Council functions/activities – financial information	90
2(b)	Council functions/activities – component descriptions	90
3	Income from continuing operations	91
4	Expenses from continuing operations	97
5	Gains or losses from the disposal of assets	101
6(a)	Cash and cash equivalent assets	102
6(b)	Investments	102
6(c)	Restricted cash, cash equivalents and investments – details	103
7	Receivables	104
8	Inventories and other assets	105
9(a)	Infrastructure, property, plant and equipment	106
9(b)	Externally restricted infrastructure, property, plant and equipment	107
9(c)	Infrastructure, property, plant and equipment – current year impairments	107
10(a)	Payables, borrowings and provisions	108
10(b)	Description of (and movements in) provisions	109
11	Statement of cash flows – additional information	110
12	Commitments for expenditure	112
13	Statement of performance measures:	113
	13a (i) Local government industry indicators	113
	13a (ii) Local government industry graphs (consolidated)	114
14	Investment properties	116
15	Financial risk management	116
16	Material budget variations	119
17	Statement of developer contributions	120
18	Contingencies and other liabilities/assets not recognised	128
19	Interests in other entities	130
20	Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	133
21	Financial result and financial position by fund	133
22	'Held for sale' non-current assets and disposal groups	133
23	Events occurring after the reporting date	134
24	Discontinued operations	134
25	Intangible assets	135
26	Reinstatement, rehabilitation and restoration liabilities	135
27	Fair value measurement	136
28	Related party disclosures	140
29	Local Government amalgamation	140
	ADDITIONAL COUNCIL DISCLOSURES	
30	Council information and contact details	143

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

The local government City of Parramatta and Cumberland Proclamation 2016 ('the Proclamation') under the Local Government Act 1993 (NSW) transferred some of the assets and liabilities of the following former and altered councils:

- Former Auburn Council
- Former Holroyd Council
- Former Parramatta City Council (full transfer less transfer of Woodville ward to Cumberland)
- Altered Hills Shire Council
- Altered Hornsby Shire Council

to City of Parramatta Council as at 12 May 2016

Pursuant to the Proclamation, financial statements have been prepared for the period commencing on the date of establishment of City of Parramatta Council, being 13 May 2016 and ended on 30 June 2017.

Future reporting periods will be from 1 July to 30 June of the relevant years.

Part of the assets and liabilities of the Former Auburn Council, Former Holroyd Council, Former Parramatta City Council, Altered Hills Shire Council and Altered Hornsby Shire Council as a result of amalgamation/boundary changes have been recognised by the City of Parramatta Council at the carrying amount recorded by the former or altered councils or fair value carrying amount depending on asset class. Refer to Note 27 for details on specific method used per asset class. An adjustment was made on day 1 of new council to align the policies and account for similar transactions/balances on the same basis. These adjustments will be performed as part of the assessment of the fair value of the assets and liabilities obtained.

Where relevant, City of Parramatta Council believes the carrying amounts are not materially different from their fair values as at the date of transfer 12 May 2016. The City of Parramatta has recognised the assets at the carrying amount recorded by former or altered councils.

Where relevant City of Parramatta Council has as a result of a comprehensive revaluation recognised former councils' assets at their fair value as at the date of transfer 12 May 2016.

The fair value of the net assets has been shown as a gain on local government amalgamation in the income statement and further information is provided in Note 29.

These general purpose financial statements have been prepared in accordance with *Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act 1993 (NSW) and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting*. Council is a not for-profit entity for the purpose of preparing these financial statements.

(i) New and amended standards adopted by Council

There have been no new accounting standards adopted in this period's financial statements which have had any material impact on reported financial position, performance or cash flows. As a Council subject to Proclamation in May 2016, City of Parramatta Council is not required to complete related parties disclosure for the reporting period 13 May 2016 to 30 June 2017.

(ii) Early adoption of standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 13 May 2016.

(iii) 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 property, plant and equipment.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

(iv) 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.

The accrual basis of accounting has also been applied in the preparation of these financial statements.

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,

Significant judgements in applying the Council's accounting policies

- (i) Impairment of Receivables

Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below.

Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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

(i) Rates, annual charges, grants and contributions

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

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

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

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

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

(ii) User charges and fees

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

(iii) Sale of infrastructure, property, plant and equipment

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

(iv) Interest

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

(v) Rent

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

(vi) Dividend income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

(vii) Other income

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

(c) Principles of consolidation

(i) The Trust Fund

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

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

(ii) Interests in other entities

The Council has determined that it has only joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 Associates and Joint Ventures. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purpose of the consolidated financial statements.

The City of Parramatta and Parramasala have entered into a joint venture arrangement. The arrangement is deemed to be immaterial for the purposes of consolidation, however appropriate disclosures have been made in note 19.

(d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

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

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

(e) Impairment of assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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

For the 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). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

(g) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour, and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

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

(ii) Inventory held for distribution

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

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

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

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

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

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets; assets arising from employee benefits; financial assets; and investment properties that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

(i) Investments and other financial assets

CLASSIFICATION

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

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

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

(ii) Loans and receivables

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

Loans and receivables are included receivables (note 7) in the Statement of Financial Position.

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and de-recognition

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

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

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

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

Subsequent measurement

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

Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

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

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

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

Assets carried at amortised cost

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

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

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

Investment Policy

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

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

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

(j) Fair value estimation – financial instruments

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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

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

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

Externally valued:

- Operational land
- Community land (Valuer General)
- Buildings – specialised/non-specialised
- Other structures – Multi Level Car Parks
- Roads assets including roads, bridges and footpaths
- Bulk earthworks
- Stormwater drainage
- Swimming pools

As approximated by depreciated historical cost:

- Plant and equipment
- Office equipment
- Furniture and fittings
- Library books
- Land Improvements
- Heritage Assets
- Other Assets
- Open Space and recreational assets

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 depreciated historical cost is unlikely to be material.

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

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

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.

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.

Depreciation

Land is 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

- Office Equipment 5, 8 and 10 years
- Office furniture 10 years
- Vehicles and road making equip. 5, 6 and 10 years
- Other plant and equipment 3 and 10 years

Other Equipment

- Playground equipment 5 years
- Benches, seats etc 5 years

Buildings

- Buildings: Masonry 50 to 100 years

Stormwater Drainage

- Drains 5 to 200 years
- Flood Control Structures 5 to 200 years

Transportation Assets

- Sealed Roads: Surface 10 to 100 years
- Sealed Roads: Pavement 74 to 100 years
- Sealed Roads: Kerbs 50 to 80 years
- Bridges 10 to 100 years
- Other road assets 10 years

Other Assets

- Library Books 5 years

Other Infrastructure Assets

- Bulk earthworks Infinite
- Swimming Pools 50 to 100 years
- Other Open Space/ Recreational Assets 50 to 100 years
- Other Infrastructure 50 to 100 years

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

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

(l) Payables

These amounts 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.

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

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.

(n) Borrowing costs

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

(o) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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

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

(p) Employee benefits

(i) 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.

(ii) Other long-term employee benefit obligations

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

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

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

(iii) Retirement benefit obligations

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

Defined Benefit Plans

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

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

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

Defined Contribution Plans

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

(q) Land under roads

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

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

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

(r) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

(s) 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.

(t) Rural fire service assets

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

City of Parramatta Council does not operate a rural fire service and has entered into arrangement with Hills Shire Council for it to continue operating out the of station in the local government area transferred as part of the City of Parramatta and Cumberland Proclamation 2016. City of Parramatta did not recognise these assets as at 30 June 2017.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Summary of significant accounting policies (continued)

(u) Goods and Services Tax (GST)

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

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

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

(v) New accounting standards and interpretations issued not yet effective

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

As at the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective.

Effective for annual reporting periods beginning on or after 1 January 2017

- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

Effective for annual reporting periods beginning on or after 13 February 2017

AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014- 16 Cycle

Effective for annual reporting periods beginning on or after 13 December 2017

AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments

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

AASB 9 Financial Instruments (December 2009)

- AASB 15 Revenue from Contracts with Customers
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E)
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards – Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

Effective for annual reporting periods beginning on or after 1 January 2019

AASB 16 Leases – All leases with a term of greater than 12 months will be accounted for on the Balance Sheet, recognised as a lease asset and financial liability.

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities-the main impact of this being the deferral of grant and contribution income if Council has not met the obligation of the grant or contribution.

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

The full impact of these standards has yet to be ascertained or quantified but will range from additional and/or revised disclosures to changes in how certain transactions and balances are accounted for.

(w) Rounding of amounts

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 2(a). Council functions/activities – financial information

\$ '000

Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).

Functions/activities	Income from continuing operations	Expenses from continuing operations	Operating result from continuing operations	Grants included in income from continuing operations	Total assets held (current and non-current)
	Actual 13/5/16 to 30/6/17	Actual 13/5/16 to 30/6/17	Actual 13/5/16 to 30/6/17	Actual 13/5/16 to 30/6/17	Actual 13/5/16 to 30/6/17
Economy	4,510	7,046	(2,536)	–	455,275
Environment	81,714	56,867	24,847	904	–
Connectivity	45,957	59,950	(13,993)	11,192	1,417,656
People & Neighbourhoods	17,717	46,176	(28,459)	6,127	280,280
Culture & Sport	4,890	19,409	(14,519)	625	129,753
Leadership & Governance	46,399	84,249	(37,850)	25,227	737,119
Total functions and activities	201,187	273,697	(72,510)	44,075	3,020,083
Share of gains/(losses) in associates and joint ventures (using the equity method)	780	–	780	–	5,748
General purpose income ¹	149,705	–	149,705	14,966	–
Operating result from continuing operations	351,672	273,697	77,975	59,041	3,025,831

Note 2(b). Council functions/activities – component descriptions

Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

Economy

Parramatta's economic growth will help build the City as a centre of high, value-adding employment and the driving force behind the generation of new wealth for Western Sydney.

Environment

Parramatta will be an eco-efficient city that effectively manages and uses the City's growth to improve and protect the environment.

Connectivity

Parramatta will be a city with fast, reliable transport and digital networks that connect people to each other, to the information and services they need and to where they need to go.

People and neighbourhoods

Parramatta will be a world-class city at the centre of Sydney that attracts a diversity of people: a city where people can learn, succeed and find what they need; a city where people live well, get together with others, feel like they belong and can reach their potential.

Culture & Sport

Parramatta will be a place where people want to be: a place that provides opportunities to relate to one another, the City and the local area: a place that celebrates its cultural and sporting heritage; and a place that uses its energy and cultural richness to improve quality of life and drive positive growth and joy.

Leadership and governance

Parramatta will be widely known as a great city, a centre of excellence and an effective capital of Western Sydney, with inspirational leadership and good governance.

1. Includes: rates and annual charges (inc. ex-gratia), united general purpose and unrestricted interest and investment income

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 3. Income from continuing operations

\$ '000	Notes	13/5/16 to 30/6/17
(a) Rates and annual charges		
Ordinary rates		
Residential		72,736
Business		52,616
Total ordinary rates		125,352
Special rates		
Infrastructure		64
Harris Park Neighbourhood and Shops Infrastructure Levy		102
Catchment Remediation		506
CBD infrastructure		1,948
Economic development		724
Open space		2,070
Suburban infrastructure		1,601
Total special rates		7,015
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services		32,759
Waste management services (non-domestic)		1,638
Stormwater levy		1,634
Total annual charges		36,031
TOTAL RATES AND ANNUAL CHARGES		168,398

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 3. Income from continuing operations (continued)

\$ '000	Notes	13/5/16 to 30/6/17
(b) User charges and fees		
Specific user charges Ordinary rates (per s.502 – specific 'actual use' charges)		
Nil		
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Planning and building regulation		6,994
Section 149 certificates (EPA Act)		453
Section 603 certificates		293
Vehicle crossing inspection fees		211
Annual fire safety statement fee		227
Application for outstanding notices		60
Construction certificate		126
Construction zone fee		1,273
Cooling towers licence		96
Development advertising fee		439
Food premises licence		584
Hoarding fees		552
License fees		20
Payment processing fee		52
Road occupancy fees		366
Road opening permits		1,783
Section 611 charges		292
Subdivision release fee		382
Tree preservation fees		148
Other		436
Total fees and charges – statutory/regulatory		14,787
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Child care		3,101
Golf course		232
Pools		1,830
Halls		561
Parks and reserves		252
Library incl. photocopy		86
Parramatta riverside theatres		3,259
Parking meters		4,851
Multi-level parking stations		14,427
Resident parking scheme		30
Other		219
Total fees and charges – other		28,848
TOTAL USER CHARGES AND FEES		43,635

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 3. Income from continuing operations (continued)

\$ '000	Notes	13/5/16 to 30/6/17
(c) Interest and investment revenue (including losses)		
Interest		
– Interest on overdue rates and annual charges (incl. special purpose rates)		416
– Interest earned on investments (interest and coupon payment income)		9,551
Fair value adjustments		
– Fair valuation movements in investments (at fair value or held for trading)		(580)
TOTAL INTEREST AND INVESTMENT REVENUE		9,387
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		416
Overdue rates and annual charges (general fund)		7,225
General Council cash and investments		
Restricted investments/funds – external:		
Development contributions		
– Section 94		1,746
Total interest and investment revenue recognised		9,387
(d) Other revenues		
Rental income – other council properties		2,623
Fines – parking		5,626
Fines – other		339
Legal fees recovery – rates and charges (extra charges)		218
Legal fees recovery – other		41
Commissions and agency fees		15
Insurance claim recoveries		54
Sales – general		368
Outdoor dining rentals		371
Rebates		177
Technical services – external		430
Building insurance and commission		7
Riverside theatre bar and catering sales		601
Other		1,123
TOTAL USER CHARGES AND FEES		11,993

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 3. Income from continuing operations (continued)

\$ '000	13/5/16 to 30/6/17 Operating	13/5/16 to 30/6/17 Capital
(e) Grants		
General purpose (untied)		
Financial assistance – general component	11,273	–
Financial assistance – local roads component	2,854	–
Pensioners' rates subsidies – general component	839	–
Total general purpose	14,966	–
Specific purpose		
Pensioners' rates subsidies:		
– Domestic waste management	313	–
Child care	2,303	–
Library	558	–
Street lighting	961	–
Transport (roads to recovery)	–	1,820
Transport (other roads and bridges funding)	602	7,592
Community services	114	–
Dept infrastructure planning and natural resources	–	1,364
Federal stimulus	–	250
Federal dept of education and training	43	–
Greenspace	–	103
Home support	1,237	–
Ministry of the arts	625	–
Stronger Communities Fund	1,000	14,000
New Council Implementation Fund	10,000	–
Waste services performance improvement payment	458	–
Other	259	473
Total specific purpose	18,473	25,602
Total grants	33,439	25,602
Grant revenue is attributable to:		
– Commonwealth funding	2,120	5,274
– State funding	31,319	20,328
	33,439	25,602

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 3. Income from continuing operations (continued)

\$ '000	Notes	13/5/16 to 30/6/17 Operating	13/5/16 to 30/6/17 Capital
(f) Contributions			
Developer contributions:			
(s93 & s94 – EP&A Act, s64 of the LGA):			
S 93F – contributions using planning agreements		–	800
S 94 – contributions towards amenities/services		–	35,488
Total developer contributions	17	–	36,288
Other contributions:			
Kerb and gutter		1	–
Contributions to services from other Councils		3,056	–
National Disability contribution		20	–
Environmental		20	–
Leaseback fees		35	–
Long service leave contributions		881	–
Other sponsorship received		494	–
Paid parental leave		173	–
LIRS subsidy		284	–
Road restoration contributions		655	–
Salary sacrifice motor vehicle contributions		836	–
ESPL Operating Cost Contribution		218	–
West Epping Park		147	–
Other		–	4,912
Total other contributions		7,497	4,990
Total contributions		7,497	41,278
TOTAL GRANTS AND CONTRIBUTIONS		40,936	66,880

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 3. Income from continuing operations (continued)

\$ '000	13/5/16 to 30/6/17
(g) Unspent grants and contributions	
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:	
Unexpended at the close of the previous reporting period (former Councils)	44,610
Add: grants and contributions recognised in the current period but not yet spent:	91,919
Less: grants and contributions recognised in a previous reporting period now spent:	(14,292)
Net increase (decrease) in restricted assets during the period	77,627
Unexpended and held as restricted assets	122,237
Comprising:	
– Specific purpose unexpended grants	23,223
– Developer contributions	99,014
	122,237

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 4. Expenses from continuing operations

\$ '000	13/5/16 to 30/6/17
(a) Employee benefits and on-costs	
Salaries and wages	84,183
Travel expenses	69
Employee leave entitlements (ELE)	13,510
Superannuation	9,210
Workers' compensation insurance	295
Training costs (other than salaries and wages)	326
Fringe benefit tax (FBT)	1,013
Protective clothing	148
Recruitment costs	544
Other	282
Total employee costs	109,580
Less: capitalised costs	(3,419)
TOTAL EMPLOYEE COSTS EXPENSED	106,161
(b) Borrowing costs	
(i) Interest bearing liability costs	
Interest on loans	3,918
Total interest bearing liability costs expensed	3,918
(ii) Other borrowing costs	
Other borrowing costs	5
Total other borrowing costs	5
TOTAL BORROWING COSTS EXPENSED	3,923

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 4. Expenses from continuing operations (continued)

\$ '000	13/5/16 to 30/6/17
(c) Materials and contracts	
Raw materials and consumables	7,080
Contractor and consultancy costs	
– locksmith external services	137
– ICT software maintenance	268
– organisational related costs	500
– air conditioning external services	267
– events program	681
– economic development	217
– building improvements	524
– bushland management	1,990
– open space and natural resources management	354
– cleaning external services	2,546
– consultancies	6,806
– parks infrastructure maintenance	754
– footpath maintenance	856
– electrical external services	387
– external plant and equipment hire	525
– fire protection equipment external services	311
– garbage external services	4,032
– meals on wheels services	223
– other minor contracts	2,272
– motor vehicle accident repairs	253
– multi-level car parks	1,921
– on street paid parking	510
– pavement maintenance	228
– plant repairs	604
– plumbing external services	382
– professional services	3,387
– public tree maintenance	545
– recycling external services	2,394
– restorations	527
– road waste removal external services	317
– security external services	1,490
– tipping fees	19,569
– other contractor and consultancy costs	2,530
– library network	521
– local parks maintenance	255
– sporting grounds maintenance	338
– sustainability and waste	670
– catchment maintenance	547
– agency employees	5,663

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 4. Expenses from continuing operations (continued)

\$ '000	13/5/16 to 30/6/17
(c) Materials and contracts (continued)	
Auditors remuneration	168
Legal expenses:	
– Legal expenses: planning and development	140
– Legal expenses: other	2,088
Operating leases:	
– Operating lease rentals: minimum lease payments	6,104
Total materials and contracts	81,881
Less: capitalised costs	(427)
TOTAL MATERIALS AND CONTRACTS	81,454
Operating lease payments are attributable to:	
Buildings	5,154
Computers	890
Other	60
(d) Depreciation, amortisation and impairment	
Depreciation and amortisation	
Plant and equipment	2,662
Office equipment	505
Furniture and fittings	2,867
Land improvements (depreciable)	8
Infrastructure:	
– Buildings – non-specialised	5,179
– Other structures	1,258
– Roads	19,767
– Bridges	1,247
– Footpaths	2,640
– Stormwater drainage	3,569
– Swimming pools	42
– Other open space/recreational assets	5,386
Other assets	
– Heritage collections	11
– Library books	750
– Other	7
Intangible assets	1,085
TOTAL DEPRECIATION AND AMORTISATION COSTS	46,983

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 4. Expenses from continuing operations (continued)

\$ '000	13/5/16 to 30/6/17
(e) Other expenses	
Advertising	1,759
Bad and doubtful debts	23
Bank charges	649
Contributions/levies to other levels of government	
– Department of planning levy	354
– Emergency services levy (includes FRNSW, SES, and RFS levies)	81
– NSW fire brigade levy	2,051
Councillor expenses – mayoral fee	49
Councillor expenses – councillors' fees	13
Councillors' expenses (incl. mayor) – other (excluding fees above)	675
Donations, contributions and assistance to other organisations (Section 356)	3,421
Electricity and heating	1,961
Insurance	2,067
Postage	612
Street lighting	3,550
Subscriptions and publications	798
Telephone and communications	819
Valuation fees	492
Permits	9
Lease compensation payments	14
Contribution to other Councils	1,915
Artists in mall and other artists	1,694
Car registrations	368
Catering	526
Computer expenses	4,886
Microfilming	215
Parking – seins costs	834
Parking space levy	1,957
Promotions and publicity	1,816
Rent collection costs	369
Water	503
Other	1,123
Total other expenses	35,603
Less: capitalised costs	(427)
TOTAL OTHER EXPENSES	35,176

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 5. Gains or losses from the disposal of assets

\$ '000	13/5/16 to 30/6/17 Capital
Property (excl. investment property)	
Proceeds from disposal – property	24,721
Less: carrying amount of property assets sold/written off	(15,568)
Net gain/(loss) on disposal	9,153
Plant and equipment	
Proceeds from disposal – plant and equipment	1,632
Less: carrying amount of plant and equipment assets sold/written off	(1,122)
Net gain/(loss) on disposal	510
Financial assets	
Proceeds from disposal/redemptions/maturities – financial assets	195,976
Less: carrying amount of financial assets sold/redeemed/matured	(195,976)
Net gain/(loss) on disposal	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	9,663

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 6a. Cash assets and Note 6b. investments

\$ '000	13/5/16 to 30/6/17 Current	13/5/16 to 30/6/17 Non-Current
Cash and cash equivalents (Note 6a)		
Cash on hand and at bank	8,595	–
Cash-equivalent assets ¹		
– Deposits at call	6,016	
– Short-term deposits	17,819	–
Total cash and cash equivalents	32,430	–
Investments (Note 6b)		
– Managed funds	13,031	–
– Term deposits	68,170	31,652
– Negotiable Certificates of Deposit's, Floating Rate Note's (with maturities → 3 months)	28,100	51,577
Total investments	109,301	83,229
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	141,731	83,229

¹Those investments where time to maturity (from date of purchase) is ≤ 3 mths.

Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:

Cash and cash equivalents

a. 'At fair value through the profit and loss'	32,430	–
--	--------	---

Investments

a. 'At fair value through the profit and loss'		
– 'Held for trading'	41,131	51,577
b. 'Held to maturity'	68,170	31,652
Investments	109,301	83,229

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 6c. Restricted cash, cash equivalents and investments – details

\$ '000	13/5/16 to 30/6/17 Current	13/5/16 to 30/6/17 Non-Current
Total cash, cash equivalents and investments	141,731	83,229
attributable to:		
External restrictions (refer below)	42,447	83,229
Internal restrictions (refer below)	54,373	–
Unrestricted	44,911	–
	141,731	83,229

13/5/16 to 30/6/17 \$ '000	Transferred from former Councils	Transfers to restrictions	Transfers from restrictions	Closing balance
-------------------------------	--	------------------------------	-----------------------------------	--------------------

Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended loans – general (A)	266	–	(266)	–
---	-----	---	-------	---

External restrictions – included in liabilities	266	–	(266)	–
--	------------	----------	--------------	----------

External restrictions – other

Developer contributions – general(B)	52,859	38,034	(12,725)	78,168
Specific purpose unexpended grants (C)	1,944	43,131	(21,852)	23,223
Domestic waste management (D)	12,995	7,718	(5,199)	15,514
Harris park special rate	105	186	–	291
Open space special rate	1,881	2,212	(2,782)	1,311
Stormwater levy	425	2,465	(1,480)	1,410
Economic development special rate	937	795	(991)	741
Suburban infrastructure special rate	1,385	1,718	(3,028)	75
CBD infrastructure special rate	2,666	2,279	(571)	4,374
Infrastructure Special Rate (Former Holroyd)	–	62	–	62
Catchment Remediation Special Rate	–	507	–	507

External restrictions – other	75,197	99,107	(48,628)	125,676
--------------------------------------	---------------	---------------	-----------------	----------------

Total external restrictions	75,463	99,107	(48,894)	125,676
------------------------------------	---------------	---------------	-----------------	----------------

A Loan moneys which must be applied for the purposes for which the loans were raised.

B Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

C Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))

D Domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 6c. Restricted cash, cash equivalents and investments details (continued)

13/5/16 to 30/6/17 \$ '000	Transferred from former Councils	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Plant and vehicle replacement	2,730	–	(2,730)	–
Employees leave entitlement	5,499	–	–	5,499
Computerised management information	1,136	–	(1,136)	–
Street furniture	106	–	(106)	–
Open space and recreation	402	–	(402)	–
Uncompleted works revenue	11,065	–	(11,065)	–
Property and significant assets reserve	53,451	3,273	(20,520)	36,204
Council Election	600	200	–	800
Parking meters	1,589	3,937	(4,168)	1,358
Granville reserve	2,393	–	(2,393)	–
Urgent ward works	7,707	–	(4,416)	3,291
Asset renewal reserve	13,623	2,924	(9,326)	7,221
Total internal restrictions	100,301	10,334	(56,262)	54,373
TOTAL RESTRICTIONS	175,764	109,441	(105,156)	180,049

Note 7. Receivables

\$ '000	2017 Current	2017 Non-Current
Purpose		
Rates and annual charges	4,989	787
User charges and fees	1,141	–
Accrued revenues	–	–
– Interest on investments	1,794	–
Amounts due from other councils	47,963	–
Deferred debtors	–	15,655
Government grants and subsidies	7,199	–
Net GST receivable	1,984	–
Hoarding fees	185	–
Environmental upgrade agreements	140	878
Employee receivables	5	321
GIO workers compensation	79	–
Licencing receivables	772	–
Property leases	554	–
Restorations / reinstatements	83	–
Riverside theatres parramatta	24	–
Facility Hire	198	–
Other debtors	807	–
Total	67,917	17,641
Less: provision for impairment		
Rates and annual charges	(59)	–
Other debtors	(1,099)	–
Total provision for impairment – receivables	(1,158)	–
TOTAL NET RECEIVABLES	66,759	17,641

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 7. Receivables (continued)

\$ '000	2017 Current	2017 Non-Current
Externally restricted receivables		
Domestic waste management	1,396	–
Stormwater management	134	–
Other		
Open space special rate	61	–
Economic development special rate	36	–
Suburban infrastructure special rate	49	–
CBD Infrastructure special rate	89	–
Harris park special rate	11	–
Infrastructure Special Rate (Former Holroyd)	2	–
Section 94 due from other Councils	20,846	–
Total external restrictions	22,624	–
Unrestricted receivables	44,135	17,641
TOTAL NET RECEIVABLES	66,759	17,641

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding. An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50%. Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

105

Note 8. Inventories and other assets

\$ '000	2017 Current	2017 Non-Current
(a) Inventories		
Inventories at cost		
Stores and materials	67	–
Trading stock	17	–
Total inventories at cost	84	–
TOTAL INVENTORIES	84	–
(b) Other assets		
Prepayments	368	–
Other	15	–
TOTAL OTHER ASSETS	383	–

Externally restricted assets

There are no restrictions applicable to the above assets.

Other disclosures

Inventory write downs

There were no amounts recognised as an expense relating to the write down of inventory balances held during the year.

Refer to Note 27. Fair value measurement for information regarding the fair value of other assets held.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 9a. Infrastructure, property, plant and equipment

Asset Class	IPP&E transferred from former Councils as at 13/5/2016				Asset movements during the reporting period				as at 30/6/2017	
	Gross carrying amount	Accumulated depreciation & impairment	Net carrying amount	Additions renewals	Carrying value of disposals	Depreciation expense	Gross carrying amount	Accumulated depreciation & impairment	Net carrying amount	
Capital work in progress	-	-	-	10,587	20,130	-	-	30,715	-	30,715
Plant and equipment	18,036	10,766	7,270	-	5,558	(1,122)	(2,662)	20,117	11,072	9,045
Office equipment	10,389	8,391	1,998	151	-	-	(505)	10,528	8,883	1,645
Furniture and fittings	16,753	6,077	10,676	1,367	-	-	(2,867)	17,938	8,763	9,175
Land:										
- Operational land	457,566	-	457,566	-	12,035	(14,326)	-	455,275	-	455,275
- Community land	261,203	-	261,203	-	34	(1,238)	-	259,999	-	259,999
- Land under roads (post 30/6/08)	1,024	-	1,024	-	-	-	-	1,024	-	1,024
Land improvements - depreciable	310	88	222	642	30	-	(8)	982	96	886
Infrastructure:										
- Buildings - non-specialised	189,283	23,011	166,272	1,075	1,956	(4)	(5,179)	188,686	24,566	164,120
- Other structures	37,190	17,553	19,637	632	384	-	(1,258)	32,774	13,379	19,395
- Roads	1,145,520	235,881	909,639	13,798	322	-	(19,767)	1,159,640	255,648	903,992
- Bridges	98,105	27,541	70,564	12	-	-	(1,247)	98,117	28,788	69,329
- Footpaths	152,966	32,978	119,988	4,239	1,324	-	(2,640)	158,528	35,617	122,911
- Bulk earthworks (non-depreciable)	102,677	-	102,677	-	-	-	-	102,677	-	102,677
- Stormwater drainage	354,101	133,208	220,893	1,326	97	-	(3,569)	355,524	136,777	218,747
- Swimming pools	1,336	310	1,026	-	-	-	(42)	1,336	352	984
- Other open space/recreational assets	139,709	25,789	113,920	529	6,697	-	(5,386)	146,358	30,598	115,760
Other assets:										
- Heritage collections	2,347	44	2,303	[0]	-	-	(11)	2,347	55	2,292
- Library books	13,322	11,361	1,961	1,290	-	-	(750)	14,612	12,111	2,501
- Other	8,056	418	7,638	493	92	-	(7)	8,640	424	8,216
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	3,009,893	533,415	2,476,478	36,141	48,659	(16,690)	(45,898)	3,065,817	567,129	2,498,688

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.
Refer to Note 29. Local Government amalgamation for information regarding IPP&E transferred from former Councils.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000 Class of asset	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Domestic waste management			
Plant and equipment	70	18	52
Total DWM	70	18	52
TOTAL RESTRICTED I,PP&E	70	18	52

Note 9c. Infrastructure, property, plant and equipment – current year impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 10a. Payables, borrowings and provisions

\$ '000	2017 Current	2017 Non-Current
Payables		
Goods and services	10,203	–
Accrued expenses:		
– Accrued Interest	292	–
– Salaries and wages	1,864	–
– Other expenditure accruals	23,214	–
Security bonds, deposits and retentions	8,837	–
Environment Upgrade Agreement	140	878
Total payables	44,550	878
Income received in advance		
Payments received in advance	8,052	–
Total income received in advance	8,052	–
Borrowings		
Loans – secured ¹	10,806	48,451
Total borrowings	10,806	48,451
Provisions		
Employee benefits:		
Annual leave	8,452	–
Sick leave	1,193	–
Long service leave	14,728	918
Other employee provisions	3,233	–
Sub-total – aggregate employee benefits	27,606	918
Local government Elections (Sept 17)	800	–
Potential legal actions	700	–
Asbestos Removal	2,600	–
Make Good Provisions	–	2,393
Total provisions	31,706	3,311
TOTAL PAYABLES, BORROWINGS AND PROVISIONS	95,114	52,640

(i) Liabilities relating to restricted assets

There are no restricted assets (external or internal) applicable to the above liabilities.

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 15.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 10a. Payables, borrowings and provisions (continued)

\$ '000

Actual
2017

(iii) Current liabilities not anticipated to be settled within the next twelve months

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	13,870
Payables – security bonds, deposits and retention	6,758
	20,628

Note 10b. Description of and movements in provisions

Class of provision	2016	13/5/16 to 30/6/17				Closing balance as at 30/06/17
	Former Councils	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	
Other employee Provisions	1,870	1,363	–	–	–	3,233
Potential legal actions	200	500	–	–	–	700
Asbestos Removal	–	2,600	–	–	–	2,600
Make Good Provisions	–	2,393	–	–	–	2,393
Other	600	200	–	–	–	800
Total	2,670	7,056	–	–	–	9,726

a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017
a) Reconciliation of cash assets		
Total cash and cash equivalent assets	6a	32,430
Less bank overdraft	10	–
Balance as per the Statement of Cash Flows		32,430
(b) Reconciliation of net operating result to cash provided from operating activities		
Net result from Income Statement		77,975
Adjust for non-cash items:		
Depreciation and amortisation		46,983
Net losses/(gains) on disposal of assets		(9,663)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'		580
Share of net (profits) or losses of associates/joint ventures		(780)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables		(1,649)
Increase/(decrease) in provision for doubtful debts		20
Decrease/(increase) in inventories		34
Decrease/(increase) in other assets		(166)
Increase/(decrease) in payables		(4,024)
Increase/(decrease) in accrued interest payable		(532)
Increase/(decrease) in other accrued expenses payable		2,608
Increase/(decrease) in other liabilities		(2,146)
Increase/(decrease) in employee leave entitlements		4,444
Increase/(decrease) in other provisions		103
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		113,788

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 11. Statement of cash flows – additional information (continued)

\$ '000

Actual
2017

(c) Non-cash investing and financing activities

Nil

(d) Financing arrangements

(i) Unrestricted access was available at balance date to the following lines of credit:

Bank overdraft facilities ¹	1,000
Credit cards/purchase cards	250
Total financing arrangements	1,250

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15

(ii) Secured loan liabilities

Loans are secured by a mortgage over future years rate revenue only.

(e) Bank guarantees

Council has the following bank guarantees (\$9,118,000) provided to external parties with a facility limit of \$13,150,000:

- Workers Compensation \$8,842,000
- Property Lease \$272,000
- Other \$4,000

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 12. Commitments for expenditure

\$ '000 **Actual
2017**

(a) Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	1,596
Plant and equipment	255
Footpaths	235
Roads, kerb and gutter	875
Stormwater Drainage	94
Land Improvements	914
Other	221

Total commitments	4,190
--------------------------	--------------

These expenditures are payable as follows:

Within the next year	4,190
----------------------	-------

Total payable	4,190
----------------------	--------------

Sources for funding of capital commitments:

Unrestricted general funds	957
Sect 64 and 94 funds/reserves	906
Unexpended grants	739
Special rates	380
Other funding	1,208

Total sources of funding	4,190
---------------------------------	--------------

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:

Within the next year	4,651
----------------------	-------

Later than one year and not later than 5 years	1,093
--	-------

Total non-cancellable operating lease commitments	5,744
--	--------------

b. Non-cancellable operating leases include the following assets:

Operating leases are in place for computer equipment and property assets and have lease terms of between three and four years.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 13a(i). Statement of performance measurement indicators (consolidated)

\$ '000	Amounts 2017	Indicator 2017	Benchmark
Local government industry indicators – consolidated			
1. Operating performance ratio			
Total continuing operating revenue (1) excluding capital grants and contributions less operating expenses	1,232	0.45%	> 0.00%
Total continuing operating revenue (1) excluding capital grants and contributions	274,929		
2. Own source operating revenue ratio			
Total continuing operating revenue (1) excluding all grants and contributions	233,993	68.46%	> 60.00%
Total continuing operating revenue (1)	341,809		
3. Unrestricted current ratio			
Current assets less all external restrictions (2)	353,536	4.75x	> 1.5x
Current liabilities less specific purpose liabilities (3, 4)	74,486		
4. Debt service cover ratio			
Operating result (1) before capital excluding interest and depreciation/impairment/amortisation	52,138	2.94x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	17,710		
5. Rates, annual charges, interest and extra charges outstanding percentage			
Rates, annual and extra charges outstanding	5,717	3.03%	> 5%
Rates, annual and extra charges collectible	188,428		
6. Cash expense cover ratio			
Current year's cash and cash equivalents plus all term deposits	132,252	6.36 mths	> 3 mths
Payments from cash flow of operating and financing activities	20,795		

Notes

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

² Refer Notes 6-8 inclusive. Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

³ Refer to Note 10(a).

⁴ Refer to Note 10(a)(iii) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

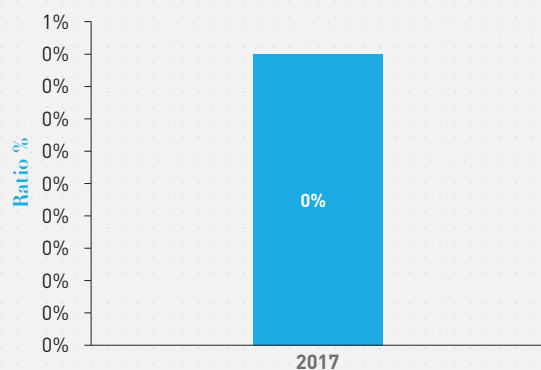
Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 13a(ii). Local government industry indicators – graphs (consolidated)

1. Operating Performance Ratio



Purpose of operating performance ratio

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

Commentary on /17 result

/17 RATIO
0.45%

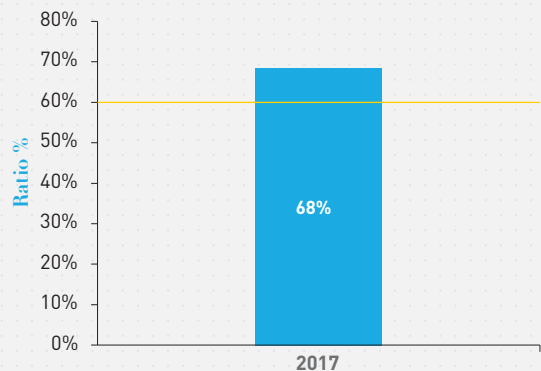
A surplus result is a great achievement for the period May 13-June 30 2016 not matched by rates revenue which was recognised in 2015/16 accounts (\$15.6m). If included the ratio would exceed 5%.

BENCHMARK: MINIMUM $\geq 0.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

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 /17 result

/17 RATIO
68.46%

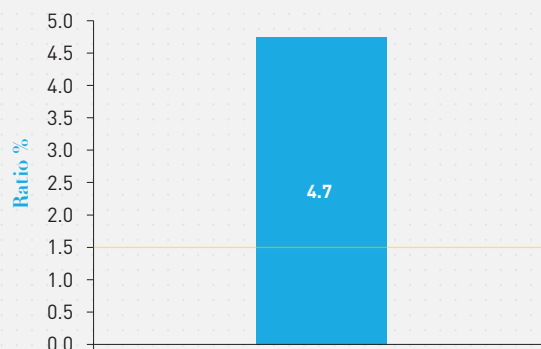
This ratio remains above the benchmark. Council has a sound own source revenue base.

BENCHMARK: MINIMUM $\geq 60.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

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 /17 result

/17 RATIO
4.75x

This ratio exceeds the 1.5 x benchmark indicating a sound liquidity position. The accounting treatment of held for sale assets has a significant impact on this indicator.

BENCHMARK: MINIMUM ≥ 1.50

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark
Ratio is outside benchmark

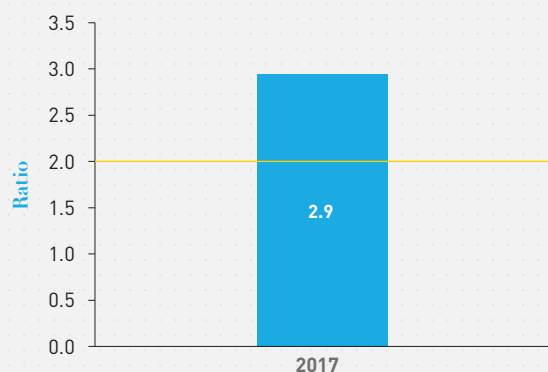
Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 13a(ii). Local government industry indicators – graphs (consolidated)

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 /17 result

/17 RATIO
2.94x

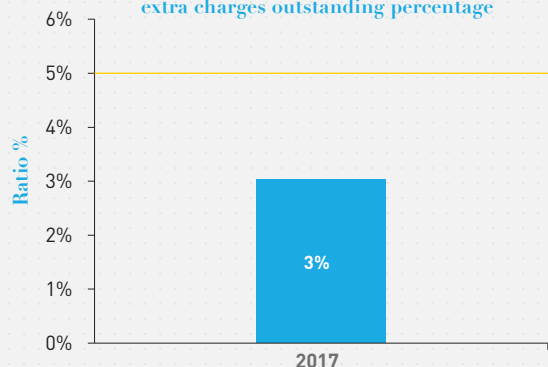
Council is above the benchmark of 2.0 mainly due to a favourable operating result and Council not taking up additional borrowings, which ultimately reduces the loan servicing costs.

BENCHMARK: — **MINIMUM > = 2.00**

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

■ Ratio achieves benchmark
■ Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates and annual charges outstanding ratios

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

Commentary on /17 result

/17 RATIO
3.03%

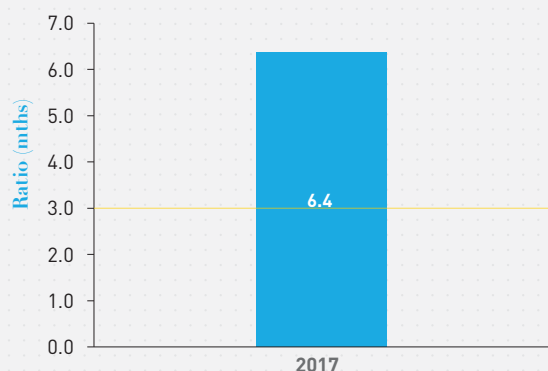
This indicator is below benchmark and indicates outstanding debt recovery results.

BENCHMARK: — **MINIMUM > = 5.00**

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

■ 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 /17 result

/17 RATIO
6.36mths

The ratio indicates that Council has sufficient liquidity to cover its short term cash outlays and is above the benchmark of 3 months.

BENCHMARK: — **MINIMUM > = 3.00**

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as 'investment properties'.

Note 15. Financial risk management

Risk management

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

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

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying Amount 2017	Fair Value 2017
Financial assets		
Cash and cash equivalents	32,430	32,430
Investments		
– 'Held for trading'	92,708	92,708
– 'Held to maturity'	99,822	99,822
Receivables	84,400	84,400
Total financial assets	309,360	309,360
Financial liabilities		
Payables	45,428	45,428
Loans/advances	59,257	61,299
Total financial liabilities	104,685	106,727

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 15. Financial risk management (continued)

\$ '000

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 Local Government Act 1993 and Minister's investment order. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there 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.
- **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 – be it of a capital or income nature.

Council manages these risks (amongst 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 in relation to new institutions and held to maturity assets.

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

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

13/5/16 to 30/6/17	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
Possible impact of a 10% movement in market values	9,271	9,271	(9,271)	(9,271)
Possible impact of a 1% movement in interest rates	1,323	1,323	(1,323)	(1,323)

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 15. Financial risk management (continued)

(b) Credit risk

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

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.

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 reviewed by finance monthly and are monitored for acceptable collection performance.

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.

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

	2017 Rates & annual charges	2017 Other receivables
(i) Ageing of receivables – %		
Current (not yet overdue)	2%	83%
Overdue	98%	17%
	100%	100%

(ii) Ageing of receivables – value

Rates and annual charges	Other receivables		
Current	Current		
		124	66,489
< 1 year overdue	0 – 30 days overdue	4,865	167
1 – 2 years overdue	31 – 60 days overdue	341	1,423
2 – 5 years overdue	61 – 90 days overdue	258	4,208
> 5 years overdue	> 91 days overdue	188	7,495
		5,776	79,782

(iii) Movement in provision for impairment of receivables

Balance at the beginning of the year (former Councils)	1,138
+ new provisions recognised during the year	663
– amounts already provided for and written off this year	(167)
– amounts provided for but recovered during the year	(476)
Balance at the end of the year	1,158

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 15. Financial risk management (continued)

(c) Liquidity risk

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

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

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

The contractual undiscounted cash outflows (i.e. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

		Payable in:							
\$ '000	Subject to no maturity	< 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	5 Yrs	Total cash outflows	Actual carrying values
13/5/16 to 30/6/17									
Trade/other payables	8,837	36,593	–	–	–	–	–	45,430	45,428
Loans and advances	–	13,672	11,340	10,597	10,366	10,119	13,080	69,174	59,257
Total financial liabilities	8,837	50,265	11,340	10,597	10,366	10,119	13,080	114,604	104,685

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 through the diversification of borrowing types, maturities and interest rate structures.

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

	2017 Carrying value	2017 Average Interest rate
Trade/other payables	45,428	0.00%
Loans and advances – fixed interest rate	59,257	5.13%
	104,685	

Loan agreement breaches

There were no loan agreement breaches during the year.

Note 16. Material budget variations

In accordance with the Supplementary Code 25, this note is not required for new Councils.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council.

All contributions must be spent/ utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are 'restricted' in their future use.

Summary of contributions and levies

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Open space	457	-	-	15	(27)	-	445	-
Community Facilities	4,289	1,264	-	162	(55)	-	5,660	-
Traffic and parking	2,728	-	-	90	(1)	-	2,817	-
Traffic and transport	236	-	-	6	(108)	-	134	-
Plan management	170	1	-	-	(171)	-	-	-
Councils OnLine	293	-	-	5	(266)	-	32	-
Public domain projects	3,152	2,679	-	139	(572)	-	5,398	-
River foreshore park	1,148	944	-	54	-	-	2,146	-
Arts and cultural facility	5,533	1,891	-	181	(476)	-	7,129	-
Recreation Facilities	2,787	1,574	-	142	-	-	4,503	-
Historic buildings	215	315	-	15	(1)	-	544	-
Car park enhancements	345	315	-	9	(486)	-	183	-
Access and transport	5,721	1,890	-	218	(215)	-	7,614	-
Ermington traffic and pedestrian	86	-	-	3	(11)	-	78	-
Community facilities (A)	747	1,137	-	33	(840)	-	1,077	-
Drainage, water quality and Laneway Infrastructure	1,322	645	-	50	(688)	-	1,329	-
Natural environment	357	217	-	-	(574)	-	-	-
Open space and recreation	3,144	1,896	-	139	(853)	-	4,326	-
Public domain	2,502	541	-	81	(1,400)	-	1,724	-
Roads and shared paths	2,824	972	-	109	(841)	-	3,064	-

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

Summary of contributions and levies

Purpose	S94 Funds transferred from former Councils	Contributions received during the year Cash Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
Parramatta Square	1,553	421	-	-	(1,974)	-	-
Open Space Land - Former Hills	4,347	1,420	-	24	-	-	5,791
Open Space Capital - Former Hills	35	170	-	3	-	-	208
Transport Facilities Capital - Former Hills	609	707	-	12	-	-	1,328
Administration - Former Hills	1,023	93	-	2	-	-	1,118
Stormwater Management - Former Hills	658	849	-	14	-	-	1,521
Community Facilities - Former Hills	495	465	-	7	-	-	967
Open Space and Recreation -Former Hills	-	4	-	-	-	-	4
Roads and Natural Paths -Former Hills	-	5	-	-	-	-	5
Natural Environment -Former Hills	-	1	-	-	-	-	1
Public Domain -Former Hills	-	1	-	-	-	-	1
Roads and Traffic - Former Hills	2,869	4	-	-	-	-	2,873
Community Facilities - Land - Former Hills	-	1	-	-	-	-	1
Community Facilities - Capital - Former Hills	443	15	-	-	-	-	458
Roads - Former Hornsby	3,764	1,975	-	4	-	-	5,743
Open Space - Former Hornsby	4,742	5,896	-	62	-	-	10,700
Community Facilities - Former Hornsby	1,823	2,306	-	24	-	-	4,153
Plan Administration - Former Hornsby	38	29	-	-	-	-	67
Other - Former Hornsby	-	102	-	1	-	-	103
Community Facilities - Former Auburn	-	26	-	1	-	-	27
Public Domain - Former Auburn	-	55	-	1	-	-	56
Accessibilty and Traffic - Former Auburn	-	16	-	-	-	-	16
Plan Administration - Former Auburn	-	6	-	-	-	-	6
Open Space (HBW)	5,039	1,998	-	33	-	-	7,070

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

Summary of contributions and levies

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Community Facilities (HBW)	4,486	1,118	–	19	(1,425)	–	4,198	–
Traffic Management (HBW)	560	827	–	14	–	–	1,401	–
Plan Administration (HBW)	–	291	–	5	–	–	296	–
Community Facilities (Carter Street)	–	29	–	1	–	–	30	–
Local Open Space (Carter Street)	–	76	–	1	–	–	77	–
District Recreation (Carter Street)	–	172	–	3	–	–	175	–
Active Transport (Carter Street)	–	57	–	1	–	–	58	–
Traffic Management (Carter Street)	111	58	–	1	–	–	170	–
Plan Administration (Carter Street)	–	2	–	–	–	–	2	–
Parks and Recreation (former Holroyd)	–	5	–	–	–	–	5	–
Sporting Fields (former Holroyd)	–	5	–	–	–	–	5	–
Community Facilities (former Holroyd)	–	2	–	–	–	–	2	–
S94 contributions – under a plan	70,651	35,488	–	1,684	(10,984)	–	96,839	–
Total S94 revenue under plans	70,651	35,488	–	1,684	(10,984)	–	96,839	–
S93F planning agreements	1,532	800	–	62	(219)	–	2,175	–
Total contributions	72,183	36,288	–	1,746	(11,203)	–	99,014	–

S94 contributions – under a plan

Parramatta S 94 Contribution Plan Number 1

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Traffic and Parking	2,728	–	–	90	(1)	–	2,817	–
Total	2,728	–	–	90	(1)	–	2,817	–

Parramatta comprehensive section 94 contribution plan

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Open space	457	–	–	15	(27)	–	445	–
Traffic and transport	236	–	–	6	(108)	–	134	–
Plan management	170	1	–	–	(171)	–	–	–
Total	863	1	–	21	(306)	–	579	–

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

S94 contributions – under a plan

Parramatta comprehensive section 94a contribution plan (non city centre)

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Councils OnLine	293	–	–	5	(266)	–	32	–
Community facilities (A)	747	1,137	–	33	(840)	–	1,077	–
Drainage, water quality and Laneway Infrastructure	1,322	645	–	50	(688)	–	1,329	–
Natural environment	357	217	–	–	(574)	–	–	–
Open space and recreation	3,144	1,896	–	139	(853)	–	4,326	–
Public domain	2,502	541	–	81	(1,400)	–	1,724	–
Roads and shared paths	2,824	972	–	109	(841)	–	3,064	–
Total	11,189	5,408	–	417	(5,462)	–	11,552	–

Parramatta comprehensive section 94a contribution plan (civic improvement)

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Community facilities	4,289	1,264	–	162	(55)	–	5,660	–
Public domain projects	3,152	2,679	–	139	(572)	–	5,398	–
River foreshore park	1,148	944	–	54	–	–	2,146	–
Arts and cultural facility	5,533	1,891	–	181	(476)	–	7,129	–
Recreation Facilities	2,787	1,574	–	142	–	–	4,503	–
Historic buildings	215	315	–	15	(1)	–	544	–
Car park enhancements	345	315	–	9	(486)	–	183	–
Access and transport	5,721	1,890	–	218	(215)	–	7,614	–
Parramatta Square	1,553	421	–	–	(1,974)	–	–	–
Total	24,743	11,293	–	920	(3,779)	–	33,177	–

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

S94 contributions – under a plan

Ermington traffic & pedestrian works

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Ermington traffic and pedestrian	86	–	–	3	(11)	–	78	–
Total	86	–	–	3	(11)	–	78	–

Section 94 development contribution plan

Carlingford Precinct

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Open Space Land - Former Hills	1,457	1,202	–	20	–	–	2,679	–
Open Space Capital - Former Hills	–	151	–	3	–	–	154	–
Transport Facilities Capital - Former Hills	609	707	–	12	–	–	1,328	–
Administration - Former Hills	1,023	93	–	2	–	–	1,118	–
Stormwater Management - Former Hills	658	849	–	14	–	–	1,521	–
Community Facilities - Former Hills	495	464	–	7	–	–	966	–
Total	4,242	3,466	–	58	–	–	7,766	–

S94 contributions – under a plan

Section 94a Development Contribution Plan-Former Hills LGA Land

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Community Facilities - Former Hills	–	1	–	–	–	–	1	–
Open Space and Recreation -Former Hills	–	4	–	–	–	–	4	–
Roads and Natural Paths -Former Hills	–	5	–	–	–	–	5	–
Natural Environment -Former Hills	–	1	–	–	–	–	1	–
Public Domain -Former Hills	–	1	–	–	–	–	1	–
Drainage and Water Quality -Former Hills	–	1	–	–	–	–	1	–
Total	–	13	–	–	–	–	13	–

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

The Hills development contribution plan no. 7 - Southern precincts

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Roads and Traffic - Former Hills	2,869	4	-	-	-	-	2,873	-
Open Space Land - Former Hills	2,890	218	-	4	-	-	3,112	-
Open Space Capital - Former Hills	35	19	-	-	-	-	54	-
Community Facilities - Land - Former Hills	-	1	-	-	-	-	1	-
Community Facilities - Capital - Former Hills	443	15	-	-	-	-	458	-
Total	6,237	257	-	4	-	-	6,498	-

S94 contributions – under a plan

Hornsby section 94 development contributions plan

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Roads - Former Hornsby	3,764	1,975	-	4	-	-	5,743	-
Open Space - Former Hornsby	4,742	5,896	-	62	-	-	10,700	-
Community Facilities - Former Hornsby	1,823	2,306	-	24	-	-	4,153	-
Plan Administration - Former Hornsby	38	29	-	-	-	-	67	-
Total	10,367	10,206	-	90	-	-	20,663	-

Hornsby section 94a development contribution plan

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Other - former Hornsby	-	102	-	1	-	-	103	-
Total	-	102	-	1	-	-	103	-

Auburn development contributions plan 2007 -Part B residential and Part F employment

Purpose	S94 Funds transferred from former Councils	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash					
Community Facilities - Former Auburn	-	26	-	1	-	-	27	-
Public Domain - Former Auburn	-	55	-	1	-	-	56	-
Accessibility and Traffic - Former Auburn	-	16	-	-	-	-	16	-
Plan Administration - Former Auburn	-	6	-	-	-	-	6	-
Total	-	103	-	2	-	-	105	-

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

S94 CONTRIBUTIONS – UNDER A PLAN

Auburn development contributions plan 2007 - Part C Homebush Bay West

Purpose	S94 Funds transferred from former Councils	Contributions received during the year Cash Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)	
Open Space (HBW)	5,039	1,998	–	33	–	–	7,070	–
Community Facilities (HBW)	4,486	1,118	–	19	(1,425)	–	4,198	–
Traffic Management (HBW)	560	827	–	14	–	–	1,401	–
Plan Administration (HBW)	–	291	–	5	–	–	296	–
Total	10,085	4,234	–	71	(1,425)	–	12,965	–

Carter street precinct development contribution plan 2016

Purpose	S94 Funds transferred from former Councils	Contributions received during the year Cash Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)	
Community Facilities (Carter Street)	–	29	–	1	–	–	30	–
Local Open Space (Carter Street)	–	76	–	1	–	–	77	–
District Recreation (Carter Street)	–	172	–	3	–	–	175	–
Active Transport (Carter Street)	–	57	–	1	–	–	58	–
Traffic Management (Carter Street)	111	58	–	1	–	–	170	–
Plan Administration (Carter Street)	–	2	–	–	–	–	2	–
Total	111	394	–	7	–	–	512	–

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 17. Statement of developer contributions (continued)

S94 CONTRIBUTIONS – UNDER A PLAN

Holroyd Section 94 Contribution Plan 2013

Purpose	S94 Funds transferred from former Councils	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash				
Parks and Recreation (former Holroyd)	–	5	–	–	–	5	–
Sporting Fields (former Holroyd)	–	5	–	–	–	5	–
Community Facilities (former Holroyd)	–	2	–	–	–	2	–
Total	–	12	–	–	–	12	–

S93F planning agreements

Purpose	S94 Funds transferred from former Councils	Contributions received during the year	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due (payable)
		Cash	Non-cash				
Parramatta River Pedestrian Crossing	1,033	800	–	45	(153)	1,725	–
Local Road Works River Road West	161	–	–	5	–	166	–
Local road works Ermington	51	–	–	2	–	53	–
Robin Thomas Reserve	203	–	–	7	–	210	–
Bushland Regeneration Ponds Creek Reserve	84	–	–	3	(66)	21	–
Total	1,532	800	–	62	(219)	2,175	–

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 18. Contingencies and other assets/liabilities not recognised

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

Liabilities not recognised:

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Liabilities not recognised: (continued)

2. Other liabilities

(i) Third party claims

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

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

(ii) S94 plans

Council levies section 94/94A contributions upon various development across the Council area through the required contributions plans.

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

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

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 18. Contingencies and other assets/liabilities not recognised (continued)

Liabilities not recognised (continued):

2. Other liabilities (continued)

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

Council has classified a number of privately owned land parcels as local open space or bushland.

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

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

Assets not recognised:

Infringement notices/fines

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

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

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

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

Superannuation

Council contributes to the Local Government Superannuation Scheme which has a closed section where a portion of member entitlements are defined as a multiple of salary. Member councils bear the responsibility of ensuring there are sufficient monies available to pay out benefits as these members cease employment. Council's deficit of assets over liabilities totals \$1,467,000 as at 30 June 2017. Council continues to make significantly higher contributions to help reduce this deficit.

Various Legal Cases

As at year end, Council's solicitors were handling a number of matters.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 19. Interests in other entities

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Joint venture

Note 19a

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement. Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Accounting recognition:

(i) Joint ventures and associates as per Note 19(a) are accounted for using the equity accounting method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's share of net income Actual 1/7/16 to 30/6/17	Council's share of net asset Actual 2017
Joint venture	780	5,748
Total	780	5,748

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 19. Interests in other entities (continued)

(a) Joint ventures

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2017
Civic Risk Mutual (Westpool) and UIP)	Joint venture	Equity method	5,748
Total carrying amounts – material joint ventures and associates			5,748

(b) Details

Name of entity	Principal Activity	Place of business
Mutual Management Services Ltd	Management of public liability and property insurance	

(c) Relevant interests and fair values

Name of entity	Interest in outputs 2017	Interest in ownership 2017	Proportion of voting power 2017
Civic Risk West	16.9%	13.0%	10.00%
Civic Risk West	9.4%	9.4%	5.9%

(d) Summarised financial information for joint ventures and associates

	Civic Risk West 2017	Civic Risk Mutual 2017	Total 2017
Statement of financial position			
Current assets			
Cash and cash equivalents	4,619	506	5,125
Other current assets	13,732	6,239	19,972
Non-current assets	47,434	5,888	53,323
Current liabilities			
Current financial liabilities (excluding trade and other payables and provisions)	5,008	2,890	7,898
Other current liabilities	688	423	1,112
Non-current liabilities			
Non-current financial liabilities (excluding trade and other payables and provisions)	20,429	2830	23,259
Net assets	39,660	6,490	46,151
Reconciliation of the carrying amount			
Opening net assets (former Councils)	32,197	7,286	39,482
Profit/(loss) for the period	7,463	(796)	6,669
Closing net assets	39,660	6,490	46,151
Council's share of net assets (%)			12.5%
Council's share of net assets (\$)			5,748

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 19. Interests in other entities (continued)

(a) Joint ventures and associates (continued)

(d) Summarised financial information for joint ventures and associates (continued)

	Civic Risk West 2017	Civic Risk Mutual 2017	Total 2017
Statement of comprehensive income			
Income	7,064	8,302	15,368
Interest income	3,757	584	4,341
interest expense	(17)	–	(17)
Other expense	(3,341)	(9,682)	(13,022)
Profit/(loss) for period	7,463	(796)	6,670
Total comprehensive income	7,463	(796)	6,670
Share of income – Council (%)			11.7%
Profit/(loss) – Council (\$)			780
Total comprehensive income – Council (\$)			780

* The Civic Risk reporting dates (1/7/16-30/6/17) don't align with the City of Parramatta reporting dates (13/5/16-30/6/17) due to the one-off change in reporting periods for merged Councils.

Parramasala

Parramasala is a joint venture between the City of Parramatta Council and the State Government. The principal objective is the promotion of multicultural literature, music, performing arts, visual arts, craft, design, film and community arts. The only cost to Council is the annual sponsorship which is currently \$200,000 in addition to some in-kind support contribution through City of Parramatta staff. Councils' interest in Parramasala is not material to be included in the financial statements.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 2017
(a) Retained earnings		
Movements in retained earnings were as follows:		
Balance at beginning of year		–
a. Net result for the year		2,878,077
Balance at end of the reporting period		2,878,077

Note 21. Financial result and financial position by fund

Council utilises only a general fund for its operations.

Note 22. 'Held for sale' non-current assets and disposal groups

\$ '000	2017 Current	2017 Non-current
(i) Non-current assets and disposal group assets		
Non-current assets 'held for sale'		
Land	209,650	–
Total non-current assets 'held for sale'	209,650	–
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'	209,650	–

(ii) Details of assets and disposal groups

Parramatta Square, North Rocks Pre School and East St Granville.

\$ '000	Asset 'held for sale 2017
(iii) Reconciliation of non-current assets 'held for sale'	
Opening balance (former Councils)	–
Closing balance of 'held for sale' non-current assets and operations	209,650

Refer to Note 27. Fair value measurement for fair value measurement information.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 23. Events occurring after the reporting date

Events that occur between the end of the reporting period (30 June 2017) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable 'authorised for issue' date relating to these General Purpose Financial Statements.

Accordingly, the 'authorised for issue' date is 11/12/17.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2017.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2017 and which are only indicative of conditions that arose after 30 June 2017.

Council is aware of the following 'non-adjusting events' that merit disclosure:

Hornsby Shire Council non payment of outstanding invoices

At June 30 2017 City of Parramatta was owed \$24.9m from Hornsby Shire Council comprising rates income, Section 94 reserve balances, DWM balances and other miscellaneous items. The composition of these numbers were provided by officers from Hornsby Shire Council and the City of Parramatta is not in a position to verify these amounts. Hornsby Shire Council is withholding the necessary supporting records and have publicly stated their opposition to paying the amounts due to the City of Parramatta Council despite numerous requests. As a result of their actions the City of Parramatta has been forced to take legal action to enforce our legal rights under the proclamation that formed the City of Parramatta.

Cumberland Council arbitration

Arbitration took place between the City of Parramatta and Cumberland Council as a result of a claim made by Cumberland Council. Cumberland was awarded \$14.9 million as part of the settlement comprising Section 94, Domestic Waste, Special Rate and Internal Reserves, a contribution towards capital works paid on behalf of Parramatta, proceeds of an asset sale and some of City of Parramatta's unrestricted working capital. This cash settlement was paid in full in November 2017 and the creditor is reflected in the financial statements.

Note 24. Discontinued operations

Council has not classified any of its operations as 'discontinued'.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 25. Intangible assets

\$ '000

Actual
2017

Intangible assets represent identifiable non-monetary assets without physical substance.

Balance at end of the reporting period

Opening values (former Councils):

Gross book value	7,878
Accumulated amortisation	(5,165)
Accumulated impairment	-
Net book value – opening balance (former Councils)	2,713

Movements for the year

– Purchases	290
– Amortisation charges	(1,085)

Closing values:

Gross book value (30/6)	8,168
Accumulated amortisation (30/6)	(6,250)
Accumulated impairment (30/6)	-

TOTAL INTANGIBLE ASSETS – NET BOOK VALUE¹	1,918
---	--------------

1. The net book value of intangible assets represent:

– Windows 10/365	290
– CITSR – corporate IT systems replacement	1,628
	1,918

Note 26. Reinstatement, rehabilitation and restoration liabilities

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 27. 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.

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).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

13/5/16 to 30/6/17 Recurring fair value measurements	Fair value measurement hierarchy			Total
	Level 1 Quoted prices in active mks	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Financial assets				
Investments				
– 'Held for trading'	92,708	–	–	92,708
Total financial assets	92,708	–	–	92,708
Infrastructure, property, plant & equipment				
Operational land	–	455,275	–	455,275
Asset held for sale	–	209,650	–	209,650
Community land	–	–	259,999	259,999
Buildings-non specialised	–	–	164,120	164,120
Other Structures	–	–	19,395	19,395
Roads	–	–	903,992	903,992
Bridges	–	–	69,329	69,329
Footpaths	–	–	122,911	122,911
Stormwater drainage	–	–	218,747	218,747
Bulk earthworks	–	–	102,677	102,677
Swimming pools	–	–	984	984
Total infrastructure, property, plant and equipment	–	664,925	1,862,154	2,527,079

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 27. Fair value measurement (continued)

(3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. level 1 inputs) or significant observable inputs (level 2 inputs), Council instead utilises unobservable inputs (level 3 inputs).

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

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 at 13 May 2016 by APV Valuers & Asset Management.

The valuation of the freehold land 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 some of the inputs used in the valuation of these assets are observable.

Community 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 values Community Land based on the Valuer General's valuation.

This asset class is comprised of all Council's land classified as Community Land under the Local Government Act 1993.

Previously the deprival method in valuing this category was used.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 27. Fair value measurement (continued)

Land Under Roads

Land Under Roads identified as roads constructed post 1/7/2008 has been valued based on Municipal Average Land Rate discounted by 90%. Council has elected to only recognise land under roads for new roads constructed after 1/7/2008.

Buildings

Council engaged Assetic Pty Ltd in 2016 to value all buildings. 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.

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.

There has been no change in the valuation process during the reporting period.

Other Structures

This asset class is comprised of car parking buildings, shade shelters, retaining walls, playground equipment, fencing, fountains, and other structures which did not meet the definition of a building.

The cost approach has been utilised to value other structures. Council engaged Assetic Pty Ltd to value all car parking buildings in Unobservable level 3 inputs used include residual value, useful life, asset condition and pattern of consumption.

There has been no change in the valuation process during the reporting period.

Roads

This asset class is comprised of the Road Carriageway, Kerb & Gutter, Street Furniture, Signage 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 are non-depreciable as it is not expected that the formation will not need to be renewed during the normal operational use of the assets.

A desktop valuation has been completed in 2016 by Assetic Pty Ltd. 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. and this information was analysed by Assetic's Pavement Management System using myData and myPreditor.

The valuations are based on the fair value of the modern equivalent of the existing assets (e.g. for road components cost per m2 to replace with a modern equivalent). 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 in 2015. Council has a documented condition assessment manual. Each condition criteria was 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. The bridges were inspected by pitt+sherry Engineers and Assetic 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.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 27. Fair value measurement (continued)

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.

A desktop revaluation was conducted in 2016 for the existing Parramatta bridges by Assetic Pty Ltd. All bridges transferred from Auburn, Holroyd, The Hills and Hornsby Councils were fully revalued by Assetic Pty Ltd and the condition assessment was conducted by pitt+sherry Engineers.

Footpaths

This asset class is comprised of pedestrian walkways and cycle ways. A desktop valuation was conducted by Assetic Pty Ltd. In 2016. 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. Footpaths were segmented, componentisation and recorded on a GIS Layer and this is reflected on the Asset Register. In 2014 OPUS Consultancy Pty Ltd undertook digital imagery condition survey of all Council Footpath assets. Assetic used the condition data to value the footpath assets using the Cost Approach (Level 3).

Stormwater Drainage

The Stormwater Drainage asset class consists of Council's pits, pipes, open channels, culverts, wetlands, headwalls, dams and gross pollutant traps. In 2016 Assetic Pty Ltd completed a desktop 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 (e.g. for road components cost per m2 to replace with a modern equivalent). 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.

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 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 by assumptions based on age. Additionally due to the limitations in the historical records of very long lived assets there is some uncertainty on the specifications and dimensions of some assets.

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.

The swimming pools were inspected by Knowledge ASM and a comprehensive valuation was conducted by Assetic Pty Ltd in 2016 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.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 27. Fair value measurement (continued)

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Total IPP&E	Asset held for sale	Total
Balance on transfer from former Councils	1,874,191	–	1,874,191
Purchases (GBV)	37,233	–	37,233
Disposals (WDV)	(15,568)	–	(15,568)
Depreciation and impairment	(33,702)	–	(33,702)
Closing balance – 30/6/17	1,862,154	–	1,862,154

(5). Highest and best use

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

Note 28. Related party disclosures

In accordance with the Supplementary Code 25, this note is not applicable for "new Councils".

Note 29. Local Government amalgamation

\$ '000

The local government (City of Parramatta and Cumberland) Proclamation 2016 under the Local Government Act 1993 (NSW) transferred the assets and liabilities of the former councils Parramatta City Council, Auburn City Council, Holroyd City Council, The Hills Shire Council and Hornsby Shire Council to the City of Parramatta Council as at 12th May 2016.

	Notes	Actual 13/5/16 to 30/6/17
Gain on local government amalgamation		
Assets and liabilities transferred from former councils	a	4,837,027
Accounting policy adjustments		(2,036,925)
		2,800,102

a. Assets and liabilities transferred from former councils

(i) Carrying amount of assets and liabilities transferred

Assets and liabilities of:

- Parramatta City Council
- Auburn City Council
- Holroyd City Council
- The Hills Shire Council
- Hornsby Shire Council

have been recognised by the Council at fair value.

The fair value of the net assets has been shown as a gain on local government amalgamation in the income statement and further information is provided on the next page.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 29. Local Government amalgamation (continued)

a. Assets and liabilities transferred from former councils (continued)

(i) Carrying amount of assets and liabilities transferred (continued)

	Former Parramatta City Council	Former Auburn Council	Former Holroyd Council	Altered Hills Shire Council	Altered Hornsby Shire Council	Gain on local government amalgamation
ASSETS						
Current assets						
Cash and cash equivalents	17,511		–	–	–	17,511
Investments	158,467	–	–	–	–	158,467
Receivables	24,024	10,196	–	10,941	10,543	55,704
Inventories	118	–	–	–	–	118
Other	217	–	–	–	–	217
Non-current assets classified as 'held for sale'	209,650	–	–	–	–	209,650
Total current assets	409,987	10,196	–	10,941	10,543	441,667
Non-current assets						
Investments	26,890	–	–	–	–	26,890
Receivables	1,249	–	–	–	–	1,249
Infrastructure, property, plant and equipment	1,805,763	163,602	30,703	275,204	201,206	2,476,478
Investments accounted for using the equity method	4,968	–	–	–	–	4,968
Intangible assets	2,713	–	–	–	–	2,713
Total non-current assets	1,841,583	163,602	30,703	275,204	201,206	2,512,298
TOTAL ASSETS	2,251,570	173,798	30,703	286,145	211,749	2,953,965
LIABILITIES						
Current liabilities						
Payables (excluding bank overdraft)	50,349	–	–	–	–	50,349
Borrowings	13,787	–	–	–	–	13,787
Provisions	29,068	–	–	–	–	29,068
Total current liabilities	93,204	–	–	–	–	93,204
Non-current liabilities						
Borrowings	59,257	–	–	–	–	59,257
Provisions	1,401	–	–	–	–	1,401
Total non-current liabilities	60,658	–	–	–	–	60,658
TOTAL LIABILITIES	153,862	–	–	–	–	153,862
Net assets transferred	2,097,708	173,798	30,703	286,145	211,749	2,800,103

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 29. Local Government Amalgamation (continued)

(iii) Adjustments between former council carrying amount of assets and fair values recognised

The following adjustments were made to the carrying amount of the assets and liabilities received as part of the amalgamation in order to recognise them at fair value at the proclamation date.

	Actual 2017
Adjustments made to recognise net assets at fair value	
Recognition of assets not recorded by former council	1,024
Changes in asset values due to comprehensive valuation process	(2,037,949)
Total adjustments	(2,036,925)

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 30. Council information and contact details

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:

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

Internet: <http://www.parracity.nsw.gov.au>

email: council@parracity.nsw.gov.au

Officers

CHIEF EXECUTIVE OFFICER

Greg Dyer

RESPONSIBLE ACCOUNTING OFFICER

Craig Becroft

Elected members

LORD MAYOR

Andrew Wilson

Councillors

Benjamin Barrak
Pierre Esber
Michelle Garrard (Deputy Lord Mayor) Donna Davis
Bill Tyrrell
Lorraine Wearne
Bob Dwyer
Paul Han
Andrew Jefferies
Phil Bradley
Sameer Pandey
Martin Zaiter
Steven Issa
Dr Patricia Prociv

Auditors

The Audit Office of New South Wales
Level 15, 1 Margaret Street, Sydney NSW 2000

Other information

ABN: 49 907 174 773

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Independent auditor's report



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 of financial position as at 30 June 2017, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 13 May 2016 to 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 presented, 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 2017, and of its financial performance and its cash flows for the period 13 May 2016 to 30 June 2017 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' (APES 110).

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

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Independent auditor's report

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.

The Councillors' Responsibility 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 must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility 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/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the attached Special Schedules
- 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.

Weini Liao
Director, Financial Audit Services

13 December 2017
SYDNEY

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Mr Andrew Wilson
Mayor
City of Parramatta Council
PO Box 32
PARRAMATTA NSW 2124

Contact: Weini Liao
Phone no: 9275 7432
Our ref: D1729032/1776

13 December 2017

Dear Mayor

Report on the Conduct of the Audit for the period ended 30 June 2017 City of Parramatta Council

I have audited the general purpose financial statements of City of Parramatta Council (the Council) for the period 13 May 2016 to 30 June 2017 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the period ended 30 June 2017 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

Council Amalgamation

The Council was created on 13 May 2016 by *Local Government (City of Parramatta and Cumberland) Proclamation 2016*. The first financial reporting period for City of Parramatta is 13 May 2016 to 30 June 2017. Therefore, comparative analysis could not be performed for this report.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Our insights inform and challenge government to improve outcomes for citizens



INCOME STATEMENT

Operating result

	13 May 2016 to 30 June 2017 \$m
Rates and annual charges revenue	168.4
Grants and contributions revenue	107.8
Operating result for the period	78
Net operating result before capital amounts	11.1
Gain on local government amalgamation	2,800.1

- The operating result for the period was a surplus of \$78 million including the effect of depreciation and amortisation expense of \$47 million.
- Rates and annual charges of \$168.4 million represented approximately 47.9 per cent of total income from operations.
- Grants and contributions of \$107.8 million represented 30.7 per cent of total income from operations. The Council received approximately \$35.5 million in section 94 contributions. Grant and contributions included the New Council Implementation Fund of \$10 million and the Stronger Communities Fund of \$15 million which were non-recurring.
- The net operating result before capital grants and contributions was \$11.1 million. The surplus was attributed by \$78 million operating results less capital grants and contributions of \$66.9 million.
- Gain on local government amalgamation of \$2.8 billion included assets and liabilities transferred from three former councils (Parramatta City Council, Auburn City Council, Holroyd City Council) and two altered councils (Hills Shire Council and Hornsby Shire Council) on 12 May 2016.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017

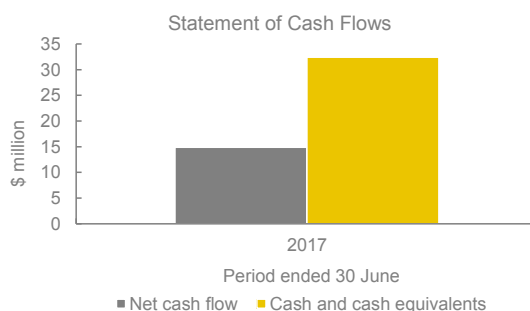


Our insights inform and challenge government to improve outcomes for citizens

STATEMENT OF CASH FLOWS

The Council's cash and cash equivalent balance at 30 June 2017 was \$32.4 million. The net cash flow for the period was an increase of \$14.9 million.

The cash and cash equivalent balance included the transfer of \$17.5 million cash upon amalgamation. Cash flows from operating activities was \$113.8 million. Investing cash flows was negative \$85 million due to increased spending on investment securities, infrastructure and property assets.



FINANCIAL POSITION

Cash and Investments

Restricted Cash and Investments	Period Ended 30 June 2017	Commentary
	\$m	
External restrictions	125.7	Externally restricted cash and investments is mainly comprised of developer contributions, specific purpose unexpended grants and domestic waste management funds.
Internal restrictions	54.4	
Unrestricted	44.9	
Cash and investments	225.0	Internally restricted cash and investments are restricted due to Council policy or decisions for forward plans including works program. Restricted funds comprised of funds set aside for property and significant assets reserve, asset renewal reserve and employee leave entitlements.
		Unrestricted cash and investments provide liquidity for day-to-day operations.

Debt

The Council had borrowings of \$59.3 million at 30 June 2017. Council continued to repay its loan during the period. As at reporting date, the Council had a current borrowing of \$10.8 million.

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 13 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio', which is unaudited, is defined in Council's Special Schedule 7.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Our insights inform and challenge government to improve outcomes for citizens

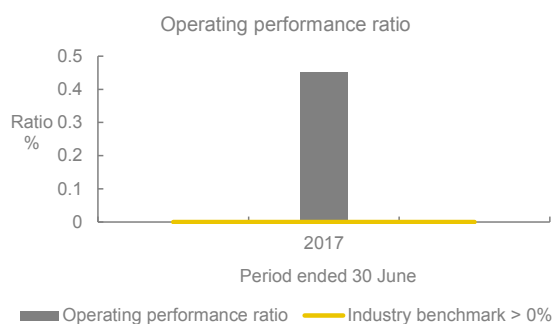


Operating performance ratio

Council's operating performance ratio for the period was 0.45 per cent, which was above the industry benchmark of greater than zero per cent.

The ratio was impacted by the additional operating amalgamation grants received as well as a longer accounting period of expenditure (additional six weeks) with no corresponding rates revenue.

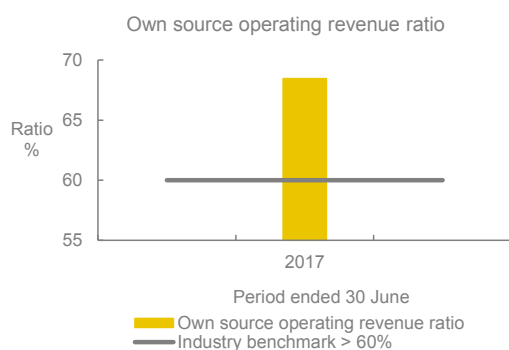
The 'operating performances ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, net gain from sale of assets and net share of interests in joint ventures). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent.



Own source operating revenue ratio

Council's own source operating revenue ratio of 68.5 per cent reflected a low level of reliance on externally sourced grant revenue. This was contributed by a high rates base of \$168.4 million and fees and charges of \$43.6 million. The ratio in the current period exceeded the OLG benchmark of greater than 60 per cent.

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.



Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



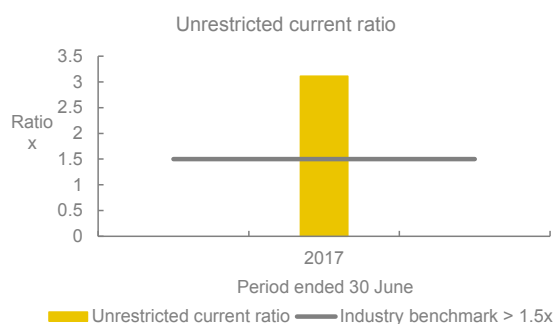
Our insights inform and challenge government to improve outcomes for citizens

Unrestricted current ratio

This ratio indicated that Council currently had \$3.11 of unrestricted assets available to service every \$1.0 of its unrestricted current liabilities. This exceeded the industry benchmark.

Significant cash reserves from the former and altered councils and the additional grants received during the current period contributed to this result.

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.

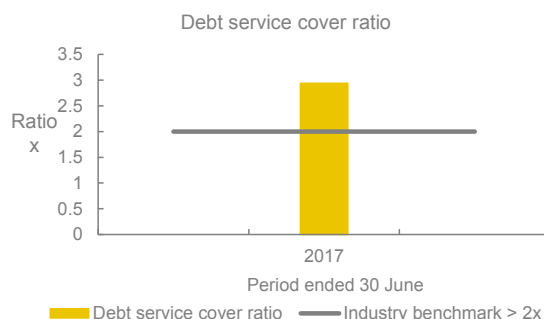


Debt service cover ratio

Council's debt service cover ratio of 2.9 was above the industry benchmark.

Council exceeded the benchmark due to positive operating result and continued repayment of debt during the period.

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.



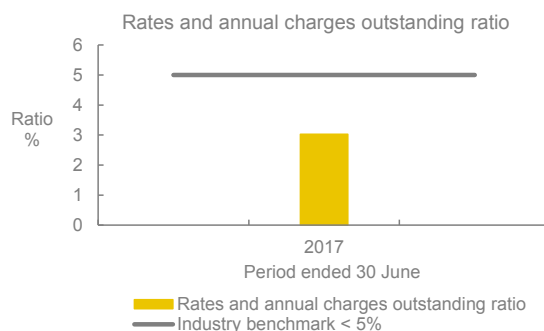
Rates and annual charges outstanding ratio

Council's outstanding rates and charges ratio of 3 per cent was within the industry benchmark of less than five per cent.

It proved the Council's effective rate recovery measures in collecting and reducing outstanding rates.

The 'rates and annual charges outstanding ratio' 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 five per cent for metro councils.



Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017

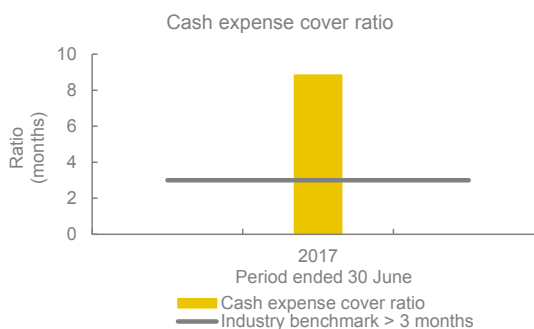


Our insights inform and challenge government to improve outcomes for citizens

Cash expense cover ratio

Council's cash expense ratio of 8.8 months well exceeded the benchmark of greater than three months. It was contributed by the significant cash reserves and investment balances.

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.

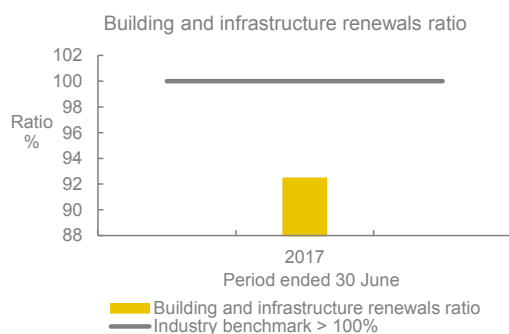


Building and infrastructure renewals ratio

Council's building and infrastructure renewals ratio of 92.5 per cent fell short of meeting the industry benchmark of greater than 100 per cent. This indicated the Council's infrastructure renewal program had not kept pace with the rate at which the assets were depreciating.

The 'building and infrastructure renewals ratio assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from information contained in council's Special Schedule 7 which has not been audited.



OTHER MATTERS

Council Entities

Parramasala is a joint venture arrangement between the City of Parramatta Council and the State Government. The principal objective of the entity is the promotion of multicultural literature, music, performing arts, visual arts, craft, design, film and community arts. At 30 June 2017 the interest in the joint venture arrangement was deemed to be immaterial for inclusion in the financial statements.

The Council has incorporated the joint venture of Civic Risk Mutual (Westpool and UIP) using equity method. Note 19 of the Council's audited general purpose financial statements disclosed the nature, interest and financial information of the joint ventures.

Notes to the Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Our insights inform and challenge government to improve outcomes for citizens



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 reports. The Council's:

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

Weini Liao
Director, Financial Audit Services

cc: Greg Dyer, General Manager
Colin Gellatly, Chair of Audit and Risk Committee
Tim Hurst, Acting Chief Executive of the Office of Local Government

Special purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Special purpose financial statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Contents

	Page
1. Statement by Councillors and Management	155
2. Special Purpose Financial Statements:	
Income Statement – Water Supply Business Activity	N/A
Income Statement – Sewerage Business Activity	N/A
Income Statement – Other Business Activities	156
Statement of Financial Position – Water Supply Business Activity	N/A
Statement of Financial Position – Sewerage Business Activity	N/A
Statement of Financial Position – Other Business Activities	157
3. Notes to the Special Purpose Financial Statements	158
4. Auditor's Report	9

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).

Special purpose financial statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



SPFS 2017

City Of Parramatta Council

Special Purpose Financial Statements

for the period 13 May 2016 to 30 June 2017

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,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.


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

- present fairly the operating result and financial position for each of Council's declared business activities for the period 13 May 2016 to 30 June 2017, 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 11 December 2017.


Andrew Wilson
Lord Mayor


Michelle Garrard
Deputy Lord Mayor


Greg Dyer
Chief Executive Officer


Greg Beckett
Responsible accounting officer

Income Statement of Council's Other Business Activities

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



	Car park operations Category 1	Leasing of Council property Category 1
\$ 000	13/5/16 to 30/6/17	13/5/16 to 30/6/17
Income from continuing operations		
Access charges	-	-
User charges	14,427	-
Fees	-	-
Interest	-	-
Grants and contributions provided for non-capital purposes	-	-
Profit from the sale of assets	-	-
Share of profit from equity accounted investment	-	-
Other income	-	1,098
Total income from continuing operations	14,427	1,098
Expenses from continuing operations		
Employee benefits and on-costs	143	276
Borrowing costs	-	2,019
Materials and contracts	1,932	288
Depreciation, amortisation and impairment	1,043	232
Calculated taxation equivalents	2,910	2,909
Debt guarantee fee (if applicable)	-	-
Other expenses	2,047	647
Total expenses from continuing operations	8,075	6,371
Surplus (deficit) from continuing operations before capital amounts	6,352	(5,273)
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from continuing operations after capital amounts	6,352	(5,273)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from all operations before tax	6,352	(5,273)
Less: corporate taxation equivalent (30%) [based on result before capital]	(1,906)	-
SURPLUS (DEFICIT) AFTER TAX	4,446	(5,273)
Plus Assets and liabilities transferred from former councils	209,784	158,181
Plus/less: prior period adjustments	-	-
Plus adjustments for amounts unpaid:		
- Taxation equivalent payments	2,910	2,090
- Debt guarantee fees	-	-
- Corporate taxation equivalent	1,906	-
Add:		
- Subsidy paid/contribution to operations	-	-
Less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing retained profits	219,046	155,817
Return on capital %	3.3%	-2.1%
Subsidy from Council	-	6,898

Statement of Financial Position Council's Other Business Activities

AS AT 30 JUNE 2017



	Car park operations Category 1	Leasing of Council property Category 1
\$ '000	2017	2017
ASSETS		
Current assets		
Cash and cash equivalents	28,945	–
Investments	–	–
Receivables - due from general fund	–	415
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
Total Current Assets	28,945	415
Non-current assets		
Investments	–	–
Receivables - due from general fund	–	34,527
Inventories	–	–
Infrastructure, property, plant and equipment	193,289	153,118
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	193,289	187,645
TOTAL ASSETS	222,234	188,060
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables-due to general fund	3,150	–
Income received in advance	–	–
Borrowings	–	–
Provisions	38	49
Total current liabilities	3,188	49
Non-current liabilities		
Payables	–	–
Borrowings	–	32,170
Provisions	–	24
Total non-current liabilities	–	32,194
TOTAL LIABILITIES	3,188	32,243
NET ASSETS	219,046	155,817
EQUITY		
Retained earnings	219,046	155,817
Revaluation reserves	–	–
Council equity interest	219,046	155,817
Non-controlling equity interest	–	–
TOTAL EQUITY	219,046	155,817

Special Purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	159
2	Water Supply Business Best-Practice Management disclosure requirements	N/A
3	Sewerage Business Best-Practice Management disclosure requirements	N/A

Notes to the Special Purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. 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, 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.

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

(where gross operating turnover is over \$2 million)

Car Park Operations and Leasing of Council Property

To generate income for the Council through the leasing of Council-owned shops, housing and the operations of car parking facilities.

Category 2

(where gross operating turnover is less than \$2 million)

None

Monetary amounts

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

(i) 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):

Notes to the Special Purpose Financial Statements

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Note 1. Significant accounting policies (continued)

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first \$549,000 of combined land values attracts 0%. For the combined land values in excess of \$549,001 up to \$3,357,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,357,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

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 30%.

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 30% is the equivalent company The rate applied of 30% 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 payable on all category 1 businesses has been applied to all land 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.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) 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 2.38% at 30/6/17.

(iv) 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

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statement

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 of financial position of each Declared Business Activity as at 30 June 2017, the income statement of each Declared Business Activity for the period 13 May 2016 to 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

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 2017, and their financial performance for the period 13 May 2016 to 30 June 2017, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report and in particular, the Emphasis of Matter referring to the basis of accounting.

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' (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.

Independent Auditor's Report

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose. The Councillors' Responsibility 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 Note 1 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 must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting, as it affects the Council's Declared Business Activities.

Auditor's Responsibility 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:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

The description forms part of my auditor's report.

My opinion does not 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.

Weini Liao
Director, Financial Audit Services

13 December 2017
SYDNEY

Special schedules

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Special Schedules

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Contents

Page

Special Schedule 1

Special Schedule 1	Net Cost of Services	165
Special Schedule 2(a)	Statement of Long Term Debt (all purposes)	167
Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
Special Schedule 3	Water Supply Operations – incl. Income Statement	n/a
Special Schedule 4	Water Supply – Statement of Financial Position	n/a
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	n/a
Special Schedule 6	Sewerage Service – Statement of Financial Position	n/a
Notes to Special Schedules 3 and 5		n/a
Special Schedule 7	Report on Infrastructure Assets	168
Special Schedule 8	Permissible Income Calculation	171

¹Special Schedules are not audited (with the exception of Special Schedule 8).

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Special Schedule 1 Net Cost of Services

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	4,808		–	(4,808)
Administration	104,277	35,423	29,007	(39,847)
Public order and safety				
Fire service levy, fire protection, emergency services	2,051	–	–	(2,051)
Beach control	–	–	–	–
Enforcement of local government regulations	4,993	10,636	–	5,643
Animal control	–	–	–	–
Other	8	–	–	(8)
Total public order and safety	7,053	10,636	–	3,583
Health	1,288	961	–	(328)
Environment				
Noxious plants and insect/vermin control	–	–	–	–
Other environmental protection	3,491	2,794	882	185
Solid waste management	27,259	33,478	–	6,219
Street cleaning	8,654	420	–	(8,234)
Drainage	4,900	135	849	(3,916)
Stormwater management	–	–	–	–
Total environment	44,304	36,827	1,732	(5,745)
Community services and education				
Administration and education	2,219	174	1,265	(780)
Social protection (welfare)	1,940	220	–	(1,719)
Aged persons and disabled	2,565	1,567	–	(998)
Children's services	5,133	5,513	–	380
Total community services and education	11,857	7,474	1,265	(3,118)
Housing and community amenities				
Public cemeteries	–	–	–	–
Public conveniences	7	–	–	(7)
Street lighting	4,343	1,008	–	(3,335)
Town planning	4,476	1,383	893	(2,200)
Other community amenities	–	–	–	–
Total housing and community amenities	8,825	2,390	893	(5,542)
Water supplies	–	–	–	–
Sewerage services	–	–	–	–

Special Schedule 1 Net Cost of Services

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	9,597	950	–	(8,647)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	674	7	3,960	–
Performing arts venues	7,094	4,247	–	(2,847)
Other performing arts	–	–	–	–
Other cultural services	4,059	346	1,890	(1,822)
Sporting grounds and venues	1,544	429	–	(1,115)
Swimming pools	4,743	3,620	1,574	451
Parks and gardens (lakes)	10,500	701	1,137	(8,662)
Other sport and recreation	864	867	16,190	16,193
Total recreation and culture	39,074	11,166	24,751	(3,157)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	10,367	7,626	–	(2,741)
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and const.	10,367	7,626	–	(2,741)
Transport and communication				
Urban roads (UR) – local	27,843	3,263	7,945	(16,635)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	–	–	–	–
Sealed rural roads (SRR) – regional	–	–	–	–
Unsealed rural roads (URR) – local	–	–	–	–
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	3,983	14,427	315	10,759
Footpaths	2,451	7	972	(1,472)
Aerodromes	–	–	–	–
Other transport and communication	1,125	1,661	–	537
Total transport and communication	35,402	19,359	9,232	(6,812)
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	6,441	2,445	–	(3,996)
Total economic affairs	6,441	2,445	–	(3,996)
Totals – functions	273,697	134,307	66,880	(72,510)
General purpose revenues¹		149,705		149,705
Share of interests – joint ventures and	–	780		780
NET OPERATING RESULT²	273,697	284,792	66,880	77,975

Special Schedule 2(a) Statement of Long Term Debt (all purpose)

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



\$ '000

Classification of debt	Principal outstanding at beginning of the year (former Councils)			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
NSW Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public subscription	-	-	-	-	-	-	-	-	-	-	-
Financial institutions	13,787	59,258	73,045	-	13,787	-	-	3,918	10,806	48,452	59,258
Other	-	-	-	-	-	-	-	-	-	-	-
Total loans	13,787	59,258	73,045	-	13,787	-	-	3,918	10,806	48,452	59,258
Other long term debt											
Ratepayers advances	-	-	-	-	-	-	-	-	-	-	-
Government advances	-	-	-	-	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-	-	-
Deferred payments	-	-	-	-	-	-	-	-	-	-	-
Total long term debt	-	-	-	-	-	-	-	-	-	-	-
Total debt	13,787	59,258	73,045	-	13,787	-	-	3,918	10,806	48,452	59,258

Notes:

Excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Special Schedule 7 Report on Infrastructure Assets

AS AT 30 JUNE 2017



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	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Other	330	1,132	9,274	10,172	164,120	188,686	43%	41%	15%	1%	0%
	Sub-total	330	1,132	9,274	10,172	164,120	188,686	43.1%	41.4%	14.9%	0.5%	0.1%
Other structures	Other structures including swimming pools and open space assets	10,873	26,890	21,550	22,824	136,139	180,468	62%	16%	7%	6%	9%
	Sub-total	10,873	26,890	21,550	22,824	136,139	180,468	61.6%	16.3%	7.2%	5.7%	9.2%
Roads	Sealed roads	8,697	25,512	15,500	15,806	903,992	1,159,640	48%	26%	24%	1%	1%
	Bridges	25	98	713	749	69,329	98,117	18%	78%	4%	0%	0%
	Footpaths	674	1,902	8,365	8,228	122,911	158,528	27%	47%	24%	1%	1%
	Bulk earthworks	–	–	–	–	102,677	102,677	100%				0%
	Sub-total	9,396	27,513	24,578	24,783	1,198,909	1,518,962	47.6%	29.8%	20.8%	1.1%	0.7%
Stormwater drainage	Other	17,865	41,596	3,368	3,099	218,747	355,524	11%	54%	24%	3%	8%
	Sub-total	17,865	41,596	3,368	3,099	218,747	355,524	11.2%	53.6%	23.5%	3.3%	8.4%
	Total – all assets	38,464	97,131	58,770	60,878	1,717,915	2,243,640	42.6%	33.5%	19.6%	1.8%	2.5%

Notes:

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

Infrastructure asset condition assessment 'key'

- 1. Excellent** No work required (normal maintenance)
- 2. Good** Only minor maintenance work required
- 3. Average** Maintenance work required
- 4. Poor** Renewal required
- 5. Very poor** Urgent renewal/upgrading required

Special Schedule 7 Report on Infrastructure Assets

AS AT 30 JUNE 2017



\$ '000	Amounts 2017	Indicator 2017
Infrastructure asset performance indicators * consolidated		
1. Infrastructure renewals ratio		
Asset renewals (1)	36,141	92.46%
Depreciation, amortisation and impairment	39,088	
2. Infrastructure backlog ratio		
Estimated cost to bring assets to a satisfactory standard	38,464	2.38%
Net carrying amount of infrastructure assets	1,616,124	
3. Asset maintenance ratio		
Actual asset maintenance	60,878	1.04
Required asset maintenance	58,770	
4. Cost to bring assets to agreed service level		
Estimated cost to bring assets to an agreed service level set by Council	97,131	4.33%
Gross replacement cost	2,243,640	

Notes

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

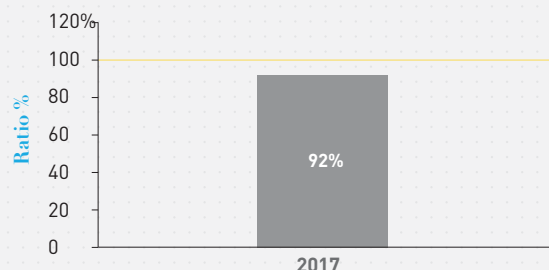
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedule 7 Report on Infrastructure Assets

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



1. Infrastructure renewals ratio



Purpose of asset renewals ratio

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

Commentary on /17 result

/17 RATIO
92.46%

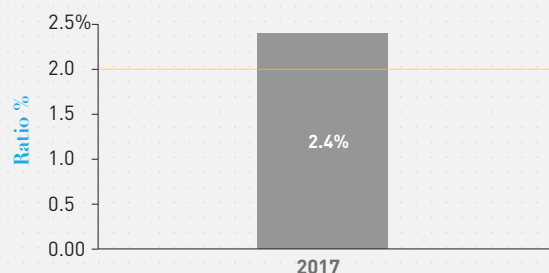
This ratio is improving, however still below the benchmark of 100% and indicates that Councils needs to increase its' renewal expenditure

BENCHMARK: MINIMUM $\geq 100\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

■ Ratio achieves benchmark
■ Ratio is outside benchmark

2. Infrastructure backlog ratio



Purpose of infrastructure backlog ratio

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

Commentary on /17 result

/17 RATIO
2.38%

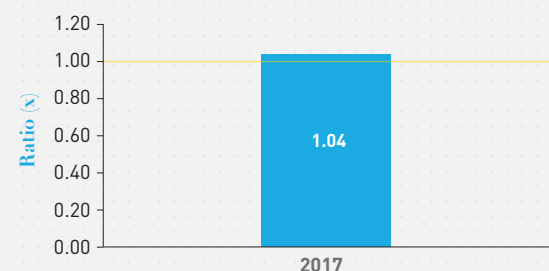
The backlog has fallen below benchmark. Council's backlog has been assessed by a third party and has been calculated as a percentage of poor and very poor assets

BENCHMARK: MINIMUM $\geq 2.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

■ Ratio achieves benchmark
■ Ratio is outside benchmark

3. Asset maintenance ratio



Purpose of asset maintenance ratio

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

Commentary on /17 result

/17 RATIO
1.04^x

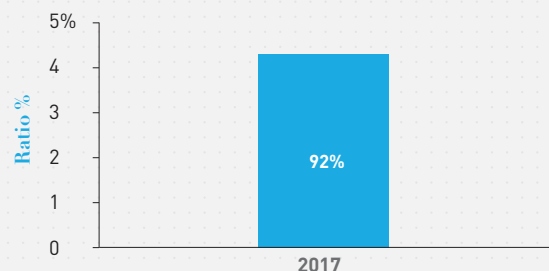
Council has met the benchmark due to adequate levels of asset maintenance expenditure

BENCHMARK: MINIMUM $\geq 1.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

■ Ratio achieves benchmark
■ Ratio is outside benchmark

4. Cost to bring assets to agreed service level



Purpose of asset renewals ratio

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

Commentary on /17 result

/17 RATIO
4.33%

This is the first year of this ratio and based on 100% of its poor and very poor assets being reinstated to an excellent condition status

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Special Schedule 8 Permissible Income Calculations

FOR THE YEAR ENDED 30 JUNE 2018



\$'000	Calculation 2017/18	Calculation 2017/18	Calculation 2017/18	Calculation 2017/18	Calculation 2017/18	Calculation 2017/18
	Former Parramatta City Council	Former Auburn Council	Former Holroyd Council	Altered Hills Shire Council	Altered Hornsby Shire Council	Total
Notional general income calculation¹						
Last year notional general income yield	96,970	13,856	1,306	10,596	10,053	132,781
Plus or minus adjustments ²	152	(305)	3	145	241	236
Notional general income	97,122	13,551	1,309	10,741	10,294	133,017
Permissible income calculation						
Special variation percentage ⁽³⁾	0.00%	0.00%	7.00%	0.00%	0.00%	
Or rate peg percentage	1.50%	1.50%	1.50%	1.50%	1.50%	
Or crown land adjustment (incl. rate peg percentage)	0.00%	0.00%	0.00%	0.00%	0.00%	
Less expiring special variation amount	–	–	–	–	–	–
Plus special variation amount	–	–	92	–	–	92
Or plus rate peg amount	1,457	203	–	161	154	1,976
Or plus Crown land adjustment and rate peg amount	–	–	–	–	–	–
Sub-total	98,579	13,754	1,401	10,902	10,448	135,084
Plus (or minus) last year's carry forward total	(1)	14	(1)	(2)	(14)	
Less valuation objections claimed in the previous year	–	–	–	–	–	–
Sub-total	(1)	14	(1)	(2)	(14)	(4)
Total permissible income	98,578	13,768	1,400	10,900	10,434	135,080
Less notional general income yield	98,482	13,608	1,349	11,131	10,449	135,019
Catch-up or (excess) result	96	160	51	(231)	(15)	61
Plus income lost due to valuation objections claimed ⁽⁴⁾	–	–	–	–	–	–
Less unused catch-up ⁽⁵⁾	–	–	–	–	–	–
Carry forward to next year	96	160	51	(231)	(15)	61

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*.

³ The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.

⁴ Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.

⁵ Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.

⁶ Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.

Independent Auditor's Report

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



INDEPENDENT AUDITOR'S REPORT

Special Schedule No. 8

City of Parramatta Council

To the Councillors of the City of Parramatta Council

Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of City of Parramatta Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of City of Parramatta Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), 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, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

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 Special Schedule No. 8' section of my report.

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

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (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.

Independent Auditor's Report

FOR THE PERIOD 13 MAY 2016 TO 30 JUNE 2017



Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

Other Matter

Special Schedule No. 8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 11 December 2017.

The Councillors' Responsibility for Special Schedule No. 8

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 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 Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of Special Schedule No. 8

My objectives are to:

- obtain reasonable assurance about whether Special Schedule No. 8 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 special Schedule No. 8.

A description of my responsibilities for the audit of Special Schedule No. 8 is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does not 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 Special Schedule No. 8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No. 8.

Weini Liao
Director, Financial Audit Services

13 December 2017
SYDNEY



**For further information
Customer contact centre**

126 Church Street, Parramatta NSW 2150
PO BOX 32, Parramatta NSW 2124

Phone: (02) 9806 5050

Fax: (02) 9806 5917

Email: council@parracity.nsw.gov.au

Website: www.parracity.nsw.gov.au

Twitter: twitter.com/parracity

Facebook: www.facebook.com/parramattacitycouncil

**Parramatta heritage and visitor
information centre**

Phone: (02) 8893 3300

Email: discoverparramatta@parracity.nsw.gov.au

Twitter: twitter.com/Parraheritage and twitter.com/discoverparra

Facebook groups: Parramatta Heritage Centre and Discover Parramatta