

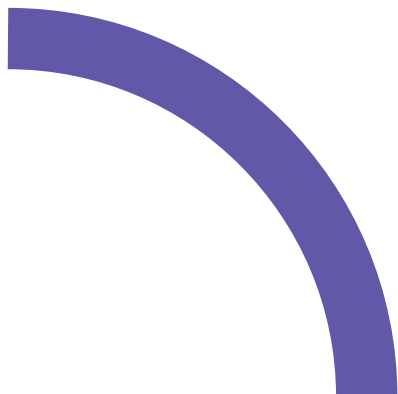


**CITY OF
PARRAMATTA**

ANNUAL REPORT
2017—18







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Parramatta

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We respectfully acknowledge the Traditional Owners and custodians of the land and waters of Parramatta, the Darug peoples.

Recognition

of the Darug peoples

**Nunanglanungdyu baramada gulbanga mawa naa
baramadalgal darug ngurrawa badura baramada darug yura**

City of Parramatta recognises the Darug peoples as First Australians, peoples of the oldest continuous living culture in the world.

For more than 60,000 years, Parramatta has been home to the Darug peoples, the traditional custodians of the land we call the City of Parramatta today. The Darug peoples have cared for and nurtured the habitat, land and waters for thousands of generations, and maintain an ongoing connection to Parramatta and its surrounding areas. A modern society can learn from the resilience and community spirit of Aboriginal and Torres Strait Islander peoples (Indigenous Australians) to best ensure a sustainable City for all.

Parramatta has always been an important meeting place for Indigenous Australians, particularly the Parramatta River, which has provided life and vitality since the beginning of time

(The Dreaming). The name Parramatta is a derivation of the word Burrumatta or "place where the eels lie down" (breeding location for eels within the Parramatta River).

City of Parramatta recognises the significance of this area for all Indigenous Australians as a site of early contact between Indigenous Australians and European Colonists, and Parramatta remains an important meeting place for Indigenous Australians.

Indigenous Australians 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.

At City of Parramatta we imagine a future where the cultures, histories and rights of all Indigenous Australians are

understood, recognised and respected by all Australians. City of Parramatta is committed to playing an active role in making this future a reality.

We have developed a Reconciliation Action Plan to assist in supporting the rights of Indigenous Australians to self-determination, equal employment opportunities and economic and social development.

City of Parramatta is proud to acknowledge the ongoing stewardship of Country by Indigenous Australians and is committed to the healing process of Reconciliation and to ensuring Parramatta remains a place of choice to live, work and play for Indigenous Australians.

City of Parramatta's Reconciliation Action Plan is available on Council's website:

cityofparramatta.nsw.gov.au

Translations & accessibility

ARABIC

إذا كنت بحاجة للمساعدة في ترجمة هذه المنشورة، اتصل بـ TIS على الرقم 131 450 واطلب منهم الاتصال بنباتة 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

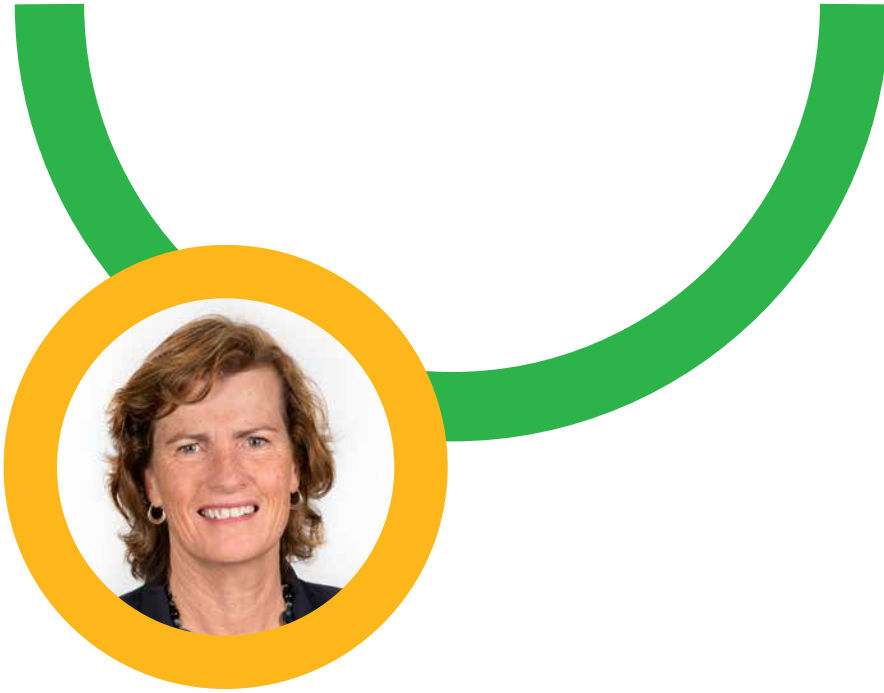
यदि आपको यह सूचना-पत्र समझने में सहायता चाहिए तो कृपया TIS को 131 450 पर फोन करें और उनसे कहें कि आपकी तरफ से पैरामाटा कस्टमर सर्विस को 9806 5050 पर फोन करें। यह सेवा सोमवार से शुक्रवार, सुबह 8.30 बजे से शाम 5.00 तक उपलब्ध है।

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.

Address: 126 Church St, Parramatta PO Box, 32 Parramatta NSW, 2124
Phone: 300 617 058 | **Email:** council@cityofparramatta.nsw.gov.au
Facsimile: 9806 5917 | **Web:** cityofparramatta.nsw.gov.au
To contact the Lord Mayor follow the link at cityofparramatta.nsw.gov.au

For non-English speakers, phone interpretation services are available by TIS National on 131 450



CEO Message

The City of Parramatta was proclaimed in May 2016. It is one of Greater Sydney's fastest growing local government areas, with a population expected to reach close to 390,000 by 2036.

As we continue to grow, The City of Parramatta Council works to meet the many challenges that come with significant change. We must ensure the long-term liveability of the City through quality urban design, access to local jobs, welcoming more investment and supporting our heritage. It also means ensuring that the right services are in place to support the needs of a diverse community.

The City of Parramatta Council's Annual Report 2017/18 is an important part of Council's commitment to be open, transparent and actively engaging the community in the work we do. The report outlines the achievements we have made in delivering against our commitments in the Operational Plan 2017/18. It is also a key accountability document detailing our revenue, expenditure and overall financial position.

The Operational Plan 2017/18 was developed in response to 'Our Vision and Priorities', a document which sets a vision for Sydney's Central City to be sustainable, liveable, productive and inspired by our communities. The focus of the Plan was to improve services while undertaking key initiatives including the delivery of improved community facilities and major infrastructure projects, supporting local business, encouraging tourism and advocating on behalf of the community.


The local government election was held on 9 September 2017 following a period of administration. The newly established Council took stewardship of the Operational Plan from that point forward working closely with former CEO Greg Dyer and the Executive Team to meet the Plan's objectives. We have achieved significant successes over the past 12 months, many of which resulted in Council being formally acknowledged through industry and community awards (page 49).

It is an exciting
& unprecedented
**time for
the City**

One significant milestone was the development of a Community Strategic Plan for the City. The Plan outlines the community's key priorities and aspirations over the next 20 years. Co-titled '*Butbutt Yura Barra Ngurra*', which means 'the heart of the people of eel country' in the Darug language, this title acknowledges Parramatta's ongoing connection to the Traditional Owners and Custodians of the land and waters of Parramatta, and recognises that our entire community is the living, beating heart of the City of Parramatta.

The City of Parramatta also adopted its first Delivery Program, a three-year plan inclusive of Council's annual Operational Plan and Budget. The Delivery Program is Council's main business plan and ensures Council's services and resources align to community expectations. Over 15,000 people participated in the development of these plans, which are available from our website.

Although this report's achievements have been driven by our staff, they are also the result of partnerships and collective effort with other levels of government and the many local service providers, businesses, organisations and of course the community.



City of Parramatta was proclaimed in May 2016. It is one of Greater Sydney's fastest growing local government areas, with a population expected to reach close to

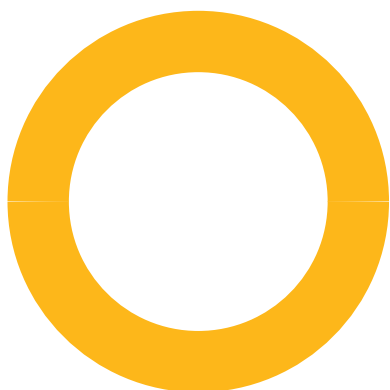
390,000
By 2036.

On behalf of my colleagues I wish to thank all those who have contributed towards the work that we do. It is an exciting and unprecedented time for the City and I am proud to be part of an extraordinary organisation of incredibly resilient, skilled and visionary staff. I also wish to thank the Lord Mayor and Councillors for their leadership of our organisation and continued dedication to the community they serve.

Thank you for reading our Annual Report for 2017/18.

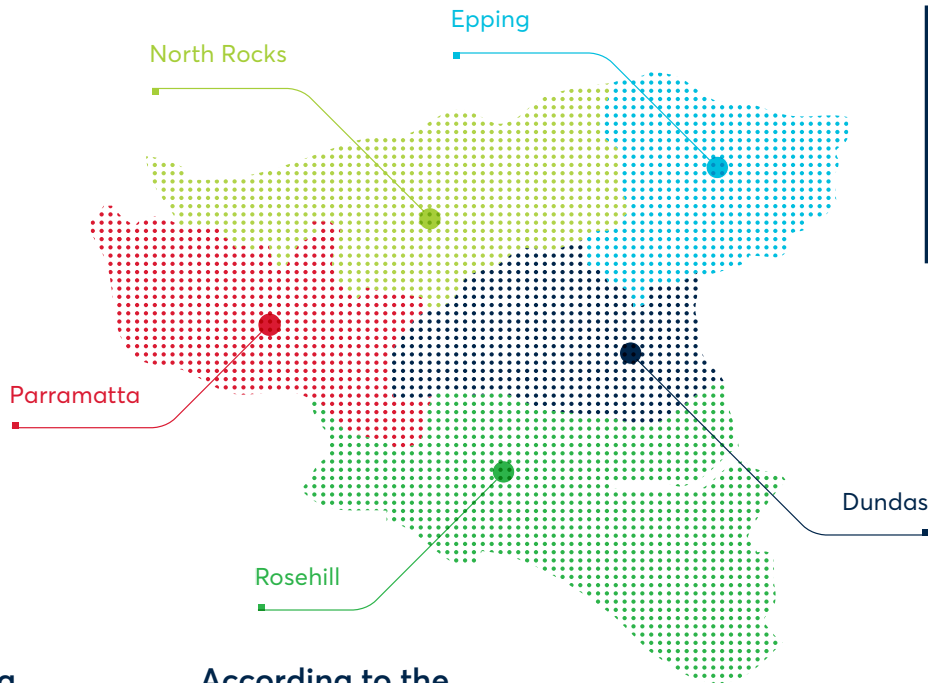


Sue Coleman
Acting CEO



About
City
of

Parramatta



City of Parramatta is transforming.

Population growth, new housing, jobs and infrastructure are changing the area from a suburban centre into Sydney's Central City: the centre of services, infrastructure and employment for Western Sydney.

City of Parramatta is home to many unique neighbourhoods, which have their own distinct demographic qualities, from Winston Hills to Westmead to Wentworth Point.

According to the latest Census data we:



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Our City in numbers

Our Place

Location	– Our LGA covers 84 km ² and is 24km west of Sydney CBD
Connection	– Home to the Darug peoples for over 60,000 years
Heritage	– Parramatta Park is a World Heritage listed site – More than 750 significant archaeological sites – More than 50 State significant heritage sites
Environment	– 65 km of natural waterways – 859 ha of parks, reserves and sportsgrounds – 461 ha of bushland – 33% tree canopy cover – 600 unique species of flora and 230 unique species of fauna
Climate	– More than 16 days per year over 35°C
Economy	– 2.3 million people live within a 45-minute commute to the Parramatta CBD – Gross Regional Product = \$25million in 2016 – 186,000 people work in the City of Parramatta – 11,500 jobs created in the last 5 years (to June 2017) – More than 23,000 businesses call Parramatta home – Zero vacancy rate in Parramatta A-grade premium commercial office buildings

Our People

Population	– 235,000 in 2016 (2,800 people per km ²) – 390,000 forecast for 2036 (4,650 people per km ²) – 55% of residents live in medium or high density dwellings
Dwellings	– 85,600 dwellings in 2016 – 157,000 dwellings forecast for 2036 – 55% of residents live in medium or high density housing
Education & employment	– 37% of residents hold a bachelor's degree or higher – 93% employment rate – 27% of residents also work within the LGA – Median household income per week \$1755 (NSW = \$1481) in 2016
Diversity	– 50% of residents were born overseas – 52% speak a language other than English at home – 0.7% of residents identify as Aboriginal or Torres Strait Islander
Vulnerable communities	– 19% of households are 'low income', earning less than 750% per week – 13% of households are in housing stress – 4% of people require assistance with daily living activities – 10% of residents do not speak English well or at all



About the

Organisation



* The Directors and Business Unit Managers are responsible for the delivery of the services, actions and projects in accordance with Essential Element 3.14 of the IP&R Guideline (NSW Government 2013).



Our Values

Our values guide our behaviours and public service. As an organisation we keep these values front of mind in all dealings with our customers, partners and fellow workers.

Integrity

We deliver on promises, act ethically, take responsibility for our actions and speak up respectfully. Integrity is the foundation on which everything is based.

Customer focus

We communicate openly with our customers, are responsive to their needs and create new relationships as our City grows.

Teamwork

We support the role of leadership, collaborate within and across our teams, and build effective partnerships with our colleagues and community to achieve our goals.

Innovation

We build on our strengths, champion creative solutions, and seek new and sustainable ways to deliver superior outcomes.





BUDGET SUMMARY

IN 2017/18 FOR EVERY \$100 CITY OF PARRAMATTA SPENT



on parks, recreation and culture



on library and community services



maintaining roads, footpaths and drains



on planning & development



on major works and construction



on engineering and traffic



on governance and financial management



on environmental sustainability



on waste management




on trades and fleet management



Part— 01

Community Report Card





Following the formation of the City of Parramatta in 2016, extensive community consultation was carried out to develop a community vision:

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

This report card is structured by the themes in the vision.



1—

LIVEABLE

Supporting all of our community to succeed and live well. Champions of our community and culture.

Liveability is about creating a great City for our community to live in, and supporting all of our community to succeed and live well. We need to create a more affordable urban lifestyle with the prospect of rapid jobs growth close to quality housing. We must provide adequate social infrastructure for our diverse and growing community by addressing health inequity, accessibility, inclusivity and homelessness. We must also ensure our City is safe for all. In creating a liveable City of Parramatta, we offer access to the right support when needed, and promote arts and culture celebrations and destinations.



2—

SUSTAINABLE

Stewards of our built and natural environment. Fostering vibrant neighbourhoods, places and development that is wellbalanced, connected and sustainable.

Sustainability is about managing the relationship between growth and liveability, as well as creating the right balance between the urban and the natural environment. A sustainable city is efficient and self-sufficient, where resources are locally sourced when possible, and responsible consumer choices and product use are encouraged to reduce waste.

It is also a city where the health of our unique natural ecosystem of plants and animals is protected and enhanced. In becoming a sustainable City of Parramatta, we foster a healthy and thriving community and environment that is more resilient in times of stress.

3—

PRODUCTIVE

Drivers of the economy. Growing local jobs by positioning Parramatta as a global centre for businesses and investment.

Productivity is about prosperity, efficiency, and harnessing opportunities to create a stronger Parramatta where everyone in our community achieves their full potential. Pivotal to this is attracting investment so that there are more quality jobs closer to home for Parramatta residents.

We must also match population growth with infrastructure development, and ensure that areas with less growth also receive improvement and renewal of infrastructure. In creating a productive City of Parramatta, we help individuals and families to improve their circumstances, and businesses to prosper.

4—

LEADING

Accountable to our communities. An agile, listening and transparent Council working in partnership and providing great services now and into the future.

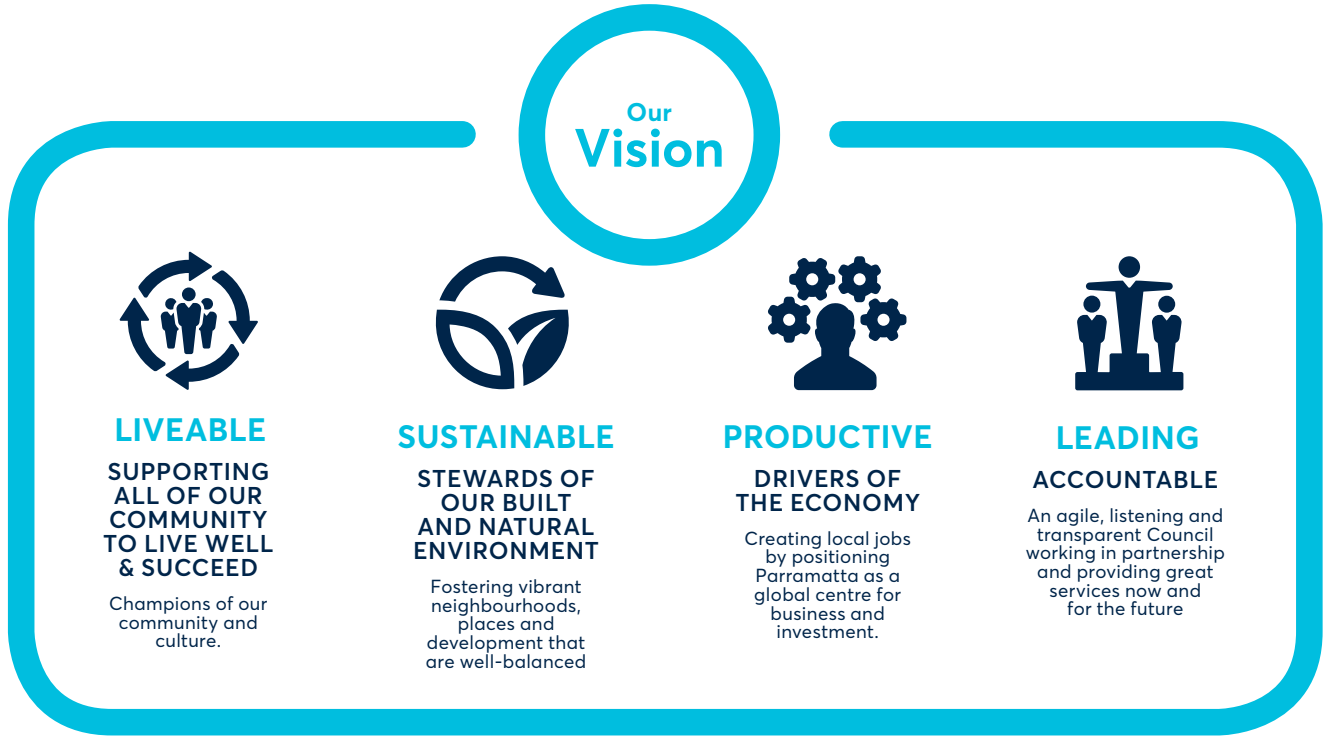
Leading is about listening to our community to improve our decision-making, and driving ethical, sustainable and innovative approaches to the development of a distinctive world-class city.

We need to engage and communicate with our community about their needs, as well as provide equal access to information. We also need to manage and improve community assets and infrastructure for the future. In creating a leading City of Parramatta, we focus on continual improvement in service delivery and efficiency, and aim to excel in good governance, providing the best possible support for our community so that all can thrive.



Sydney's Central City

Sustainable, Liveable and Productive – inspired by our communities



Supporting arts and culture celebrations and destinations

Managing growth and transport

Providing opportunities for recreation and leisure

Creating vibrant precincts and neighbourhoods



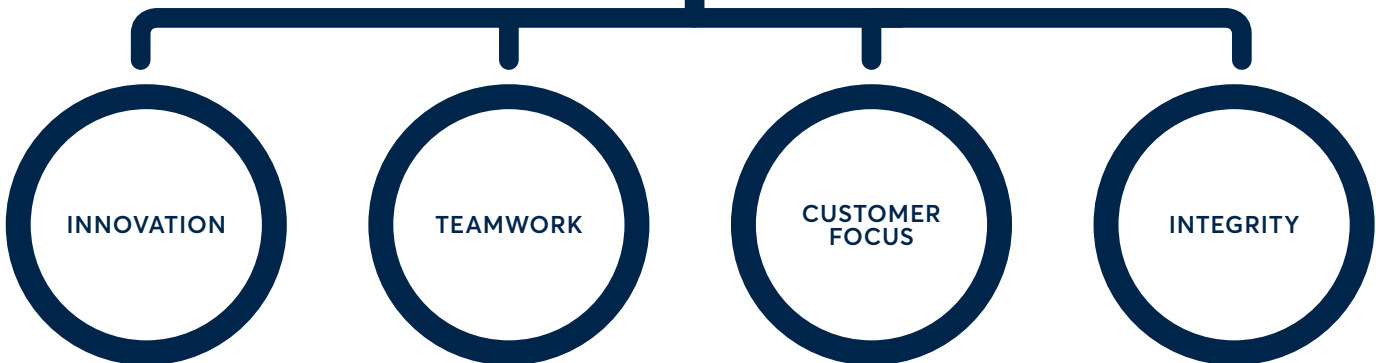
Creating a strong economy with a strong city centre

Promoting green spaces and the environment

Building a stronger, more innovative council for our community's future

Having a community focus

COUNCIL VALUES







01

Lived

Supporting all of our community to succeed and live well

Champions of our community and culture

Community Priorities

- Managing Growth and Transport
- Supporting Arts and Culture
- Celebrations and Destinations

Community Outcome

Pride in the City.
 Our community with access to a range of quality recreational activities. Greater sense of community and a perception of personal and neighbourhood safety.
 Partnerships to deliver effective community services and programs.
 A community-focused approach to planning and urban design.
 Strong advocacy for better public transport to reduce congestion as part of a well-connected, sustainable transport system that encourages walking, bike-riding and car-pooling.

Business Units

- Social & Community Services
- City Operations
- Ranger and Parking Services
- Place Services
- Riverside Theatres

Services delivered

- Funding and support for community projects & enterprises
- Library services
- Children and family services
- Community care services
- Recreation facilities and programs
- Parks, open space and public tree maintenance
- Civil maintenance and minor construction
- Emergency planning with state agencies
- Fleet services
- Trades services
- Building and facilities maintenance
- Cleansing services in public areas



Sustainable Spend

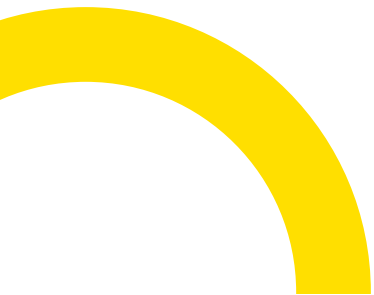
ACTUAL OPERATING EXPENDITURE: **\$73.6 m**

ORIGINAL OPERATING BUDGET: **\$76.1 m**

ble

ACTUAL CAPITAL EXPENDITURE: **\$10.9 m**

ORIGINAL CAPITAL BUDGET: **\$25.6 m**



Highlights

Stronger Communities

The Stronger Communities Fund is \$15 million over three years to improve community facilities and major infrastructure and support community groups.

Council continue to progress the planning and delivery of the Major Projects component of the Stronger Communities Fund and has made some substantial progress in the 2017/2018 financial year. All projects are currently on track for completion by the end of 2019.

- Newington Dog Park was completed and is currently in use
- Active Parramatta Van was launched and is operating with strong community support for group exercise classes
- Parramatta Play Program - currently all 19 playgrounds have completed community consultation. Irving Street Reserve was the first playground to be completed, and opened in May 2018.
- Parramatta Artist Studio - the Satellite Studio was established in Rydalmere. The internal design is in progress with fit out scheduled for August 2018. Applications for artists opened in June 2018
- Terrys Creek Rehabilitation, Epping - weed removal commenced, new recycled stairs were installed at the upper end of Terrys Creek, and bush regeneration continued
- Sommerville Park Upgrade, Eastwood - community consultation occurred in early 2018, with landscape design now complete and amenities design commenced

- Eastern River Foreshore Transformation involves separating the walking and cycling paths along part of the Rydalmere wharf area and constructing a toilet block. Community consultation occurred and detailed design is now complete. Construction is due for late 2018.
- Stage one North Rocks Park Master Plan community consultation was completed as well as a detailed analysis of demographic and social infrastructure data.

Community Grants

City of Parramatta awarded nearly \$400,000 in Community Grants. In total, 43 grant applications were successful. These initiatives will help to build community capacity, support local creative arts, grow social enterprise, and encourage better understanding of the City's heritage over the next 12 months. The funding is considered an investment back into the community and local programs. The grants are designed to encourage and support innovation in program design and delivery and make a real impact on people's lives.

Fitted for Work Limited received \$22,294 in the Growing Social Enterprise in Parramatta grant category. This will be used to grow *SheWorks*, a placement support service that links work-ready women directly with employers.

The *Burrumatta: Found in Translation* project received \$5000, allowing it to continue exploring the history of the First Nations people of the local area, the Darug. The project 'translates' forgotten, ignored or misinterpreted histories, accounts and records about significant Darug people, as well as cultural and ceremonial sites in and around Parramatta.

The 2018 Creative Fellowship Fund award of \$20,000 went to Shireen Taweel for her project *Copper Transmissions*.

In the Community Capacity Building grant category, Survivors & Mates Support Network, Top Blokes Foundation and Twenty10 Association were all successful.

Council received 63 applications for a share of the \$490,000 available. \$398,259.59 was distributed. The remaining \$90,000 was allocated to the Small Grants Fund, the Sport and Recreation Fund, and the Representative Sports Grant.



Parramatta Aquatic Centre

The new Parramatta Aquatic Centre is starting to take shape. Work commenced with ground breaking and an archaeological survey on the site. A design competition that meets design excellence commenced in the last quarter. In the meantime, interim swimming options for the summer were arranged, including at Epping Pool, Lake Parramatta, space for learn-to-swim programs at Macarthur Girls' High, and readily available information about nearby swimming facilities across the region. At the time of this report, Macarthur Girls High School pool upgrade was close to practical completion, with an official opening scheduled for mid-2018. The pool will be open for lap swimming, with Swim School expected to commence in September 2018. (Total project cost \$1.5 million).



Disability Inclusion Action Plan

In 2017 City of Parramatta developed its inaugural Disability Inclusion Action Plan (DIAP). The DIAP outlines the practical steps we will take over the next four years to create a more inclusive community for people with disability who are living in the Parramatta local government area (LGA)

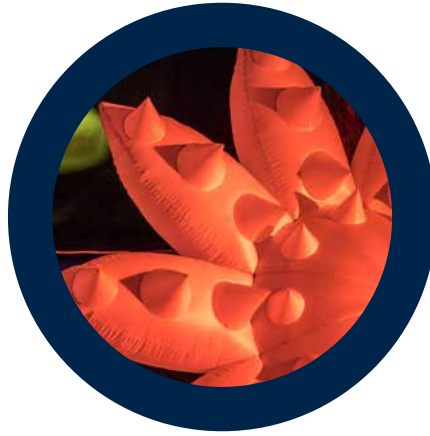
The DIAP consultation process included people with disability, carers, local service providers, peak organisations, our advisory committee and with the dedicated staff of our council.

The actions set out in the plan focus on four key areas nominated by people with disability as being of primary importance to them;

- Developing positive community attitudes and behaviours
- Creating liveable communities
- Supporting access to meaningful employment
- Improving access to services through better systems and processes.

During 2017/18 Council implemented a wide range of actions to improve access and inclusion for people with a disability such as:

- employing a Diversity Employment Officer to develop and implement an employment strategy for people with a disability
- conducting an audit of accessibility and improvements to the website, print material and live webcasting of Council meetings
- increasing the number of Auslan interpreted, audio described live shows and open captions at Riverside Theatre as well as libraries introducing new equipment suitable for a person with a vision impairment, to enable participation in programs
- distributing Access Guidelines for local businesses.



Enhancing our neighbourhoods

Extensive, city wide, capital works programs were delivered in 2017/18 including;

- Better Neighbourhoods Program
- Central Business District (CBD) special infrastructure rate program
- Design Parramatta
- City Centre Lanes Strategy
- CBD Retail Frontage Improvement Program.

The Place Services team coordinated a range of place based, cross-functional projects and initiatives with the purpose of enhancing and enriching community experiences, sense of belonging, and engagement with places.

Achievements included;

- installation of bespoke 'Lonely Light' interactive artwork at Erby Place, Parramatta,
- the upgrade of Carlingford North Shops with an innovative paving treatment which enables future remedial works without causing cracks or damage
- a Family Open Day at West Epping Park attended by over 1,200 community members,
- fulfilment of the Sue Savage Park masterplan at Toongabbie, and
- upgrading the existing off-leash dog park in Newington.

Masterplans

Council continued working on key masterplans including;

- Carlingford, incorporating light rail proposals in consultation with local affected communities
- Rydalmere Park
- North Rocks Park (Stronger Communities Fund)
- Hill Road Precinct, Wentworth Point.

Masterplans commenced for Rydalmere Park and the North Rocks Park precinct. Detailed analysis of demographic and social infrastructure data was completed to determine future community needs for the sites. Stage one community engagement was also completed for both parks.

The North Rocks Park precinct masterplan will be on public exhibition from the end of July 2018, and the Rydalmere Park masterplan from September 2018.

Development of a masterplan for Carlingford was amended during the year due to address ambiguity around final light rail design and existing planning proposals. This project will now focus on connectivity and amenity improvements in the public domain along the Pennant Hills Road corridor between Carlingford and North Rocks Road.

Community consultation for the Hill Road Masterplan was finalised in late 2017.

Better Neighbourhoods

The Better Neighbourhoods Program (BNP) is a long running and successful Council program focusing on the capital upgrades of neighbourhood centres outside of the Parramatta CBD. The program delivers improvements to centres with the goal of enhancing safety, vitality and economic prosperity.

A total of \$4,663,500 was allocated under the Program with \$1,526,500 in 2017/18 and \$3,137,000 in 2018/19. The funding allocation is larger in the second year to allow for consultation and design.

Areas are prioritised for upgrades based on a number of factors including the condition of the centre, it's vibrancy, and connectivity. The community also plays an important role and over 900 local residents provided feedback on priorities.

On the following page is a list of the Better Neighbourhood Projects commenced in 2017/18 and due for completion in 2018/19.

Centre	Project Name	Project Scope
Victoria and Park Roads, Rydalmere	Victoria and Park Road Shops Minor Upgrade	Minor improvements, including cleansing and improved signage
Collett Park Village shops	Dan Mahoney Reserve Service Provision	Service provision at Dan Mahoney Reserve, North Parramatta
Lawndale Ave shops, North Rocks	Lawndale Ave Shops Upgrade	Addition to existing streetscape funding to deliver paving improvements, tree planting and new street furniture.
Plympton Rd shops, Carlingford North	Plympton Road Shops Upgrade	Streetscape upgrade that may include footpath upgrade, access improvements, line marking, car park works and landscaping.
Toongabbie shops	Toongabbie Access Upgrade	Access upgrade between Ancona Ave car park and Toongabbie Station including an upgrade to the pedestrian crossing.
Picasso shops, Toongabbie	Picasso Shops Minor Upgrade	Planting of street trees and installation of new street furniture linking to Parramatta Ways.
Iron Street shops, North Parramatta	Connecting Centres – Lake Parramatta to North Parramatta	Addition to existing project funding to deliver supporting pathway infrastructure in Belmore Park, North Parramatta.
Windsor Road shops, Northmead	Windsor Road Shops Minor Upgrade	Footpath upgrade and planting of street trees.
Harris Park	Station Street East Upgrade	Streetscape upgrade, including footpath upgrade, associated landscape works and broader outdoor dining initiatives
Ermington Shopping Town Centre	George Kendall Riverside Park Upgrade	Multi-function sports court at George Kendall Riverside Park
Gibbons Road shops, Oatlands Bells Road shops, Oatlands Oatlands village, Belmore Street East Burnside Shopping Village	Oatlands Connecting Centres	Tree planting, wayfinding signage and accessibility improvements (developed in alignment with Parramatta Ways)
Tintern Ave shops, Telopea	Tintern Ave Shops Upgrade	Pavement upgrade, improved connectivity to reserve and reserve embellishments
Yates Ave shops, Dundas	Yates Avenue Shops Precinct upgrade	Parking, seating in park, connectivity and street trees.
Carlingford	Carlingford Public Domain Master Plan Implementation	Implement priority public domain works from the Carlingford Public Domain Master Plan
Epping	Epping Town Centre improvement	Upgrade to town centre and associated catchment that may include wayfinding, streetscape improvements, landscaping or street furniture.
Rebecca Parade shops, Winston Hills	Rebecca Parade Shops Minor Upgrade	Landscaping and trees within the adjacent Goliath Ave pocket park.
Carmen Drive shops, Carlingford	Carmen Drive Shops Minor Upgrade	Footpath improvement, wheel stop paint refresh, potential improvements to adjacent pocket park
Ventura Rd shops, Northmead	Ventura Road Shops Access Upgrade	Upgrade of connection between small pocket park and centre
The Chisholm Centre, Winston Hills	Chisholm Centre Minor Upgrade	Paving and landscape improvements on the upper shop terrace.
Station Road shops, Toongabbie	Station Road Shops Upgrade	Formalise street parking in McCoy Street and street tree planting.
Wentworthville Station shops	Wentworthville Station Shops Minor Upgrade	Provision of pedestrian shade through the planting of street trees on Wentworthville Ave.
Constitution Hill shops	Constitution Hills Shops Upgrade	New planter boxes, paving and landscaping around the Emma Cres entrance.
Newington Marketplace	Newington Central Precinct Upgrade	External paint of the community centre, playground embellishments, school connectivity and landscaping improvements around the centre
The Piazza Wentworth Point	Wentworth Point Business Activation	Events and activations to support local businesses



Affordable housing

A draft Affordable Housing Policy was developed and endorsed for public exhibition in July 2017.

The draft has been refined following community and stakeholder feedback and will be presented to Council for consideration this year.

The primary purpose of this Policy is to reduce the level of housing stress experienced across the City of Parramatta so that residents and the City can thrive. This will be achieved by increasing the provision of affordable rental housing using a number of mechanisms. Broader objectives include creating vibrant neighbourhoods, achieving social sustainability, supporting economic development and growth and achieving diversity and social mix.

Riverside Theatres and a new cultural precinct

State Government announced that the State's largest museum will be built on the Parramatta riverbank. With 18,000 sqm of exhibition and public spaces, it will have a science and technology focus and include the largest planetarium in Australia.

This will be complemented by a dedicated play and learning space devoted to STEAM, children's spaces, cafes, bars, retail, and event and function spaces.

The museum, which will open in 2023, will be an anchor for a new arts and cultural precinct in Parramatta, which will include revamped Riverside Theatres and a new pedestrian bridge across the river.

In 2017, the City of Parramatta Council and the NSW Government signed a Heads of Agreement (or contract) for Council's Riverbank site and to create a new cultural precinct on the Parramatta River.

Under the Agreement, the NSW Government will pay Council \$140 million for the Riverbank site, otherwise known to locals as the old David Jones carpark site.

\$100 million will be invested to enlarge and enhance the Riverside Theatres

Council used the agreement to leverage proceeds of its land sale to fund enhancements and upgrades to Riverside Theatres on the current theatre site.

The remaining \$40 million will be used over 20 years to deliver Council's 2017-2021 Cultural Plan.

Great cultural, education and other community benefits for locals and visitors

Council's consultation to develop a Cultural Plan showed that attracting the Museum of Applied Arts and Sciences and growing Riverside Theatres were the communities' two key cultural priorities.

A world class museum in Parramatta will be an important new focus for cultural and education development. Together, the Museum and the enhanced and enlarged Riverside Theatres will be first class educational resources for students as well as vibrant forums for local cultural industry development.

The cultural precinct is predicted to be both a local and an international tourist destination with the potential to draw up to one million visitors a year.

The cultural precinct will be a big stimulus for our local economy

Modelling by Deloitte shows that by 2028 the new cultural precinct will grow the local economy by between \$106 million and \$422 million (NPV).

Employment is also expected to increase strongly both in the construction and operational phases of the new precinct. Once the museum is operational, local jobs are expected to increase by between 150 and 600 new full-time equivalent jobs.

Riverside Theatres legacy will be protected

While Riverside is much loved, a number of studies have shown that the theatre is aged, lacks accessibility, has limits to its capacity to attract a full range of productions and requires improved facilities.

Through the Heads of Agreement, Council has set out a number of requirements that will ensure Riverside's legacy continues including that the theatre must:

- build on the valued brand of the existing Riverside Theatres
- seek to maintain its connection with current audiences and continue to provide opportunity for educational and cultural industry development
- be of architectural distinction, design excellence and twenty-first century functionality
- meet future demand for high quality diverse local, Australian and global performance
- meet certain operational financial performance conditions.

Further, Council will retain ownership of the Riverside Theatres land.

The Riverbank site is being sold for \$140 million, which is in line with Council's commercial valuations of the land.

Socially Sustainable Parramatta

The City is rapidly growing and transforming. It is critical for the wellbeing and resilience of our existing and future community that the City of Parramatta is socially sustainable and that the opportunities of growth and investment in our City are shared equitably for all.

In July 2017 Council adopted *Sharing the Opportunities of Growth for All – Socially Sustainable Parramatta Framework*. This Framework seeks to improve the wellbeing of City of Parramatta's individuals and communities and embed the aims of social sustainability throughout all areas of Council decision making.

A socially sustainable community puts people first

A community is socially sustainable when 'the formal and informal processes; systems; structures and relationships actively support the capacity of current and future generations to create healthy and liveable communities. Socially sustainable communities are equitable, diverse, connected and provide a good quality of life'. Social sustainability recognises that a rising tide does not raise all boats. Instead we need to work as a community to invest in our individual and collective wellbeing, so that all people, including our most vulnerable, can thrive.

Framework Objective and Goals

In a socially sustainable City of Parramatta, the opportunities of growth are shared equitably with all people. Through Council's own efforts and in partnership with the community we will:

Children are our Future

Work to ensure every child in Parramatta is healthy, nurtured, happy and will thrive.

All people can learn, share and grow

Facilitate formal and informal learning opportunities at all ages, to help people improve their circumstances, reach their full potential and share their knowledge, creativity and culture.

Green, inclusive and safe spaces to share

Design, build and maintain public spaces and neighbourhoods that are green, safe and inclusive for all.

We trust each other, are welcoming, & feel good about being here together

Facilitate social connections to foster socially and culturally diverse, inclusive and empowered communities.

Diverse, affordable homes for everyone

Deliver and expand a diverse range of affordable, high quality housing that meets the spectrum of housing needs in the community.

All people can access a job that enables them to live with dignity and security

Secure and retain decent jobs and access to enterprise for all Parramatta residents.

All people can live healthy active lives

Improve health outcomes, starting with people experiencing disadvantage in our community.

We lead by example

Improve Council's policy and practices to enable a more socially sustainable City of Parramatta.





Actions in 2017/18

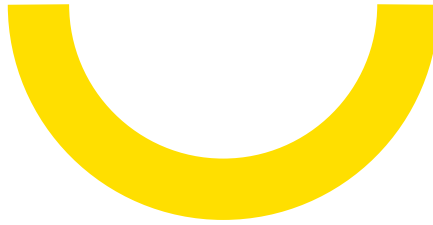
The Framework includes a two-year Action Plan, identifying a number of Council projects, programs and policies that strengthen social sustainability in the local area.

Goal Area	Action	Status
Children	Implement the Wentworthville Early Childhood Development Initiative (WECDI), collaborating with other organisations to minimise developmental vulnerability.	The WECDI Leadership Group, a cross-agency group of 10 organisation representatives, heads the project. Engagement activities were held in parks, childcare centres, libraries and immunisation clinics. Council entered into a research partnership with Western Sydney University to evaluate the collaboration.
Housing	Implement new initiatives to help prevent homelessness and maintain the Homeless Protocol as significant growth occurred across the City.	Consultation commenced on an implementation plan to accompany Council's Homelessness Policy. Council worked with the Department of Family and Community Services to pilot a new assertive outreach project for people experiencing homelessness in the Parramatta CBD.
Learning	Continue to improve and extend City of Parramatta Council's network of libraries and community centres	Planning continues for the opening of the new Wentworth Point Library and Community Centre in 2019.
Employment	Implement ATSI Employment Strategy and Disability Inclusion Action plan to ensure a diverse workforce for Council.	Council has engaged a Diversity Employment Strategy Officer to progress employment actions within the Aboriginal Employment Strategy (AES) and Disability Inclusion Action Plan. Partnerships have been established or maintained with external providers including AES and Job Access.
	Implement Social Investment Action plan to strengthen the social enterprise sector in the City of Parramatta.	The Social Investment Action Plan 2015-2017 has been reviewed and a new action plan prepared. The annual Social Enterprise Landscape Survey was conducted, which tracks awareness of and attitudes towards social enterprises. There were 652 respondents. Reported awareness of the term 'Social Enterprise' has increased from 38% last year to 52% in 2017/18.
Green, Inclusive, Safe Places	Develop a formal partnership with NSW Department of Education (DOE), to expand community access to open space.	A formal Memorandum of Understanding between Council and DOE was established in 2017 to support actions for the shared use of facilities.
Health	Implement Mobile Active Health Project to improve health outcomes of groups experiencing disadvantage by offering mobile access to fitness activities, health and nutrition advice.	Project launched in November 2017 and has since delivered health and wellbeing programming to approximately 10,000 participants.
Trust & Welcoming	Expand concessions pricing policy for Council's fees and charges to increase affordable access to Council services for groups experiencing disadvantage.	Council adopted a four-tier schedule of fees and charges for community facilities and a capacity to pay approach to Community Care services.
Leading	Implement the Parramatta Community Fund.	The Fund has now engaged a Community Fundraising Committee, which is developing a Fundraising and Grant making Strategy.
	Develop measures and targets for evaluating the Framework impact.	Work is well advanced and continues.

What's next?

Council will continue to progress the Framework's Action Plan. This will involve further conversations with our community and stakeholders about potential collaborative projects and other activities that Council may choose undertake.





Stretch Reconciliation Action Plan

Council endorsed the City of Parramatta Stretch Reconciliation Action Plan 2017-2020 on 13 June 2017 following a six month process of consultation.

The Reconciliation Action Plan (RAP) lists key actions to recognise and celebrate our Aboriginal and Torres Strait Islander community, to ensure Council is culturally aware and responsive, and addressing key areas of disadvantage experienced by Aboriginal and Torres Strait Islander peoples.

Our aim was to go beyond 'acknowledging' our Aboriginal and Torres Strait Islander communities and to embed Indigenous issues and interests right across Council through corporate documents, policies and projects. We also want to ensure that the voices of Darug peoples, the traditional custodians of the land and waterways of the local government area, are paramount in this process and that our relationships with our Aboriginal and Torres Strait Islander communities are not just transactional, but meaningful and lasting.

Council has now completed the first year of actions within the RAP and is currently reporting on our progress to Reconciliation Australia, the national organisation that governs the RAP process. Having a Stretch level RAP, within this process, means that Council has set goals and targets for the life of the plan.

Following are some of the highlights achieved in this first year.

Establishment of the internal Reconciliation Action Plan Working Group.

An internal working group has been established, with broad representation across the different business units of Council. The Chief Executive Officer is the Executive Owner of the RAP and attends all working group meetings. Units represented at meetings has included: Social and Community Services, City Experience, Human Resources, City Strategy and City Engagement. The employment of an Aboriginal and Torres Strait Islander Community Development Officer has also enabled the Aboriginal and Torres Strait Islander Community Capacity Building Officer to be focused on coordinating the implementation of the Stretch RAP.

Embedding Reconciliation in Council's strategic documents

A significant achievement of the first year of the Stretch RAP can be seen in the prominence of Council's acknowledgement of Darug people and culture, and specific Reconciliation related actions across all of Council's major strategic documents. The Community Strategic Plan, Socially Sustainable Parramatta Framework, Cultural Plan for the Parramatta CBD, Economic Strategy, Environment Strategy and Disability Inclusion Action Plan all place our concern for the Aboriginal and Torres Strait Islander community at the heart of their objectives.



Improvements in the cultural competency of staff and the development of culturally appropriate services.

Council offers an Aboriginal and Cultural Awareness Training program to all staff, delivered by a Supply Nation accredited consultant. The Stretch RAP has a target of 436 staff completing training over three years. As of June 2018, 184 staff had completed the training, which is well on track to achieving this target. Council has also continued to offer this training to local community service providers, with a further 38 individuals completing training in the last year.

Work also commenced in a number of teams to review their service offer and consider what improvements could be made to improve the cultural appropriateness for Aboriginal and Torres Strait Islander customers – or to further the objectives of Reconciliation among all customers. Of particular note is the work undertaken by Council's Early Learning Centres, an audience development strategy being created by Riverside Theatre and the work of the Community Capacity Building and Cultural Heritage and Tourism teams.



Achieving outcomes for Aboriginal and Torres Strait Islander communities through Council's employment and procurement activities.

In this first year of the Stretch RAP, some progress has been made to achieving goals set with Council's Aboriginal and Torres Strait Islander Employment Strategy. A traineeship program in our Parks team continues to achieve positive results for Aboriginal trainees. A Diversity Employment Strategy Officer role was created to further these actions, plus Council's commitments under the Disability Inclusion Action Plan.

Council is now a member of Supply Nation, a national accreditation organisation for Indigenous owned businesses. Over this first year Council has increased the value of its procurement from Supply Nation accredited businesses by 25%, with more actions planned in Year two towards achieving a further increase.

Advancing the objectives of Reconciliation among staff

Two internal events were held to mark National Reconciliation Week in May 2018. These were formal opportunities for staff to engage with the change in attitudes and beliefs that Reconciliation invites. Similar conversations have taken place in many contexts through the year. Having a RAP is an effort towards organisational integrity related to Reconciliation and the cultural change that this represents has been the biggest challenge and greatest growth opportunity provided by our Stretch RAP.

Growing relationships with Aboriginal community organisations and advancing the objectives of Reconciliation with other agencies

Council has had positive relationships with many Aboriginal community organisations and individuals over the years. The Stretch RAP has provided an opportunity to deepen some of these relationships and create new ones. Council is continuing to explore ways to strengthen our engagement with Darug community organisations, particularly for the purposes of consulting with traditional custodians on issues of land, waterways, interpretation and language. Council has been keen to build the capacity of our local Darug community to give voice to its needs and aspirations.

This was best expressed through a landmark Darug camp held in Parramatta Park in June 2018.

Council has continued to work closely with Reconciliation for Western Sydney (R4WS), a community organisation that has long worked towards Reconciliation in this area. It has been an important achievement of our Stretch RAP that it has been embraced by not only Council, but as a shared objective of the whole community.

This shared objective has also been expressed through our shared projects with other Government, businesses and non-Government agencies also seeking to advance Reconciliation. This includes Parramatta Park Trust, Urban Growth, Accor Hotels, Parramatta River Catchment Group, Corrective Services, Northmead Public School, Marsden High School, Sydney Olympic Park Authority, Westmead Hospital Redevelopment Group, Parramatta Eels Leagues Club, Western Sydney University, Sydney University and the University of New England.

What's next?

Year two of the plan is already well underway. In 2018/19 you can expect to see more external facing events and activities for our whole community to celebrate the important place of Aboriginal and Torres Strait Islander people in the past, present and future of the City. Work will also progress on reflecting Darug culture across all our parks and reserves. Planning and feasibility testing will also advance on a number of capital work projects that will reflect the heritage and cultural knowledge of Darug people. If you would like to find out more or join us in this work, you can contact us via reconciliation@cityofparramatta.nsw.gov.au



02



Sustainable

Stewards of our built environment and natural environment

Fostering vibrant neighbourhoods, places and development that are well balanced, connected and sustainable

Sustainable

- Promoting Green Spaces and the Environment
- Providing Opportunities for Recreation and Leisure
- Sustainable transport
- Managing environmental risk and heat/flood and weather events
- High performing buildings and managed growth

Community Outcome

Balance between development and the health and protection of the environment. Natural areas and infrastructure well maintained and enhanced. Environmentally sustainable practices are mainstream, including responsible energy and water use, minimising of food waste and more awareness of initiatives available for individuals, households and businesses looking to incorporate environmental practices into their operations.

Business Units

- City Assets & Environment
- Development & Traffic Services
- Strategic Outcomes and Development
- City Strategy

Services delivered

- Natural area management
- Environmental and sustainability programs and educational activities
- Domestic and commercial waste management
- Civil engineering, surveying, landscape architecture and project management
- Civil infrastructure management (roads, footpaths, drainage, stormwater)
- Traffic management – sustainable transport, walking and cycling networks
- DA assessments and design excellence



Sustainable Spend

ACTUAL OPERATING EXPENDITURE: **\$59.8 m**

ORIGINAL OPERATING BUDGET: **\$59.2 m**

in able

ACTUAL CAPITAL EXPENDITURE: **\$45.6 m**

ORIGINAL CAPITAL BUDGET: **\$40.3 m**





Highlights

Environmental Sustainability

In 2017 Council developed the Environmental Sustainability Strategy which sets the strategic environmental direction for the City of Parramatta to address the challenges and opportunities faced by growth and change. Community consultation was undertaken to better understand community needs and wants and the community told us they wanted more green and blue spaces, managed growth, improved transport and better buildings.

The Strategy seeks to ensure that as the City grows the natural environment improves creating a better quality of life, not just for people, but for all living things - we believe a great city is one that grows better every day.

There are four key themes in the Strategy;

A City in Nature – is about protecting and enhancing our parks and green spaces, bushland and biodiversity and waterways, while also providing more trees. We want nature to be a feature of our local government area; something that everyone notices and enjoys.

Built for the Future – is about sustainable design that uses less – water, energy and materials – to do more. It's about improving efficiencies in both existing buildings, new buildings and key development precincts and ensuring that our lives become more liveable while at the same time reducing our impact on the natural environment.

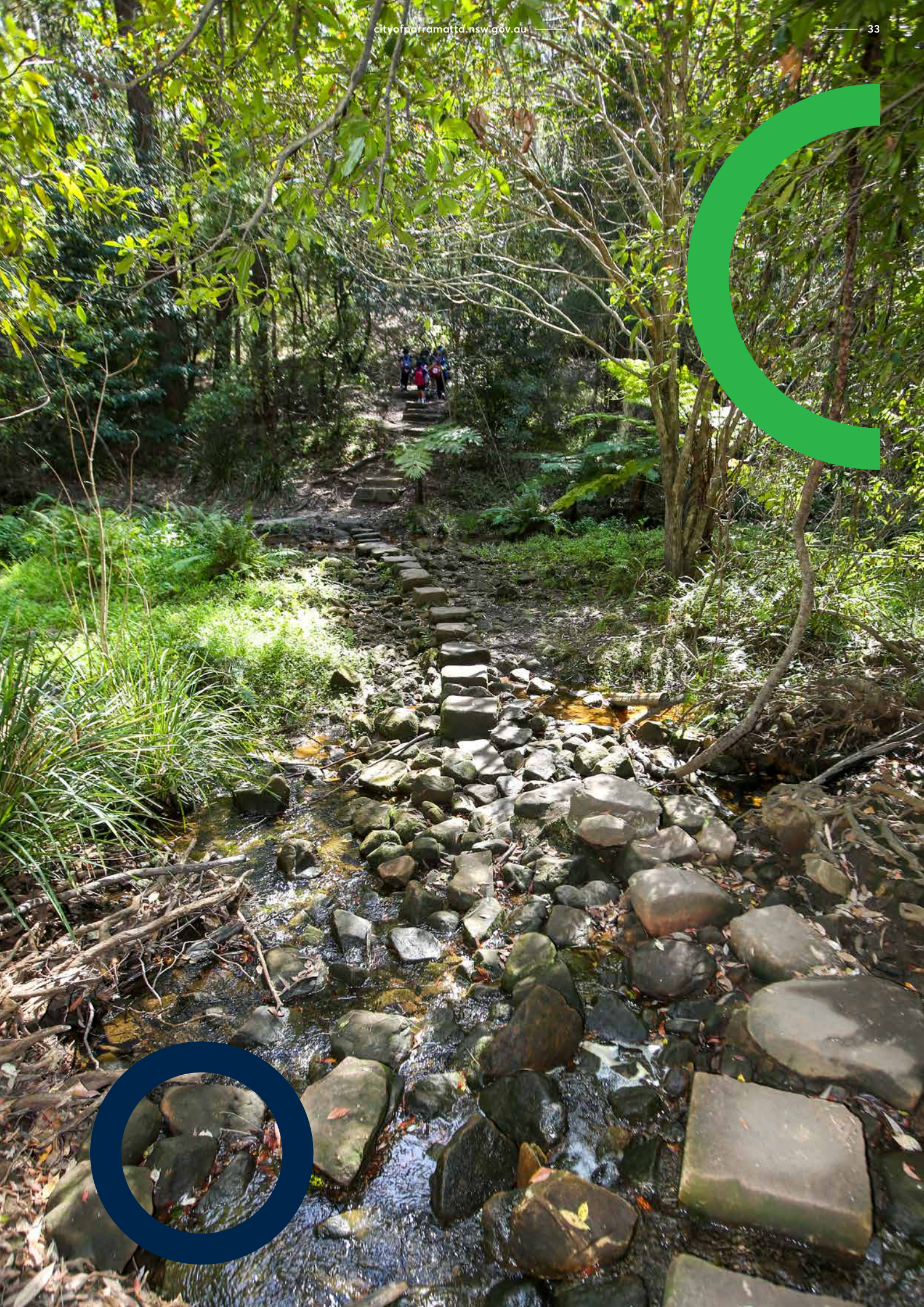
Connected and Resilient Communities – is about protecting and improving the liveability of our community in extreme weather events such as heatwaves and flooding to help minimise the impact from disaster. It is also about connecting the community through active and public transport, bringing more life to our streets, public spaces and natural areas for recreating.

Leading by Example – is about Council's responsibility to lead the way as Sydney's Central City in environmental sustainability performance. By showing how it's done, we can inspire best practice amongst our local businesses and our residents.

The strategy seeks to deliver 20 long term goals through a series of actions over four yearly cycles and will be reviewed and updated including revised actions to align with the City's budget cycles and Council terms.

Implementation of the Strategy commenced in 2017/18. Achievements to date include;

- **Growing our bushcare** – our bushcare volunteers have increased by 11% leading to a 49% increase in volunteer hours during the year
- **Preserving parks, bushland and sports fields** – we have 21 parks in the process of being upgraded and enhanced. Thousands of people attended over 20 events and festivals held in our parks and green spaces
- **Going greener** – we're planting more trees and removing fewer. Tree plantings UP to 11,087 and tree removals DOWN by 18%
- **Making a splash** – close to 70,000 swimmers at Lake Parramatta over the 2017/18 summer





- **On target ahead of time** - community waste diversion from landfill increased to 72% exceeding the State Government target of 70%
- **Voting with their feet** - half a million people recorded either walking or cycling along the Parramatta River Foreshore Path with a daily average of 650 cyclists and 326 walkers
- **FloodSmart for all** - residents and businesses get flood ready with our new innovative FloodSmart service
- **Building better** - our commercial buildings are becoming more energy efficient. Those with NABERS ratings, 78% were rated 4.5 Stars or higher
- **Increasing our Renewable energy** - council facilities are now home to 229 Kilowatts worth of solar capacity
- **Driving down fleet emissions** - council continues its switch to more efficient vehicles saving 18 tonnes of CO2 in 2017/18
- **Council improving efficiency** - corporate operations reduced electricity and potable water consumption by 16% and 9% respectively between 2015/16 and 2016/17

What's next?

In 2018/19 we will;

- Complete our bushland management plans
- Start preparing our Urban Forest strategy
- Complete Council's Integrated Water Plan and launch the Parramatta River Master Plan
- Complete our Community Energy Plan and updated Waste and Resource Recovery Plan
- Prepare our Urban Heat Resilience Plan

New waste services

Council achieved its aim of transitioning all domestic and commercial waste collection and resource recovery services from the amalgamating councils.

The transition was completed on 6 November 2017 with the commencement of Council's new waste collection contractor SUEZ. Regular communications ensured that residents were effectively informed of changes to bin days and services.

By the end of June 2018, waste and recycling services returned to a satisfactory level following a temporary period of disruption and change resulting from the mergers and boundary adjustments.

Specialised services for household asbestos and problem waste (paint, oils, batteries) collection continued to be well utilised. Council also completed the Garage Sale Trail weekend and National Recycling Week in October, hosted two e-waste drop-off days and a chemical clean-out day and continued to provide residents programs such as Fridge Buyback, Compost Revolution and a free collection and rehoming service for kerbside clean-up material.

As a result, Council has managed to divert around 72% of residential waste from landfill during 2017/18.



Community assets and facilities

Council continued to work towards maintaining community assets and facilities in a satisfactory condition, including the renewal of existing assets and the delivery of new ones to ensure safety, reliability and environmental sustainability.

In 2017/18 we completed approximately 11km of new footpaths and replaced a total of nearly 16km of dilapidated footpaths across the City.

\$48 million worth of capital works were delivered through the City Assets and Environment Unit across a wide range of community assets and facilities including:

- building and lift upgrades,
- local and regional playground and park upgrades,
- stormwater drainage,
- traffic control signals,
- kerb and gutter and road resurfacing,
- neighbourhood centres and traffic facilities.

16 significant tenders were also awarded during the financial year.

Council progressed the mapping of stormwater assets to reflect any new assets acquired due to the boundary changes. Improvement on data accuracy of asset registers also progressed well with plans to move to a mobility platform on track for 2018/19.

West Epping Park transformation was completed in late February 2018. The upgrade provides superb sports and leisure facilities for local residents, schools and other users. Delivery of the project included overcoming unexpected amounts of buried asbestos not identified in the project planning.

The Wentworth Point Community Centre and Library will provide much needed community facilities and programs for local residents. A revised internal design and fit out scheme has been prepared and a development application lodged. The tender process was completed in March 2018, and fit out works are scheduled to commence soon. Works are due to be completed towards the end of 2018.

Natural areas and open space

Council manages over 459ha of natural areas. The 2017/18 year saw the establishment and implementation of a new bushland regeneration tender and 15 contract areas throughout the reserve system. These contracts led to reduced weed densities and improvements in wildlife habitat. In total 40,650 contract hours were spent undertaking improvement works.

A total of 107,000 local native trees, shrubs and grasses were planted within the reserve system over the year by both contractors and volunteers. A total of 19,390kg of litter and silt were removed from our creeks and waterways through cleaning of our sediment basins, litter booms and manual litter removal.

In 2017/18, Council also coordinated the delivery of several environmental sustainability and education programs including Get Into Nature (walks and talks), Growing Your Own Food (GYOF), Sustainable Living workshops, support for local community gardens and libraries, school education programs on waste and recycling; and the environmental grants program for schools and the inaugural Community Environmental Awards.

The year also saw successful delivery of Council's bushland, natural waterways and parks programs. These extensive programs were fully expended with the following results;

- Bushland Program – 99% of works completed on-time and to budget.
- Waterways Program- 99% of works completed on-time and to budget.
- Parks Program – 96% of works completed on-time and to budget.

We remain on track to achieving our community outcome of well-maintained and safe parks, sports fields, playgrounds, streetscapes and other community space with a community satisfaction rating of 8.3 /10 in the 2018 Integrated Open Space Services satisfaction survey.

Improving our processes

Council committed to implement improvements to the development assessment process to positively respond to the state government priority for 90% of houses approvals - Development Assessments (DA) Complying Development Certificates - to be undertaken in less than 40 days. The proposed outcome was for a more efficient, complete and transparent process for the lodgement and determination of small-scale development applications.

Council's new lodgement system has been in place since October 2017.

As a result, Council has reduced the average days taken to determine a DA from 80 days to 66 days in this financial year.

Throughout 2017/18, the Development and Traffic Services Unit (DTSU) participated in the Service Excellence Review process to identify tools to help improve overall management of the DA process. DTSU continues to collaborate with other departments to ensure design quality is a major consideration within the pre-lodgement and DA process; through workshoping new controls for the new Local Environment Plans (LEPs) and Development Control Plans (DCPs); through Design Excellence Advisory Panel (DEAP) meetings and discussions with both Urban Design and the City Architects office.

'Light Years' Ahead

Council continued to participate in the Light Years Ahead project by replacing almost 4,500 Mercury Vapour street lights across the Local Government Area with energy-efficient LEDs. The upgrade is being undertaken in collaboration with the Western Sydney Regional Organisation of Councils (WSROC), which earned a 2017 Green Globe Award for environmental sustainability.

The new lighting incorporates the ability to install sensors to monitor a variety of conditions such as temperatures and air quality, furthering City of Parramatta's 'Smart City' vision. Endeavour Energy started the first stage in November 2017 going through to March 2018 in Carlingford, Dundas Valley, Eastwood, Epping, Melrose Park, North Rocks, Parramatta and Telopea.

Additional suburbs will follow until the conclusion of the project in mid-2019.





03



Produ

Drivers of the economy

Creating local jobs by positioning Parramatta as a global centre for business and investment

Community Priorities

- Creating A Strong Economy with a Strong City Centre
- Creating Vibrant Neighbourhoods and Precincts

Community Outcome

Significant investment coming into the City. Growth is shared with the community, through initiatives, such as upskilling the workforce and supporting local small businesses. Creation of sustainable (office/retail) buildings, efficient transport and a skilled workforce. City is attractive to residents, students, workers, business owners and

visitors, with range of entertainment, hospitality and retail. Workers and small business can see professional development and opportunities. A City that is fun, innovative, productive, with a more visitors.

Business Units

- City Marketing & Economic Development
- City Activation
- Property Development
- Asset Strategy & Property Management

Services delivered

- Marketing in the city
- Economic Development
- Digital communications
- Research, consultation and engagement
- Arts and culture programs
- Events and festivals
- Visitor services and tourism development
- Cultural heritage
- Property development
- Parramatta Square development
- Asset strategy, policy and management
- Asset planning and program of works
- Space and tenant management
- Outdoor dining assessments
- Property services such as land acquisition, classification and easements on Council land

Productive Spend

ACTUAL OPERATING EXPENDITURE: **\$25.2m**

ORIGINAL OPERATING BUDGET: **\$23.1m**

Productive

ACTUAL CAPITAL EXPENDITURE: **\$27.0m**

ORIGINAL CAPITAL BUDGET: **\$36.0m**





Highlights

City Economy

Key economic Performance Indicators

- Parramatta's economy is strong in all areas.
- Gross Regional Product in the March Quarter 2017/18 was estimated to be \$6,582million, up \$9 million from the previous quarter. This brings the year to December Quarter GRP figure to \$26.05 billion, representing a 3.3% increase from March quarter 2016/17, higher than the NSW average of 2.7%.
- During the March Quarter 2017/18, the total value of building approvals was \$324 million.
- Over the past year, local jobs grew by 4.1%, well above the five-year average of 2.0%.
- Parramatta's unemployment rate has consistently been below the NSW state average over the past 5 years. Unemployment was at 3.2% in the March 2017/18 quarter.
- The number of local businesses continue to grow, increasing by 891 ABN registrations in the March Quarter 2017/18. The four quarter average to March 2018 was 19.4% larger than the average to March 2017. Council continues to attract investment to the City by providing economic analysis, CBD walk-throughs, guidance on Council's policies, strategies and planning requirements. This has occurred with multiple office and high profile retail businesses in the 2017/18 year.

Supporting Small Business

In 2017-18 Council supported local business in a number of ways:

- delivered 108 Small Business Workshops as part of the Small Business Program, with a satisfaction rate of over 95% from participants'
- sponsoring the Western Sydney Small Business Expo
- sponsoring the Parramatta Chamber of Commerce *Western Sydney Awards for Business Excellence* (WSABE).
- Promoting the NSW Government *Easy to Do Business* initiative
- Distributing a quarterly business newsletter to 45,000 ABN holders across the Parramatta LGA

Workforce Skills

Council continued its support of TafeNSW to manage the successful Parramatta Skills Exchange, creating unique on-site learning hubs in Parramatta, providing workers with language, literacy, trade and certification skills. At June 2018 the Parramatta Skills Exchange had trained 1009 workers in trade, accredited skills and high risk licenses.

The Night Time Economy

Building on extensive research and consultation, the Night Time Economy (NTE) Discussion Paper delivered in July 2017 outlines a program to grow the city's economy at night. The value of the City's NTE is estimated at \$1.03B (2017), and the delivery of a NTE Strategy will guide further growth in this sector, supporting small business and jobs growth across the LGA.

Parramatta CBD Commercial Office Market

The Parramatta Office Market remained strong with a low total vacancy factor of 3.2% (compared to Sydney CBD at 9.2%). The vacancy rate remains well below the 10-year average of 7.5%. The total office stock was 7,273,00 sqm, with significant new supply of 200,000 sqm coming online to meet demand from the government and private sector.

Strategic partnerships

Council has continued to work with partners across priority precincts including Parramatta CBD, Sydney Olympic Park and Westmead. Council continues discussions with national sporting partners Western Sydney Wanderers and Parramatta Eels to ensure a smooth transition to the Western Sydney Stadium in 2019. Throughout the course of the year partnerships were formalised with Sydney Olympic Park Authority, Western Sydney University, and National Australia Bank and continued maintenance of partnerships with key national sports and tourism organisations including the Greater Western Sydney Giants, Western Sydney Wanderers and Parramatta Park Trust aim to encourage visitation to Parramatta during the delivery of significant infrastructure projects.

A new partnership with the Western Sydney Local Health District was established to deliver the Business Leaders Luncheon in Parramatta. The event brought together leaders across the health sector in a discussion focussed on Westmead. Council has begun working closely with Sydney Olympic Park Business Association (SOPBA) on shared advocacy and reporting.

A new MOU with Western Sydney University (WSU) was endorsed by Council on 9 October 2017. The partnership aims to advance a shared vision through collaborative programs, research and projects across the areas of digital innovation, a productive economy and a liveable city. Council Officers participated in ongoing partnership working group meetings with SOPA, the Parramatta Eels, the University of New England (UNE), and WSU. A new partnership with Bicycle NSW provided a valuable opportunity to promote the opening of the Parramatta Valley Cycleway to a new target audience and our partnership with the GWS Giants provided an opportunity to enhance Council's Girl's in Sport event by utilising the state of the art facilities at Netball Central and the GWS Giants training facility at Sydney Olympic Park.

Changing Perceptions & Attracting Investment

Working with industry and business partners, Council continued its campaign to change perceptions of Parramatta and to attract investment. This year we partnered with the Parramatta Chamber of Commerce to deliver the *State of the City* address, with the Sydney Business Chamber for the *POP! Sydney Olympic Peninsula* conference and with Western Sydney Leadership Dialogue to deliver two business events – Out There and Boomtown. The city also sponsored the *Kennedy Awards for Excellence in Journalism*, presenting the Parramatta opportunity to an influential media audience.

Throughout the year the City Economy team provided information and guidance to potential investors and new businesses, and commissioned research (Perception Study and Innovation Hub feasibility study). All of this work is designed to enhance the City's credentials as a great place to work and invest.

Parramatta Square

Located across a prime three-hectare Parramatta city block, Parramatta Square (PS) will comprise of six new buildings and a refurbished Town Hall, linked by a 20,000sqm central public domain which will serve as an important place to meet trade, shop, dine, learn, celebrate and connect.

3 Parramatta Square

Located next to the WSU building along Macquarie Street, the site's detailed excavation and in-ground work continues. This stage is expected to be completed at the end of July 2018.

4 Parramatta Square

Located next to Sydney Water along Darcy Street. The basement is mostly completed, and the first levels are starting to take shape, with concrete and metal structures easily seen from Centennial Square and the train station.

5 Parramatta Square

Options for an integrated design for 5 Parramatta Square have been developed for further internal consultation.

6&8 Parramatta Square

Located where the old Civic Plaza used to be, these two commercial towers will be next to 4 PS along Darcy St and between Town Hall and the train line. Excavation continued and at the time of this report the Development Application was under assessment.

Public Domain

The Public Domain, the walking area around Parramatta Square is also an important aspect of the combined construction projects. Using the current approved layout, planning for trees, pavers, landscaping, technology, and other important considerations continued to move forward.



Discover Parramatta

Several initiatives were introduced in 2017/18 to improve perceptions, investment and increase visitation to the City.

A highlight was the launch of *Discover Parramatta*, Council's City marketing platform. This website utilises a content marketing strategy to stimulate awareness of activities, places to eat and drink, events to attend, as well as a range of arts, culture and heritage experiences. The site was promoted to reach the widest possible audience. The local business community was also invited to participate providing them with an opportunity to promote their special offers and experiences. Development of a three-year marketing strategy also commenced.





Culture and Our City

A Cultural Plan for the Parramatta CBD 2017–2022

Culture and Our City (Cultural Plan) was adopted by Council in July 2017. The Cultural Plan sets an ambition for our City and our community that is driven by culture, and positions Parramatta as a world class city known for its diversity and energy, with people, ideas and creativity at its core.

The plan was developed over an 18 month-period through deep and authentic engagement with industry and community stakeholders. Highlights of year one achievements against the plan are detailed below.

Goal 1: Always was, always will be a gathering place

During the year Aboriginal and Torres Strait Islander arts and culture was celebrated and shared through a range of programs including Council's Cultural Heritage team's school holiday and regular weekend city visitor programs, Council's annual Burramatta Day event in July as part of the annual NAIDOC Week program, and through Welcome to Country speeches and performances at Council's civic events program and large-scale public events. Opportunities for dual naming (Aboriginal and English) of Council's natural and built assets is currently being explored as part of the City of Parramatta visual identity program.



Sharing the stories of Parramatta's past and celebrating Parramatta's built heritage featured heavily in the year's achievements. During the year Council delivered public programs as part of the National Heritage Festival in April 2018 and NSW History Week in September 2017. Also in September 2017 Council's Cultural Collections, Research and Archives team launched the highly successful DigiVol pilot program that saw the community volunteer their time to transcribe archived historical Council documents with the aim of increasing public access to Council's rich historical archive. In late 2017 Council launched the *Waves of Migration* report, a research study delivered in partnership with Western Sydney University tracing and documenting the past, and present, migration stories of the City of Parramatta.

In early 2018 Council was invited to join the North Parramatta Collaborative Working Group exploring the future uses of the heritage buildings and public domain within the heritage core of the North Parramatta precinct. Council is currently exploring opportunities to activate and increase public access and usage of the North Parramatta heritage precinct through the City's annual events and festivals and City Animation programs.

Live music featured in Council's annual events and festivals program including a dedicated live music event, Parramatta Live and Local 2018, delivered across venues, bars and restaurants in the greater Parramatta CBD in April 2018. Council continues to broker positive relationships between live musicians and local businesses to grow the live music offer across the Parramatta CBD to support the growth of the City's night time economy.



Goal 2: Diversity is our strength and everyone is welcome

Diversity was strongly represented through many programs and events during the year. 2017/18 saw over 390,000 attendees across Council's annual events and festivals program as the community came together to celebrate and commemorate. 2018 marked the final year of the four-year Centenary of ANZAC program that provided an opportunity for the community to gain a deeper understanding of Parramatta's role in World War I.

Council welcomed over 1,000 new Australian citizens to the City of Parramatta through its annual citizenship ceremony program. A number of civic flag raising ceremonies were also conducted during the year to recognise the diverse communities that make up the City of Parramatta.

In March 2018 Council delivered its inaugural Multicultural Community Leaders Reception. Hosted by the Lord Mayor on the opening night of the 2018 Parramasala Festival, the reception brought together over 180 community leaders from diverse cultural backgrounds. The Parramasala Festival (9 to 11 March) attracted 30,000 attendees over a three-day festival program, saw over 40 nationalities participate in the program and opening night parade, and was delivered under the new theme 'Many Cultures. One Sydney'. In April 2018, Council hosted the second City of Parramatta International Student Welcome event at Riverside Theatres that attracted over 100 recently arrived international students studying or residing in the City of Parramatta.

Food continues to feature strongly in the City's cultural events and festivals program through the weekly Farmer's Market in Centenary Square and as a core offering of signature festivals such as the 2017 Parramatta Lanes Festival which celebrates food, art and music each October attracting an audience of 100,000 over four nights.



Goal 3: Ideas and imagination are the heartbeat of our City

During the year Council participated in a steering committee for the development of a confidential business case to inform the feasibility options for a redeveloped Riverside Theatres.

Support for local artists through cultural production and professional development, and arts industry best practice leadership continue to be delivered and recognised through the Parramatta Artists Studios. The 2017/18 Studios residency program hosted 13 annual artist residencies as well as an engaging annual public program of talks and forums, studio visits and artist exchanges, the Future Artists Club family school holiday program, and community partnership programs with local artists and cultural partner organisations. In November 2017, the Parramatta Artists Studios was recognised for excellence through being shortlisted as a finalist in the Community Engagement category in the 2017 NSW Museums and Galleries IMAGinE Awards, for the *Adorned* project.

Planning also commenced to secure premises for the satellite Artists Studios pilot project to be located outside the Parramatta CBD. Funded through the NSW Strong Communities Fund program, the satellite studios will offer additional studio residency space for artistic production in 2018 to meet the increasing demand for creative production space in Western Sydney.

Council supported the creative community through assisting securement of a permanent home for WestWords, Western Sydney's leading literary organisation, in North Parramatta.

Throughout the year community consultation continued in relation to the future delivery of public art and heritage interpretation for city significant projects such as the Parramatta Square public domain and Council's new civic building on Parramatta Square.

Goal 4: By design, our City incubates creativity, industry and new knowledge

Throughout the year the NSW Government and the Museum of Applied Arts and Sciences (MAAS) continued to progress planning for the future MAAS Parramatta museum. Council's commitment to screen culture continued with the delivery of the second Tropfest 2018 film festival to a growing audience in The Crescent at Parramatta Park in February 2018. The City of Parramatta continues to receive an increasing number of location filming requests with the City playing host to feature films, television series, commercial advertising and educational film shoots.

In 2017 Council was selected as one of a small number of Council's nationally to participate in a pilot program with the Cultural Development Network to develop a framework and evaluation toolkit to measure cultural outcomes from the City of Parramatta's arts and cultural programs and projects.

2017/18 saw a diverse range of significant achievements aligned with the City's Cultural Plan and the City's ambition to position culture as a key driver of enhanced liveability for City of Parramatta residents and authentic and meaningful arts and cultural experiences for City workers and City visitors. These achievements assist in positioning the City of Parramatta as a place where people truly want to be.

Did you know?

- In 2017/18 Council directly delivered nine events and festivals to an audience of 382,000 as well as three significant partnership festivals - 2018 Sydney Festival Parramatta program, the 27thTropfest film festival, and the 2018 Parramasala Festival - to an additional audience of 89,000.
- The total economic impact from the annual events and festivals program is estimated at \$18.84million.
- The total publicity value of the annual events program is estimated at \$20 - \$23million and an audience reach of 22 to 26 million across all media channels.





04

Lead

Accountable to our communities.

An agile, listening and transparent Council working in partnership and providing great services now and into the future.

Community Priorities

- Building a Stronger, more innovative Council for our community's future
- Having a Community Focus

Community Outcome

Council has maintained its strong reputation as an effective, efficient, ethical and transparent organisation through good governance, sound financial management and strong community leadership. Council operates in accordance with its values, sound business practices and a comprehensive understanding of community needs and aspirations. The community has confidence and trust in the elected representatives and considers the organisation to be ethical, sustainable, responsible and efficient.

Business Units

- Chief Executive's Office
- City Strategy Unit & Future City
- Customer Contact Centre
- Governance & Risk
- Finance Services
- Project Management Office
- Information Technology (IT)
- Human Resources
- Legal Services
- Media & Communications

Services delivered

- Strategic direction and decision making
- Administrative support
- Strategic planning
- Smart City
- Customer information and services
- Project portfolio management
- Quality assurance
- Continual business improvement
- Integrated Planning and Reporting
- Risk management

- Internal audit
- Financial reporting and control
- Rates management,
- Procurement
- Insurance management
- Legal
- Payroll
- Employee relations
- Recruitment and business partnering
- Learning and development
- Workplace Health and Safety (WHS)
- Communications planning and delivery
- Media relations
- Public relations
- Internal communications
- Technical solutions
- IT support, and business engagement
- Information and records management



Leading Spend



\$54.3m



\$47.3m

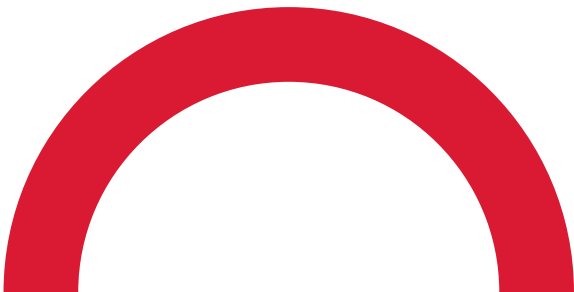
ining



\$4.4m



\$7.5m





Highlights

Community Engagement

The City of Parramatta strives for best-practice community and stakeholder engagement and consultation. Our over-arching goal is to involve, engage, listen and be transparent with all of our communities when formulating any policies, programs or activities other than routine administrative matters.

We have developed nine principles to guide and shape our approach to community and stakeholder engagement and these are embodied in our Community Engagement Strategy:

1. Building Relationships - we act in an honest open and respectful way at all times to build strong relationships, partnerships and trust with our stakeholders.
2. Right to Be Involved - we believe that our stakeholders have a right to be involved in decisions that affect them.
3. Clarity of Purpose - we are clear on why, how and about what we are engaging with our stakeholders.
4. Accessible and Inclusive - we provide a range of engagement activities to ensure that the broadest possible range of stakeholders have the opportunity to participate.
5. Timely - we engage in the early stage of our projects and provide sufficient time for stakeholders to provide input.
6. Tailored - we use a range of engagement and communication methods that suit the purpose of engagement and the range of stakeholders involved.
7. Coordinated - we collaborate across Council to ensure our engagement activities are coordinated.

8. Transparent - we make our decisions in an open and transparent way. We provide feedback to our stakeholders explaining our decisions and letting them know how their input has influenced the outcome.
9. Learning from Practice - we evaluate our engagement activities and learn from the feedback that you provide to us.

Planning for the future

During 2017/18, City of Parramatta undertook extensive engagement across the local government area (LGA) to develop a Community Strategic Plan, Delivery Program and Operational Plan. Engagement also contributed to shaping associated Integrated Planning and Reporting (IP&R) documents such as the Asset Management Strategy. Feedback from stakeholders was sought at key stages to help shape the planning documents.

Key stages:

- Phase One - Defining our challenges, opportunities and confirming priorities
- Phase Two (a) - Identifying our goals and strategies
- Phase Two (b) - Defining our asset management service levels
- Phase Three - Public Exhibition of the IP&R suite of documents

Diverse stakeholders encompassing community members, all levels of government, business, arts, academia and community services worked together to establish strategic goals and objectives, along with clear priorities for action in our City. The engagement process built not only awareness of good governance in decision-making but also the capacity for critical thinking. It enabled the collaborative development of solutions to the challenges facing the City of Parramatta during a period of transformation and growth.

To ensure Council, stakeholders and the local community were informed about City of Parramatta's new Community Strategic Plan, Delivery Program and Operational Plan, a range of communication tools and techniques were used to promote the project and seek feedback.

Over 18 months, Council raised awareness of the planning process and encouraged participation through a number of platforms, activities and channels. The process facilitated open discussions and encouraged all participants to share their views. Collectively, insights and opinions were used to create a comprehensive understanding of the opportunities open to the City of Parramatta in its future as well as to identify challenges facing the community, stakeholders and other affected parties.

The Community Strategic Plan (CSP) or Butbutt Yura Barra Ngurra, identifies the main priorities and aspirations of the City's community and sets out strategies to address these over the next 20 years. The name Butbutt Yura Barra Ngurra means 'the heart of the people of eel country' in the Darug language.

The Delivery Program 2018-2021 sets out the principal activities that Council will undertake in the current Council term to meet the aspirations detailed in the Community Strategic Plan. The Operational Plan 2018/19 incorporates the many actions Council will undertake in the financial year, includes an overview of the responsible Council business unit, and details how the delivery of these actions will be measured.

You can read the full community engagement report, and view the final plans, on our website.

Service Excellence

What is the Service Excellence program?

Council launched the Service Excellence program in early 2018 to drive continuous improvement and cross-functional innovation across Council's services.

The Service Excellence team was established in Council's Project Management Office with two key functions:

1. To oversee and support **Service Reviews**, where teams have the space and resources to identify improvements to their services, processes, and technologies. Improvements are prioritised based on those that bring the greatest improvements to customer service.
2. To help staff bring their ideas to life via **Innovation Central**. This is like a modern "suggestion box", but with a formal framework to triage and approve staff ideas, before providing the support to bring ideas to life. Ideas are promoted which support better customer experience and smart business improvements.

The Service Excellence team's work is underpinned by an Improvement Framework, comprised of best practice tools and methodologies, robust operating structures, systems and governance.

The goals of Service Excellence are for Council to:

- be a more customer-centric organisation
- deliver exceptional customer experiences and outcomes
- perform regular and consistent reviews of our services
- engage, enable and empower our people to deliver improved services
- improve cross-functional, team collaboration and digitisation
- drive tangible value and benefits for our customers and the community
- be a best in class council

2017/18 marked the start of the Service Excellence journey and a new way of implementing business improvement at Council. The team has received enquiries from our colleagues at other councils on our approach to continuous improvement and we have been delighted to share our knowledge.

Service Review successes

From February to July 2018, Council conducted six Service Reviews and identified the following improvements:

- **Buildings & Facilities Maintenance:** this team maintains over 120 Council assets such as libraries, child care centres and community halls, which are used by the community and staff every day. The review identified an improved asset register; more tightly integrated internal systems and building maintenance forms; and enhancements to customer communication.
- **Community Care, Over 55s Services:** this area is undergoing significant change due to proposed Federal Government funding changes in mid-2019. The review identified a new operating model and an improved ticketing and payment process for customers.
- **Customer Contact Centre:** this is Council's primary point of contact for public enquiries. The review identified improvements to taking customer payments over the phone and improving staff knowledge sharing.
- **Development Assessment:** Council processes thousands of Development Assessments (DAs) every year. The review identified improving DA processing times by creating a dashboard for staff, and a new submissions portal for customers.



- **Human Resources:** the review identified a new operating model for recruiting staff and the need for improved internal resources to enhance the recruitment process.
- **Printing Services:** the review reaffirmed the need for this key internal service and identified service improvements such as replacing printers to increase productivity and efficiency, and diversifying service offerings to meet staff needs.

These improvements will be delivered throughout 2018/19 by the respective Business Units.



Innovation Central

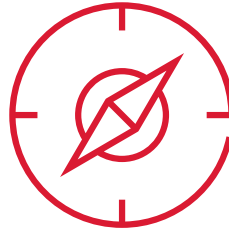
Innovation Central captured over 30 ideas for improvement from staff. At present, 4 ideas have been implemented and delivered, with more in the pipeline.

OUR IMPROVEMENT FRAMEWORK



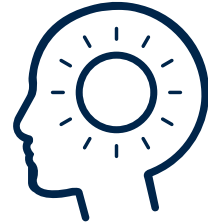
DEFINE

Objectives & Plan



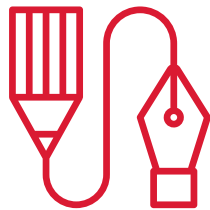
DISCOVER

Define as-is state baseline performance



DREAM

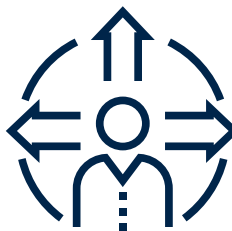
Describe ideal state
Describe to-be state



DESIGN

Identify Improvements:

- Customers / Staff
- Business / Services
- Processes
- Technologies



DECIDE

- Prioritise Improvements
- Endorse Improvements



DELIVER

- Deliver Improvements
- Bring Ideas to life



Strong governance

The Internal Ombudsman Shared Service (IOSS) with City of Parramatta, Cumberland and Inner West Councils commenced on 25 September 2017.

As detailed in the Internal Ombudsman Shared Service Governance Charter, the IOSS "provides residents, community members, ratepayers, local businesses, staff, Councillors and other Council stakeholders with an 'independent ear'". The establishment of the IOSS reflects the three Councils' commitment to operate to a high standard of ethical conduct and decision-making; administrative conduct and procedures; and, to strive for a corruption free organisation. All operations of the IOSS are underpinned by the principles of procedural fairness, impartiality, accountability and transparency.

The work of the IOSS encompasses the "Triple Governance Track" based on a tripartite model of: **prevention**, including policy review and development; **education**, including the development and delivery of training; and, the **investigation** of complaints within jurisdiction including about administrative conduct, unethical behaviour by Council, corrupt conduct, misconduct, or maladministration. If a complaint is found to have been sustained, the Internal Ombudsman may make recommendations for appropriate action. Each member Council contributes equally to the resourcing and facilitation of the IOSS. Information about the IOSS is found on each Council's website.

Activities of the Internal Ombudsman Shared Service for City of Parramatta Council 25 September 2017 to 30 June 2018



Total activities = 31

- Complaints – 19 (61%)
- Advice – 7 (23%)
- Policy Review and Development – 2 (6%)
- Training and Education Programs – 3 (10%)

Parramatta Light Rail

Council has continued to work closely with NSW Government to ensure the best possible outcomes for the community as a result of the new light rail.

Council made a submission on the Environmental Impact Statement (EIS) for the Parramatta Light Rail. The submission on Stage 1 acknowledges the many environmental, social and economic benefits light rail will deliver for the Greater Parramatta area. These include:

- Significantly improving public transport options and connectivity
- Supporting strong growth projections
- Connecting major employment centres and activity nodes
- Connecting existing and new residential communities
- Being the first stage of a new light rail 'network' centred around Parramatta CBD
- Improving the public domain

The NSW Government has announced a second stage of the Parramatta Light Rail with the nine kilometre preferred route to extend from Carter Street, Lidcombe through Sydney Olympic Park and Wentworth Point before crossing the Parramatta River to Melrose Park, Ermington, Rydalmere and Camellia.

Smart City

City of Parramatta is committed to revitalising the City as a vibrant and increasingly cosmopolitan place to live and work.

Our vision for Parramatta to be a Smart City leverages the foundations of good urban planning, transparent governance, open data and enabling technologies. In 2017/18 we continued implementation of the Smart City Masterplan for Parramatta with the assistance of our Smart City Advisory Committee.

A significant achievement was FloodSmart Parramatta, a new service for the Upper Parramatta River. It aims to provide the community, individuals and business owners with vital information to understand flood risk in the area.

The City of Parramatta is prone to flash floods and FloodSmart Parramatta has been created to help protect homes and businesses that could be affected in a flood. Flash flooding is flooding that occurs very quickly and can lead to rapid rises in water level. Large floods are rare, but even small floods can cause damage and disruption.

Asbestos management

Council continued to work closely with the Heads of Asbestos Authority (HACA) Working Committee and the Environmental Protection Authority (EPA) to investigate, test, review and manage asbestos contamination issues on both private and public lands.

Testing programs funded by the State Government have continued to determine the extent and type of contamination and subsequent implementation of remediation and containment strategies to remove contamination pathways.

Council will continue to work with the EPA and HACA in the new financial year to help resolve Asbestos Related Contamination issues with the assistance of the NSW Government.





Land use planning

Council established a dedicated team to deliver a consolidated land use planning framework for the new City of Parramatta local government area (LGA).

This team completed a review of the suite of land use plans applying in the area to identify issues and inconsistencies. Work progressed identifying recommended responses to these issues, and these will form the basis of the new plans. Initial consultation on draft proposals is anticipated within the next 12 months.

Other outcomes achieved during the past year include:

- Amendments to the tree protection controls within the Hornsby Development Control Plan (DCP) to align them with the level of protection in the Parramatta DCP were adopted by Council in February 2018.
- New development contributions plans covering Epping town centre and land formerly in the Hornsby LGA were adopted by Council in November 2017.

In 2017/18 a total of 19 planning proposals were lodged with Council and 14 planning proposals were submitted to the Department of Planning and Environment (DPE) for Gateway determination.

The planning proposals principally seek to deliver more housing and employment to the City. A number of these planning proposals include properties within the Parramatta CBD, however planning proposals within areas outside of the CBD including Granville, Carlingford, Rydalmere and Melrose Park have also been considered. During this period a further 13 planning proposals received a Gateway determination from the DPE and six planning proposals were finalised (gazetted).

Resourcing our plans

In 2017/18 Council developed a Resourcing Strategy proposing a range of initiatives to address resourcing challenges over the next ten years. The Strategy provides a roadmap to meet our City's changing needs in the most affordable way. Council cannot afford to do everything, nor can it afford to undertake everything immediately. We must prioritise the most urgent and important activities, and undertake a phased approach to delivering programs and projects where necessary.

This Resourcing Strategy summarises Council's response to how we will prioritise and allocate the resources necessary to deliver the vision, priorities and aspirations of our community, as articulated in the Community Strategic Plan 2018-2038, all while ensuring financial sustainability.

Our assets

Different assets present different challenges in terms of maintenance, risks and life cycle management. As assets age and deteriorate, the cost of maintaining them increases. All assets are managed according to Council's Asset Management Policy, which aims to deliver the levels of service required by our community, now and in the future, in a cost effective and sustainable manner.

The formation of City of Parramatta Council following the May 2016 proclamation resulted in a larger local government area with a larger number of assets (or asset portfolio). Areas from The Hills, Hornsby and the former Auburn and Holroyd councils (now Cumberland) now form part of our City, and Woodville Ward now forms part of Cumberland Council.

Because of these changes, the Parramatta local government area (LGA) increased from 61 km² to 84 km² and resulted in an asset portfolio totalling \$3.07 billion as at 30th June 2017.

Council's asset portfolio includes roads, pathways, bridges, buildings, drainage, land, parks, swimming pools and sportsgrounds. Our City is growing, and Council is delivering several major new assets, currently under-construction or in planning, to support this growth.

City of Parramatta's current combined infrastructure backlog is estimated to be \$57 million, or a backlog ratio of 3%, slightly above the industry benchmark

of 2%. If existing conditions remain the same, the backlog is projected to increase over the next ten years.

Council is committed to addressing the infrastructure backlog and ensuring the community has the footpaths, parks, playgrounds, roads, community halls, sporting fields, and other key assets it needs.

Our finances

Financial planning supports the delivery and realisation of Council's vision, while ensuring Council's continued financial sustainability. The Long Term Financial Plan addresses challenging questions, such as:

- *How financially resilient are we in the face of uncertainty?*
- *Can we afford what the community is asking for?*
- *What are the opportunities for new revenue and economic growth?*
- *How do we effectively phase delivery of activities over time?*

In addition to 'business as usual' services, Council is delivering several significant projects. Reflected in our financial planning, these projects respond to the needs of our growing and diverse population. While Council anticipates these projects will benefit the community significantly, they come with a substantial financial investment which must be carefully managed.

Our workforce

The extraordinary growth in our City will be both challenging and rewarding. In order to meet these challenges and capitalise on opportunities, we must have the right workforce in place with the required skills and capabilities. This will ensure that we continue to maintain and enhance the quality of life of our community.

Key trends and emerging challenges we have considered while developing the Workforce Strategy include:

- an increase in resident population
- difficulty attracting and retaining in-demand skills, and therefore experiencing skills shortages
- knowledge loss when employees resign or retire
- increasing workloads
- work-life balance for employees and
- improving Council's capacity for change

Awards

In 2017/18 City of Parramatta was privileged to receive the following

Award received	Short summary of award	Name of body making the award
Winner – Sustainable Systems Award Highly Commended – Climate Action Award	Climate Resilient Parramatta included projects that reduce emissions, mitigate climate risks and build the community's capacity to adapt to climate change impacts such as extreme heat. The programs were jointly delivered by the Sustainability and Waste team and the Environmental Outcomes team.	Keep NSW Beautiful LGNSW
Highly Commended - Natural Environment Protection & Enhancement: On-Ground Works	Get the Site Right blitz - The NSW Environment Protection Authority, Department of Planning and Environment, and 11 councils including City of Parramatta joined forces for a soil and erosion control blitz at construction sites around Parramatta River.	LGNSW
Highly commended Award	FloodSmart Parramatta Category: Best local Government Initiative	Smart City Gala Awards
Development Supported by Infrastructure Award	CBD Infrastructure Funding Strategy	Greater Sydney Planning Awards
Commendation	Parramatta Ways Great Place to Live Category	Greater Sydney Planning Awards
Shortlisted for Australian Urban Design Awards	Parramatta Ways Walking Strategy Leadership, advocacy and research Local and Neighbourhood scale	Australian Urban Design Awards
Shortlisted for Australian Urban Design Awards	Parramatta Light Rail Stage 2 Environment Impact Statement. Leadership, advocacy and research – city and regional scale category	Australian Urban Design Awards
Certificate of Commendation	Project Team of the Year	Greater Sydney Planning Awards 2017
Commendation	Best Planning Ideas – Large Project Award – Project – Telopea Urban Renewal Master Planning Project	2017 Awards for Planning Excellence PIA
2017 NSW Awards for Planning Excellence -Best Public Engagement & Community Planning	Awarded to: Cred Consulting and City of Parramatta Project: Embedding young people in Council's Planning and Engagement Processes (2017 Paint Your Parra Youth Forum and Needs Analysis of Young People in the Parramatta CBD)	Planning Institute of Australia NSW
2018 National Awards for Planning Excellence -Best Public Engagement & Community Planning	Awarded to: Cred Consulting and City of Parramatta Project: Embedding young people in Council's Planning and Engagement Processes (2017 Paint Your Parra Youth Forum and Needs Analysis of Young People in the Parramatta CBD) Full citation: https://www.planning.org.au/awards/Embedding-young-people-in-Councils-Planning-and-Engagement-Processes	Planning Institute of Australia NSW
















Vision scorecard



Liveable, Sustainable, Productive and Leading

The below targets and measures were used in 2017/18 as a community 'dashboard'. It provides us with a snap shot of some high level results for the year. Full results are available from Council's website under Quarterly Reports.

- Green – we met all our targets or we are well on track to achieve
- Amber – we missed our targets this time but we are on track to achieve
- Red – we missed our targets but measures are in place to improve our results

Theme	Target	Goal	Q1	Q2	Q3	Q4	Status
Liveable	Decreasing trend in the percentage of fines and warnings issued compared to hours officers spent on parking compliance enforcement	Reduce the amount of unlawful activity related to building compliance, food health safety, and parking.	64.0%	51%	46%	11%	●
Liveable	Decreasing trend in the percentage of fines and warnings issued compared to hours officers spent on food health safety compliance enforcement	Reduce the amount of unlawful activity related to building compliance, food health safety, and parking.	4.2%	3.8%	7.2%	Results not available	●
Liveable	Decreasing trend in the percentage of fines and warnings issued compared to hours officers spent on building compliance enforcement	Reduce the amount of unlawful activity related to building compliance, food health safety, and parking.	30.8%	14.8%	12.4%	12.4%	●
Liveable	Increase the number of participants in Council's seniors, health and sporting promotion activities by 10%	Improve the social connectedness and the physical and mental health of community members.	Benchmark to be established – positive indicative trends	Benchmark to be established – positive indicative trends	Benchmark to be established – positive indicative trends	Benchmark to be established – positive indicative trends	●
Liveable	Increase usage of library services through 10% increase in visits and 5% increase in loans	Enhance lifelong learning, to promote cultural enrichment, to value diversity and inclusion and to increase digital access and skills.	+25% visits +45% loans	Available Q4	Available Q4	+20% visits +4% loans	●
Liveable	Utilisation of council child care centres at 93% or above	Maintain the high standards of early years development services being provided and to ensure that enough spaces are made available to vulnerable families and children across the network.	96%	96%	90%	96%	●

Theme	Target	Goal	Q1	Q2	Q3	Q4	Status
Sustainable	Increase percentage of houses and dual occupancy applications approved within 40 days by 100% over 2016/17	Reduce the time for approval of development applications for houses and dual occupancy developments	-5%	-5%	80%	Results not available	
Sustainable	Respond to 95% of service requests regarding waste services within 48 hours	Respond to customer requests in a timely and efficient manner.	93%	50.2%	87%	85%	
Sustainable	More than 70% of waste is diverted from landfill	Reduce waste to landfill.	71.4%	71.4%	66%	72%	
Productive	Increasing trend in community engagement through 'Our City, Your Say' membership	Increase community engagement in Council's decision making process	+900	+200	+500	+26	
Productive	Increasing trend in community engagement through additional survey responses	Increase community engagement in Council's decision making process on 2016/17	>8500	>3217	>6000	Results not available	
Productive	Increased attendance, increased satisfaction with Riverside Theatre programs and shows	Increase participation in Council's cultural events, festivals, and activities	-3%	+7%	+11%	+51%	
Productive	Increased attendance, increased satisfaction with Council's major events	Increase participation in Council's cultural events, festivals, and activities on 2016/17	+11%	+9%	+13%	+8%	
Leading	1% greater than the UBSA Bank Bill Index	Maintain the security of Council's investments	3.13%	3.19%	3.05%	3.14%	
Leading	100% compliance with statutory and council requirements of the management of financial investments	Maintain the security of Council's investments	100%	100%	100%	100%	
Leading	All six performance indicators above industry standards	Monitor and measure our performance indicators against industry standards and ensure that variances are detected & addressed.	5 of 6	6 of 6	6 of 6	6 of 6	
Leading	Capital and operating expenditure is no more than the adopted budget for the quarter	Measure spend in dollars, providing an explicit figure and a strong message of fiscal responsibility	Operating expenditure 6.7% below budget Capital expenditure 49.3% below budget	Operating expenditure 6% below budget Capital expenditure 36% below budget	Operating expenditure 3% below budget Capital expenditure 39% below budget	Operating expenditure 0.1% below budget Capital expenditure 23.1% below budget	

Theme	Target	Goal	Q1	Q2	Q3	Q4	Status
Leading	Project expenditure variances of less than 10%	Measure spend in dollars, providing an explicit figure and a strong message of fiscal responsibility pertaining to capital projects	2 of 157	15 of 174	33 of 172	67 of 174	
Leading	All five customer satisfaction goals met 1. 80% of calls answered within 20 seconds 2. 85% of queries resolved at first point of contact 3. 92% of web chats addressed in real time 4. 0.25% of customers making formal complaints about face to face services 5. 80% of face to face customers served within 5 minutes	Maintain customer satisfaction with Council's customer contact centre services	5 of 5	4 of 5	4 of 5	4 of 5	







Part — 02

Statutory Reporting —





Particulars of any environmental upgrade agreements entered into by council

Council did not enter into any Environmental Upgrade Agreements during the 2017/2018 reporting period.

Summary of activities funded via a special rate variation of general income

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.

Project	Actual
Open Space Special Rates	\$3,075,331
Cemeteries and Memorials Program	\$43,898
Sportsground Capital Improvement Program	\$368,744
Playground Replacement Program	\$516,742
Parks Program	\$90,477
Public Trees Program	\$384,570
Walking Track Construction	\$146,096
Restoration of Natural Areas	\$719,469
Bushland Resources Management	\$695,381
Protection of Aboriginal Heritage & Cultural Sites	\$29,997
Demolition Works in Parramatta & Telopea	\$25,138
Threatened Species Management	\$50,095
Park Signage Replacement Program	\$4,726
Economic Development Special Rates	\$712,336
Economic Development – Branding and Communications	\$109,341
Economic Development – Business Attraction and Industry Development	\$84,659
Economic Development – City Culture and Liveability	\$76,605
Economic Development – Infrastructure	\$35,073
Economic Development – Regional Leadership, Advocacy & Governance	\$211,807
Economic Development – Research	\$83,500
Economic Development – Workforce and Skills	\$111,350
Suburban and CBD Infrastructure Special Rates	\$2,121,532
Lonely Lane Artwork	\$118,643
Foreshore Stairs	\$1,503
St Johns Cathedral Feature Lighting Treatment	\$39,009
Prince Alfred Square Power Upgrade	\$187,121
Southern Precinct Renewal Project	\$132,575
Phillip Street Smart Street Design	\$58,023
Erby Place Pocket Park Lighting Upgrade	\$27,233
Protecting Dams Capital Works Program	\$101,989
Beat the Heat	\$117,580
Waterways Litter Removal	\$84,602
Sustainable Water Program	\$71,204
Environmental Education Program to Encourage Sustainability	\$55,490
Waterways and Bushland Rehabilitation Fauna Study	\$74,947
Contaminated Land Management in Public Parks and Land	\$345,462
Catchment Management Program of Environmental Audit & Building	\$26,676
Parramatta Ways	\$280,244
Grand Total	\$5,909,199

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.

Amount of rates and charges written off during the year 2017/18

	Type	Amount
Written-off under s575 LGA 1993	Mandatory Pensioner Rebate	\$941,797
Written-off under s582 LGA 1993	Voluntary Pensioner Rebate	\$620,113
Written-off under s595 LGA 1993	Postponed Rates Write-off	\$23,399
Written-off under s607 LGA 1993	Small Balances	\$2
Total		\$1,585,311

Details of overseas visits by councillors, council staff or other persons representing council (including visits sponsored by other organisations)

	Expenditure	Total
No overseas visits were undertaken by Councillors or the Administrator while representing Council.		
Community Place Development Officer – Attended the Inclusive City Making Program at the Lee Kuan Yew School of Public Policy at the National University of Singapore from February 5 to 9 2018. This executive course purpose was to seed progressive, long-term thinking on city planning and development, which takes into account the spirit and "heart-ware" of the city – in exploring innovations and strategies for tapping the power of stakeholders from all walks of life to foster urban excellence. Officer covered airfares and all other expenses.	Course Registration AUD\$1,519	\$1,519
	International Transaction Fee AUD\$38	\$38
Total Overseas Visits		\$1,557

Total costs incurred during the year of the payment of expenses of, and the provision of facilities to, councillors in relation to their civic functions

Accounts	17/18 Spend
Advertising	\$175,678
Catering – Council Meetings	\$809
Catering – General	\$9,322
Conferences and Training	\$114,744
Consultants	\$47,550
Councillors Accommodation	\$2,051
Councillors Facilities	\$1,543
Councillors Travel	\$9,351
Donations and Contributions to Local and Regulatory Bodies	\$5,500
Former Councillors Representative Committee	\$36,733
ICT Expenses	\$38,841
Other Expenses	\$36,441
Stationery	\$7,001
Support Staff	\$767,341
Lord Mayor and Councillors Fees	\$464,197
Vehicles provided to Administrator, Councillors and Mayor	\$17,289
Total	\$1,734,391





Details of contracts awarded for amounts greater than \$150,000

Contractor	Description	Actual
Suez Environment Recycling and Waste Recovery	Recycling and waste collection contract costs.	\$11,923,473
Haslin Constructions Pty Ltd	Contractor engaged for West Epping Park upgrade.	\$6,983,618
Bernipave Pty Ltd	Contractor engaged in footpath & asphalt works and repairs.	\$6,441,515
Sita Environmental Solutions (Suez)	Recycling and waste collection contract costs.	\$4,124,710
Downer Edi Works Pty Ltd	Asphalt supply contractor.	\$3,262,901
Kk Civil Engineering	Contractor engaged for Toongabbie Centre upgrade and other various kerb & gutter works.	\$2,954,124
Antoun Civil Engineering (Aust) Pty Ltd	Contractor engaged in works for Peter Parade levee remediation.	\$2,723,843
Cleanaway Pty Ltd	Recycling and waste collection contract costs.	\$2,823,429
Secure Parking Pty Ltd	Multi-level carpark contract.	\$2,093,379
Dracon Civil Pty Ltd	Contractor engaged in road works including kerb & gutter, footpaths and drainage.	\$1,752,984
Kellyville Building Pty Ltd	Contractor costs for North Rocks Preschool construction.	\$1,294,656
Sam The Paving Man	Contractor completing pavement/footpath repairs.	\$1,255,443
Dial A Dump Industries Pty Ltd	Waste tipping & disposal fees.	\$1,202,111
Roseville Plumbing	Plumbing works contractor.	\$1,055,750
Decc Pty Ltd	Demolition & Excavation works on 5 Parramatta Square.	\$1,054,118
Designinc Sydney Pty Ltd	Architects Fees for 5 Parramatta Square.	\$963,571
Argyle Electrical Contractors Pty Ltd	Electrical works contractor.	\$822,962
Cardno (NSW/Act) Pty Ltd	Consultancy Services for River Flood Study & Escarpment Boardwalk.	\$812,923
Progroup Management Pty Ltd	Building works & repairs contractor.	\$786,971
Bushland Management Solutions Pty Ltd	Bush regeneration services e.g. council reserves/parks.	\$773,680
Independent Locksmiths	Locksmith repairs and installation (council contract).	\$765,771
Sydney Civil Pty Ltd	Contractor completing works for traffic control upgrade at Hassall St intersection.	\$690,256
Academy Services Pty Ltd	Cleaning of council owned properties.	\$671,090
O.C. Civil Pty Ltd	Contractor engaged in Bells Rd Neighbourhood Centre upgrade.	\$645,808
Crystal Pools Pty Ltd	Contractor engaged in Macarthur Girls Pool upgrade and other various works at Epping Aquatic Centre.	\$625,296
World Concrete Company Pty Ltd	Supply & Installation of concrete e.g. footpaths.	\$605,572
Richez Associes	Consultancy Fees for Parramatta Light Rail.	\$565,500
Sj Hensby & Sons Concrete Maintenance Pty Ltd	Concrete Pavement works	\$530,902
Complete Linemarking Services Pty Limited	Line marking on Council streets contractor.	\$483,823
Celtic Civil Pty Ltd	Stormwater drainage work contractor.	\$461,057
Business Security & Management Solutions Pty Ltd	Security for Council buildings contractor.	\$460,189
Mini-Crete Pty Ltd	Concrete supply for roadworks/footpaths.	\$454,830



Contractor	Description	Actual
Asphalt Laying Services Pty Limited	Asphalt supply for roadworks/footpaths.	\$424,163
Asset Landscapes	Landscape works for Council reserves and parks.	\$415,600
Hirotec Maintenance Pty Ltd	Building works & repairs.	\$411,465
All Civil Solutions Group Pty Ltd	Kerb & gutter works/footpath remediation works.	\$383,383
Down Under Concreting Pty Ltd	Civil works for kerbs & gutters.	\$379,082
Royal Haskoning	Consultancy services for Parramatta Flood Information System.	\$375,028
Na Group Pty Ltd	Asphalt & Concrete works.	\$371,923
Court Craft Australia Pty Ltd	Construction works at Ermington Sports and Tennis Courts.	\$351,833
Niche Environment And Heritage Pty Ltd	Archaeological salvage works at Parramatta Square.	\$348,292
Stateline Asphalt Pty Ltd	Contractor engaged for the Westmead cycleway upgrade.	\$348,250
Bonacci Infrastructure Pty Ltd	Consultancy services for pedestrian & cycle bridge Parramatta River.	\$346,032
SNP Security	Security for Council buildings.	\$344,535
Benedict Recycling Pty Ltd	Tipping Fees - Waste Disposal.	\$325,023
Treeserve Pty Ltd	Tree removal services.	\$299,925
Walker Parramatta Square Developments Pty Limited	Construction works at Parramatta Square.	\$298,756
Moodie Outdoor Products Pty Ltd	Supply & Installation of products e.g. outdoor play equipment at Council sites.	\$285,558
James Mather Delaney Design Pty Ltd	Architectural design for North Rocks Precinct & Bennelong Parkway.	\$283,153
Sissons Architects	Design Fees for 5 Parramatta Square	\$269,580
Enterprise Landscapes And Civil Pty Ltd	Landscape works for Council reserves and parks.	\$258,476
Aver Pty Ltd	Project management fees for Parramatta Square.	\$258,128
Starryland Sydney Pty Ltd	Remediation costs for Morton Street Depot.	\$256,302
Plateau Tree Service Pty Ltd	Tree removal services.	\$247,923
Civeco Pty Ltd	Calder Rd Drainage works upgrade.	\$236,372
Total Drain Cleaning Services Pty Ltd	Cleaning of drains council wide.	\$222,811
Acron Building Services Pty Limited	Refurbishment of Winston Hills Scout Hall.	\$201,643
Total Earth Care Pty Ltd	Landscape works for Council reserves and parks.	\$192,155
Peter Pal Library Supplier	Purchase of books for all libraries.	\$191,032
Moduplay Commercial Systems	Supply and install playground equipment.	\$179,835
Dawson James Pty Ltd	Strategic Advice Fees for Parramatta Square.	\$174,025
Jattca Pty Limited	Project management fees for Parramatta Light Rail.	\$173,548
Inlandscape	Landscaping works at Lake Parramatta.	\$172,759
Casey & Lowe Pty Limited	Archaeological Archiving at 3 Parramatta Square.	\$170,400
Rockpave Civil Pty Ltd	Restoration Works Morton St.	\$164,637
Ezy-Pave Pty Ltd	Lawndale Neighbourhood Centre upgrade.	\$159,396
Grand Total		\$71,587,276





Summary of the amounts incurred by the council in relation to legal proceedings

Project	Actual
Legal Fees	\$2,485,304
Legal Expenses – Other including Court Expert Costs	\$1,698,908
Work in Progress – Legal Costs	\$244,361
Legal Cost Revenue – Rates	\$(178,861)
Legal Costs Recovered – Other	\$(108,684)
Grand Total	\$4,141,118

The table below summarises Land and Environment Court legal proceedings to which City of Parramatta Council has been a party during the period beginning on 1 July 2017 and ending on 30 June 2018.

Legal proceedings under insurance arrangements and legal proceedings related to worker's compensation and industrial relations matters are not captured in the following table.

Nature of legal proceedings	Description	Status of progress of proceedings (and if finalised) the result
Land and Environment Court – Class 1 Appeal – 17-21 Moseley Street Carlingford	Refusal of development application for demolition, tree removal and construction of a nine storey Residential Flat Building containing 42 units above 2 levels of basement car parking.	Appeal upheld
Land and Environment Court – Class 1 Appeal – 32-34 Station Street Dundas	Refusal of development application for demolition, tree removal and construction of a six storey Residential Flat Building containing 26 units above basement car parking.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 59-61 Moffatts Drive Dundas Valley	Refusal of development application for demolition of existing structures, tree removal and construction of 9 townhouses with associated basement parking and Strata subdivision.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 12-14 Bridge Street Epping	Refusal of development application for amalgamation of 12 and 14 Bridge Street, demolition and construction of an eight (8) storey mixed use development over three (3) levels of basement car parking. The proposed development is identified as Nominated Integrated Development under the provisions of the Water Management Act 2000.	Appeal upheld
Land and Environment Court – Class 1 Appeal – 116 Wigram Street Harris Park	S56AA appeal against Commissioner Dickson's decision to dismiss the appeal, seeking approval for demolition, site preparation works, and construction of an 8 storey shop top housing development comprising 2 ground floor retail/commercial units and 44 residential units above 3 levels of basement parking for 66 vehicles, and Strata subdivision. The proposal is defined as Nominated Integrated Development as approval is required under the Water Management Act 2000.	Appeal dismissed
Land and Environment Court – Class 1 Appeal – 10 Rumsey Crescent Dundas Valley	Refusal of development application for demolition and construction of a 2 storey attached dual occupancy development with Torrens title subdivision.	Appeal upheld
Land and Environment Court – Class 1 Appeal – 7/3 Sutherland Street Clyde	Application seeking Council pay the Applicant's 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.	Appeal dismissed



Nature of legal proceedings	Description	Status of progress of proceedings (and if finalised) the result
Land and Environment Court – Class 1 Appeal – 99-119a Macquarie Street Parramatta	Refusal of development application for a Stage 1 Development involving: - Demolition of all existing structures on the site at ground level; - 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, creation of a new building entrance and adaption of the existing place of public worship with ancillary community facilities and activities; 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 identified as Nominated Integrated Development for the purposes of the Heritage Act 1977 and the National Parks and Wildlife Act 1974. The application is to be determined by the Sydney West Central Planning Panel.	Appeal dismissed
Land and Environment Court – Class 1 Appeal – 2-6 Bold St & 80 -82 Cowper St Granville	Refusal of development application for consolidation of 5 allotments into 1, demolition of existing structures, construction of a 17 storey mixed use development including two retail tenancies and 92 residential units over basement car parking, with associated site works and landscaping.	Appeal discontinued
Land and Environment Court – Class 1 Appeal – 15 Cowper St Parramatta	Refusal of development application for demolition, tree removal and construction of a part 8, part 9 storey mixed use development continuing 13 residential apartments with retail and commercial premises at ground floor and three levels of basement car parking.	Appeal upheld
Land and Environment Court – Class 1 Appeal – 72A Murray Farm Rd Carlingford	Refusal of development application for the construction of two-storey dwelling and single storey secondary dwelling and associated works.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 128A Alfred Street & 40-46 Alice Street Harris Park	Refusal of development application for a section 82A review of the refusal of development application 925/2016 for the demolition of existing vacant building and construction of a 3 storey and recessed fourth storey Aged Care Centre comprising 90 residential care places, including 55 residential care beds, 19 dementia beds, 16 respite beds, plus basement parking for 39 vehicles and associated facilities.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 313 Kissing Point Road Dundas	Refusal of development application for demolition of existing single storey dwelling, tree removal and construction of a dual occupancy with Torrens title subdivision.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 12-22 Langston Place & Part of 10 Pembroke Street Epping	Appeal by Objector against Sydney West Joint Regional Planning Panel's decision to approve DA/468/2016 for the Construction of 3 mixed use towers (19, 24 and 29 storeys) comprising 463 residential units, 1681sqm of retail floor space and 4 basement levels containing space for 529 cars, 388 bicycles, 35 motorcycles, storage, refuse and servicing; public domain upgrades including 2-way vehicular lane between towers 2 and 3, pedestrian through-site links, and public open spaces; following demolition of existing building and car park.	Matter discontinued



Nature of legal proceedings	Description	Status of progress of proceedings (and if finalised) the result
Land and Environment Court – Class 1 Appeal – 8 Melville Street & 14 Gould Place Parramatta	Refusal of development application for consolidation of four lots, demolition of an existing dwelling house at No 14 Gould Place, stratum subdivision to create two lots, alterations and additions to a State Heritage Item (Macarthur House) including change of use from commercial to residential to create a dwelling house, landscaping, swimming pool, cabana, tennis court, driveways, enlargement of existing basement to accommodate a gymnasium, games room, amenities, home cinema and car parking accessed from Gould Place and construction of a attached dual occupancy development on proposed lot 2.	Ongoing
Land and Environment Court – Class 1 Appeal – 11-17 Shirley Street, Carlingford	Refusal of s96 modification application to amend development consent no. 152/2017. The modification includes the increase in unit numbers from 68 to 75, car parking spaces, change to unit mix, relocation of the waste room, changes to building footprint, materials and finishes, landscaping, rooftop terraces and stormwater.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 33-35 Cliff Road Epping	Refusal of development application for the demolition of existing structures, subdivision and construction of a five storey residential flat building above basement level parking.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 34 Boronia Avenue Epping	Refusal of development application for the demolition of existing structures and construction of a two storey building to serve as a day surgery facility with associated parking.	Appeal dismissed
Land and Environment Court – Class 1 Appeal – 79 Murray Farm Road Beecroft	Refusal of development application for the demolition of all existing structures and construction of nine (9) two storey townhouses (2x2 bedroom and 7 x 3 bedroom) with basement car parking under the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004.	Ongoing
Land and Environment Court – Class 1 Appeal – 27 Wandsworth Street Parramatta	Refusal of a building information certificate in respect of unauthorised additions to a residential dwelling and detached garage.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 11 Boundary Street Carlingford	Refusal of s96 modification application to amend the deferred commencement conditions of development consent no. 356/2017.	Appeal discontinued
Land and Environment Court – Class 1 Appeal – 32 Woodlands Road Baulkham Hills	Refusal of development application for the demolition of existing structures and construction of a two storey attached dual occupancy development with associated Torrens title subdivision.	Appeal discontinued
Land and Environment Court – Class 1 Appeal – 139 Good Street Rosehill	Refusal of s96AA modification application modify a Land and Environment Court approval for retention of an existing local heritage item and construction of a part three (3) and part four (4) storey Residential Apartment Development containing 2 x 1 bedroom units and 1 x 2-bedroom unit with on-grade car parking subject to conditions.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 42 Bellevue Street North Parramatta	Refusal of development application for the demolition of existing structures and construction of a part three (3) and part (4) storey residential flat building above basement level car parking under the State Environmental Planning Policy (Affordable Rental Housing) 2009.	Appeal discontinued

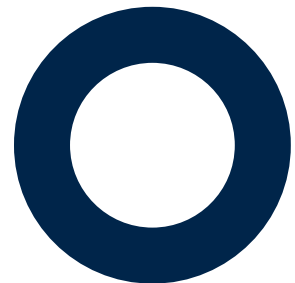


**Status of
progress of
proceedings
(and if
finalised) the
result**

Nature of legal proceedings	Description	Status of progress of proceedings (and if finalised) the result
Land and Environment Court – Class 1 Appeal – 2-6 Paul Place & 4 Tanderra Avenue Carlingford	Refusal of development application for demolition of all structures and construction of a five (5) storey Residential Flat Building.	Ongoing
Land and Environment Court – Class 1 Appeal – 1-5a Cliff Road Epping	Appeal to set aside an Order 2(a) and 15 issued by Council requiring the demolition of a sandstone landscape feature, integrated signage and fish pond, fencing along the northern boundary and signage on southern elevation.	Ongoing
Land and Environment Court – Class 1 Appeal – 39 Model Farms Road Winston Hills	Appeal against building information certificate for a carport structure erected without development consent.	Ongoing
Land and Environment Court – Class 1 Appeal – 72 Antione Street Rydalmere	Refusal of development application for change of use of the ground floor of an approved shop-top housing development from two (2) commercial units to a 22 place childcare centre.	Ongoing
Land and Environment Court – Class 1 Appeal – 51 Boronia Avenue Epping	Refusal of development application for the demolition of all structures and construction of a two storey attached dual occupancy development with Torrens title subdivision.	Appeal upheld – s34 Agreement
Land and Environment Court – Class 1 Appeal – 53-57 Railway Street Granville	Refusal of development application for demolition of existing structures, tree removal and construction of a part four (4) , part five (5) storey residential flat building containing 22 units over single level of basement parking, roof top communal open space, associated site works and landscaping.	Ongoing
Land and Environment Court – Class 1 Appeal – 1-5a Cliff Road Epping	Deemed Refusal of a Section 4.55 (1a) modification to modify development consent 625/2015 issued by Hornsby Council. The modification includes the use of as-built structures for signage along Cliff Rd and Carlingford Rd, fencing, installation of wall mounted signage including modification to conditions.	Ongoing
Land and Environment Court – Class 1 Appeal – 1-5a Cliff Road Epping	Deemed Refusal of a building information certificate for the construction of a water feature, metal fence, wall mounted sign on the southern boundary and stone block on which a signs are mounted without approval.	Ongoing
Land and Environment Court – Class 1 Appeal – 99-119A Macquarie Street Parramatta	S56AA appeal against Commissioner O'Neill's decision to dismiss the appeal, seeking approval for a Stage 1 Development involving: - Demolition of all existing structures on the site at ground level; - 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, creation of a new building entrance and adaption of the existing place of public worship with ancillary community facilities and activities; 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 identified as Nominated Integrated Development for the purposes of the Heritage Act 1977 and the National Parks and Wildlife Act 1974. The application is to be determined by the Sydney West Central Planning Panel.	Ongoing



Nature of legal proceedings	Description	Status of progress of proceedings (and if finalised) the result
Land and Environment Court – Class 1 Appeal – 11 Holden Avenue Epping	Appeal to set aside orders issued by Council made under Section 121B of the Environment Planning and Assessment Act for the demolition of the carport structure of 31.8 square metres, erected forward of a dwelling at 11 Holden Avenue, Epping.	Ongoing
Land and Environment Court – Class 1 Appeal – 24 Carnarvon Street Silverwater	Refusal of development application for alterations and additions to an existing two-storey commercial building with basement parking and change of use to a 96 place childcare centre.	Ongoing
Land and Environment Court – Class 1 Appeal – 6A Lansdowne Street Parramatta	Refusal of development application for the construction of a two-storey dwelling with detached double garage and 1.3m high front fence and gate.	Ongoing
Land and Environment Court – Class 1 Appeal – 12 Shirley Street Carlingford	Deemed refusal of development application for the demolition, tree removal and construction of a part 10, part 11 storey residential flat building over basement parking.	Ongoing
Land and Environment Court – Class 1 Appeal – 83 Gladstone Street North Parramatta	Refusal of development application for the demolition of existing structures and construction of a two-storey 45 place child care centre.	Ongoing





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.

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.

Organisation or Individuals	Amount
Community Events	
Council Of Indian Australians Inc.	\$10,000
Federation Of Indian Associations Of NSW	\$10,000
Stronger Communities Fund	
Epping P & C Association	\$50,000
Milk Crate Theatre	\$16,050
Ryde Family Support Service Inc	\$5,130
Shakti Migrant And Refugee Women's Support Group NSW	\$1,844
Sydney Story Factory Inc	\$36,463
Building Safe Communities For Women	
Acon Health Limited	\$5,000
Churches Of Christ Community Care	\$5,593
Friends Of Startts	\$4,567
Indian (Sub-Continent) Crisis & Support	\$5,847
Jesuit Refugee Service	\$6,000
Katherine Nelson	\$6,000
Roselea Soccer Club	\$6,000
Sydney Region Aboriginal Corporation	\$5,000
The Bower Re-Use And Repair Centre Co-Op	\$6,000
Young Change Agents Limited	\$6,000
Council Support	
Camp Lionheart	\$1,500
The Trustee For Biaggio Signorelli Asbestos Foundation Chari	\$3,500
Community Capacity Building	
Women's Community Shelters Limited	\$25,000
Community Place Development	
Christian Community Aid	\$1,500
Parramatta Actors Centre	\$1,500
YMCA Of Sydney	\$1,000



Organisation or Individuals	Amount
Community Grants	
Acon Health Limited	\$6,998
Addventagous	\$22,000
Adrian Langdon	\$359
Affordable Community Housing - Evolve	\$10,000
Asher Ooi	\$512
Audrey Nadaya-Hart	\$825
Auspicious Arts Projects Inc Business Ma	\$10,000
Australian Muslim Women's Association	\$2,000
Autism Community Network	\$10,000
Bankstown Youth Development Service Inco	\$3,200
Blind Sporting Association of NSW	\$2,000
Boronia Multicultural Services Inc.	\$1,295
Careflight	\$6,072
Carlingford Flames Netball Club	\$3,520
Charlie Elaro	\$135
Christian Community Aid	\$11,925
Christina Licciardi	\$625
Cumberland Womens Health Centre Inc	\$10,000
Deaf Netball Nsw	\$2,000
Dundas United Recreation Club Inc	\$1,952
Early Education Earlyed Incorporated	\$1,995
Emily Parsons-Lord	\$10,000
Emma Grant	\$582
Epping Bulls Junior Cricket Club	\$1,218
Fitted For Work	\$22,294
Flintwood Disability Services Ltd	\$2,000
Form Dance Projects Incorporated	\$20,000
Harris Park Community Centre	\$9,340
Harrison Knight	\$479
Indian Sub-Continent Crisis & Support	\$9,851
Information & Cultural Exchange	\$23,310
Jesuit Refugee Service	\$10,000
Kate Proctor	\$450
Kids Cottage Early Years Learning Centre	\$1,000
Lachlan Pereira	\$690
Leah Park	\$230
Lisa Robinson	\$866
Macquarie Community College	\$2,000
Matthew Hannah	\$1,000
Michael K Chin	\$10,000
Milla Elaro	\$131



Organisation or Individuals	Amount
Monique Brown	\$869
Natalie Watson	\$1,000
Nautanki Theatre Incorporated	\$12,870
North Rocks Carlingford Little Athletics	\$2,000
North Rocks Netball Club Inc.	\$1,956
NSW Government Schools	\$2,000
Open Local Ltd	\$4,747
Paddle Nsw Incorporated	\$1,968
Parramatta Mission	\$39,000
Playgroup NSW Inc	\$9,680
Police Citizens Youth Clubs NSW Ltd Par	\$1,995
Probus South Pacific Limited	\$1,280
Rachael Dunk	\$194
Robin Park	\$230
Roselea Soccer Club	\$5,000
Royal Rehab	\$2,000
Rydalmere Public School Parents Associat	\$5,000
Scout Association Nsw Branch	\$6,450
Sewa Australia Incorporated	\$1,950
Shared Reading Nsw Incorporated	\$2,000
Shiew Ling Jessica Chai	\$313
Survivors & Mates Support Network Limite	\$4,620
Sydney Bmx Club	\$8,565
Sydney Story Factory Inc	\$10,000
Sydney Westies Incorporated	\$1,918
Symphony For Life Foundation Limited	\$31,996
Taste Cultural Food Tours Incorporated	\$12,000
Telopea Family	\$1,500
The Bower Re-Use And Repair Centre Co-Op	\$2,000
The Hills Community Aid And Infoservice	\$10,000
The Trustee For Blacktown And Mount Druitt	\$5,000
The Trustee For Creating Chances Trust	\$20,000
The Westmead In	\$5,000
Top Blokes Foundation	\$10,000
Twenty-Ten	\$10,000
Valencia Stevis	\$902
Vaughan A Wozniak-O'connor	\$10,000
Veronica Robinson	\$513
Vivian Yung	\$440
Western Sydney Homeless Connect	\$5,000
Western Sydney University	\$15,000
Winston Hills Soccer And Sports Club	\$1,800



Organisation or Individuals	Amount
Facilities Bookings	
Parramatta City Band	\$15,525
Recreation Facilities And Programs	
Department Of Family And Community Services	\$7,261
Open Space Management	
Duncan Park Committee	\$364
Natural Resources Management	
Boronia Park Committee	\$400
Duncan Park Committee	\$400
James Hoskin Reserve Committee	\$400
John Irving Park Committee	\$400
Lake Parramatta Reserve Committee	\$400
Loftus Square Park Committee	\$400
Noller Park Committee	\$400
Trades And Buildings	
New South Wales State Emergency Service	\$27,083
Land Use	
A Beraccochen	\$3,300
AC & FC Leathem	\$3,300
B Huang	\$3,300
C Anderson. Beaumont Strata Management	\$3,000
C Turner	\$3,000
D Hudson	\$3,000
D Moore	\$1,414
Dr John Psarommatis	\$425
Fc Hui	\$3,300
Jin Yu Yan	\$2,125
K Kountouris	\$3,000
K Song	\$1,500
Karlene Hindmarsh	\$112
M Hardtke	\$1,838
Natalie Burstn	\$3,300
P Lennon	\$3,000
S Blewden	\$3,273
S Gray	\$1,375
Total	\$817,696



Statement of all external bodies that exercised functions delegated by council

The Independent Hearing and Assessment Panel (IHAP) was established by Council in August 2016. It was replaced on the 1 March 2018 by the Parramatta Local Planning Panel (PLPP); after the Minister for Planning mandated Local Planning Panels for the Greater Sydney Region and Wollongong. The creation of the PLPP is in accordance with section 2.17(2) of the *Environmental Planning and Assessment Act 1979*.

The PLPP is made up of the following 4 members:

- an approved independent person appointed as the chairperson of the panel with relevant expertise, and
- 2 other approved independent persons with relevant expertise, and
- a representative of the local community who is not a councillor or mayor.

Relevant expertise refers to expertise in at least one area of planning, architecture, heritage, the environment, urban design, economics, traffic and transport, law, engineering, tourism or government and public administration.

The processing and assessment of these applications is undertaken by the staff of the City of Parramatta Council. The PLPP assumes the functions of Council as a consent authority under Part 4 of the *Environmental Planning and Assessment Act 1979*. As per the Ministerial Direction issued under section 9.1 of the *Environmental Planning and Assessment Act 1979*, the PLPP determines the following applications:

1. Conflict of interest – development for which the applicant or land owner is:
 - a. the Council
 - b. a councillor
 - c. a member of staff who is principally involved in the exercise of council's functions under the *Environmental Planning and Assessment Act 1979*
 - d. a member of parliament (either the parliament of NSW or Parliament of the Commonwealth), or
 - e. a relative (within the meaning of the *Local Government Act 1993*) of a person referred to in (b) to (d)
 but not development for the following purposes which requires:
 - a. internal alterations and additions to any building that is not a heritage item
 - b. advertising signage
 - c. maintenance and restoration of a heritage item, or
 - d. minor building structures projecting from a building façade over public land (such as awnings, verandas, bay windows, flagpoles, pipes and services, and sun shading devices)
2. Contentious Development – development that:
 - a. in the case of a Council having an approved submissions policy – is the subject of the number of submissions set by that policy, or
 - b. in any other case – is the subject of 10 or more unique submissions by way of objection
3. Departure from development standards – development that contravenes a development standard imposed by an environmental planning instrument by more than 10% or non-numerical development standards.
4. Sensitive Development
 - a. designated development
 - b. development to which *State Environmental Planning Policy No. 65 – Design Quality of Residential Flat Apartment Development* applies and is 4 or more stories' in height



- c. development involving the demolition of a heritage item
- d. development for the purposes of a new licensed premises, that will require one of the following liquor license:
 - i. a club license under the *Registered Clubs Act 1976*, or
 - ii. a hotel (general bar) license under the *Liquor Act 2007*, or
 - iii. an on-license premises license for public entertainment venues under the *Liquor Act 2007*
- e. development for the purposes of a sex services premises and restricted premises development applications for which the developer has offered to enter into a planning agreement



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

- Civic West and Civic Risk Mutual joint ventures - management of public liability and property insurance.
- 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



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

Council is committed to delivering successful Equal Employment Opportunities (EEO). We are pleased to announce that we have recently employed a Diversity Employment Strategy Officer who will be solely focused on driving this strategy, funded through till September 2020. This role will focus primarily on the Aboriginal and Torres Strait Islander (ATSI) and People with a Disability (PWD) demographics, which are aligned to Council Reconciliation Action Plan (RAP) and Disability Inclusion Action Plan (DIAP). While council does have a rich and diverse workforce - where women are well represented - both of these groups are still unrepresented.

Council has developed and is looking to further build upon two advisory committees; the Access and Advisory Committee and the ATSI Advisory Committee. The Diversity Employment Strategy Officer will be involved in both committees, exploring opportunities to further develop our EEO Plan across the Local Government Area, in line with both action plans.

This is a strategic position for City of Parramatta to address gaps identified within the community. We look forward to having our workforce better aligned with our diverse Local Government Area, therefore having a significant positive impact both internally and externally.

Total remuneration of the CEO and Senior Management

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.

Total Remuneration Year Ending 30th June 2018

	('000)
Chief Executive Officer	\$728
Senior Executive Staff	\$2,459
Total	\$3,188





Statement detailing the stormwater management services provided

Council's drainage assets are valued at \$355 million and include:

- 407 km of stormwater pipes
- 21,000 stormwater structures (pits); and
- 65 gross pollutant traps.



Project	Description	Budget	Actual	Comment
Parramatta River Estuary Management Study and Plan and Implementation	Monitoring of the dam wall in accordance with the Dams Safety Act.	\$322,282	\$262,194	The project currently funds the operation and reporting of two real time water quality monitoring buoys in the Parramatta River estuary.
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 council staff with background information to determine local priorities.
Stormwater Drainage Assets Maintenance	Upgrading the existing stormwater systems to maximise efficient conveyance of runoff for the protection of life and property.	\$600,000	\$600,000	Completed repair of various stormwater drainage assets across the LGA to ensure the efficient operation of Council's drainage network.
Maintenance of Water Quality Improvements 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	\$200,000	\$200,000	Cleaned and maintained Council's water quality improvement devices at various catchments in accordance with Council's frequency requirements and as required after major storms events.
Waterway Monitoring	Monitoring of waterways to determine the effectiveness of implemented improvement measures.	\$86,314	\$86,314	Routine Monitoring has continued throughout 2018/19 including various tributaries of the Parramatta River and particularly Lake Parramatta to monitor water quality within the immediate area of the swimming area.
Parks Stormwater Reuse Program	Provision of Stormwater harvesting and reuse facilities in Council's parks, reserves and community facilities.	\$360,000	\$40,240	Consultant engaged to undertake an investigation into stormwater harvesting options for the Ollie Webb Reserve and Jones Park Parramatta
		\$1,829,389	\$1,449,541	

A major project to reconstruct the partially collapsed flood levee at Peter Parade, Old Toongabbie is nearing completion.

Council's Stormwater Assets 10-year Resourcing Strategy, displays large spikes in capital for new projects committed to in Councils Delivery Program, including Flood Mitigation Program, major Drainage Construction Program, and the Stormwater Drainage Renewal Program.

New/expanded capital from 2021 onwards have been informed by the 2017 Infrastructure Needs Study.

The initial acquisition and construction costs of any asset represent only a portion of the costs over its lifecycle. New assets require ongoing funding to operate, maintain, renew, and dispose of in the future.

Detailed statement, prepared in accordance with guidelines issued by the director-general, of the council's activities during the year in relation to the companion animals act 1988 (CA ACT) and the Companion Animal Regulation 2008

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 continues to run its annual subsidised de-sexing program in conjunction with local participating vets. This year 98 pets were de-sexed comprising of 48 dogs and 50 cats. Council invested in 'branded' pet merchandise such as dog leads, collars, a large marquee and various other items to be utilised at pet education events to ensure that pet owners will be continually reminded of how to update their pets microchip details and be a responsible owner. Council continues to issue free pet tags to all its residents pets to prevent them entering the animal holding facility.

Companion Animal Statistics

Category	Number
Reportable dog attacks*	55
Number of animals de-sexed	98

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

Animal Management Expenditure

Animal Management Activities	Cost
Pound Costs	\$222,713
Officers' salary costs (3 officers – 2 x AMO's and 1 x AEO)	\$166,488
Ancillary costs	\$100,00
Education Expenses - \$8k de-sexing and \$27k Council branded merchandise	\$35,000
Total Expenditure	\$524,201

Council staff attended community events for various charity/rescue groups to provide education regarding the CAA and free microchipping services. In addition, Council are continuing with free engraving of name/contact tags.

Animal Holding Procedures

Council currently uses Blacktown City Council's Animal Holding Facility (BCCAHF) which holds, releases, sells, rehomes or euthanises 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 10 dogs euthanised which were either 'unsuitable' for 'rehoming' or a 'dangerous dog'.

The euthanasia rate for cats was 23%, 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.

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 160 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	10	100%
Dogs returned to owners from temporary holding facility	160	100%
Cats released through sale or to rescue organisations for re-homing	115	44%
Euthanasia rate for re-homable cats	1	0% (0.38%)
Euthanasia rate for cats assessed as feral or unsuitable to be re-homed	139	23%



Council owned off leash parks

Council has the following off leash parks;

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



Report on certain capital works projects where a capital expenditure review has been submitted

Project Description	Actual FY 2018	Budget FY 2018	Status as at June 30 2018
Parramatta Square Public Domain Development	1,772,627	11,011,360	The developer is finalising the design to lodge a Public Domain Development Application in July 2018.
5 Parramatta Square Development - New Council Facilities	6,169,431	17,805,798	5 Parramatta Square undergoing design alteration to meet a target budget as previously endorsed by Council in July 2017
Aquatic Leisure Centre Parramatta	366,931	736,000	Council will continue with archaeology and geotechnical site investigative works. Temporary fencing will remain on site to secure the work zone. Council are considering the winning Design Competition scheme and an announcement will take place in due course.

Report on compliance with the Carers Recognition Act 2010 (CR Act)

Council's Community Care Carer Support Program provides informal counselling, information, support and advocacy to 38 carers. This support to carers is through one on one informal counselling, carer support groups, information through literature and education sessions.

Whilst there are carers that are formally recognised through this service there are also carers across other Community Care services that are providing care. The support provided to them is by social support, provision of meals or practical assistance through the Community Assist Lawn Mowing service.

Carers are providing care to adults or children with disability, mental illness and people with cognitive impairments.

Throughout the development of the Disability Inclusion Action Plan for Council many carers from across the local government area were consulted with many key contributions being put forward for consideration in the plan.

Carers Week is celebrated in October generally with a day out for carers of the Carer Support Service.

Staff who are carers

Council provides a range of flexible work arrangements to enable staff with carer's responsibilities to better manage work and carers responsibilities, including full-time, part-time and casual work; flexible working hours; and rostered day off systems.

Council also considers requests for flexibility to substantive working arrangements for carers responsibilities on an individual basis taking into account operations requirements.



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 City of Parramatta) and a developer. They typically accompany a development application or a planning proposal. Under a VPA a developer agrees to provide or fund:

- public amenities,
- affordable housing,
- open space, public domain embellishments or other infrastructure, or
- some other benefit.

Contributions can be made through:

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

A VPA cannot be entered into unless it has been publicly exhibited along with an explanatory note for at least 28 days.

The following planning agreements were in force in the year 2017/18:



Associated Application	Address	Description of Benefits	Status (as at 30 June 2018)
F2017/00307 & RZ/13/2014	2-10 Phillip Street, Parramatta	Involves a laneway dedication and monetary contribution of \$1,384,200.	The VPA was executed. Laneway was yet to be transferred.
F2018/00350 & RZ/27/2014	Land on the Corner of Parramatta Road, Good Street and Cowper Street Granville	Involves land dedication, monetary contribution of \$4 00,000 and works in kind.	The VPA was executed in January 2018 and was registered with the NSW Land Registry Services on 11 April 2018.
NCA/16/2010	Channel 7 Studios, 61 Mobbs Lane, Epping	Involves works in kind and monetary contribution of \$2,800,000 to be paid in stages.	VPA executed and majority of works completed. Minor road upgrades outstanding and return of security bonds.
RZ/6/2010	2 River Road West, Parramatta	Monetary contributions of \$1,129,588 for Parramatta Road River Pedestrian Crossing and change of deliverables and maintenance.	The monetary contribution of \$1,129,588 was paid. Works relating to embellishment of the foreshore commenced.
DA/30/2015	2-8 River Road West, Parramatta	Amendment to the VPA in force for 2-8 River Road West (above) to increase monetary contributions and change timing of deliverables and maintenance.	Foreshore strip (Lot 2 DP 1223735 known as 2A River Road West Parramatta) was transferred on 23 February 2018.
NCA/23/2010	330 Church Street, Parramatta	Involves works in kind, monetary contribution of \$4,551,924 and land dedication.	The VPA was acquitted.
RZ/19/2015	11-13 Aird Street, Parramatta	Involves a monetary contribution of \$709,050.	The VPA requirements were nearly met. Ongoing monitoring occurring.
562/2010/JP & 561/2010/HB	2-12 James Street, Carlingford	Transferred from The Hills Council it involves monetary contribution of \$330,000, land dedication and works in kind.	The VPA relates to three sites. The terms of the VPA are not fully met. Ongoing monitoring occurring.
1103/2011/JP	14-30 Shirley Street, 2-10 Janelle Crescent and 247-261 & 277-281 Pennant Hills Road, Carlingford	Transferred from The Hills Council, this provides for monetary contribution, land dedication and works in kind.	The VPA is yet to implemented owing to construction stage. Ongoing monitoring occurring.
RZ/28/2009	2 Morton Street, Parramatta	Involves staged payment of monetary contribution of \$1,750,000, land dedication and works in kind.	The VPA is yet to implemented owing to construction stage. Ongoing monitoring occurring.

Associated Application	Address	Description of Benefits	Status (as at 30 June 2018)
DA/848/2008/A	Robert's Apartments 9 Hassall Street, Parramatta	Involves monetary contribution of \$330,000 or, alternatively land dedication for affordable housing.	Ongoing monitoring occurring.
RZ/9/2011	Boyded Parramatta 57 Church Street, Parramatta	Involves monetary contribution of \$7,308,331, land dedication and through-site links.	Council officers are monitoring compliance of the land owner with the VPA obligations.
RZ/2/2012	24-26 Railway Parade, Westmead	Involves works in kind, embellishment and through-site link.	Ongoing monitoring occurring.
DA/87/2013	Real Estate House 21 Hassall Street, Parramatta	Involves works in kind.	The new owner signed the novation deed and the VPA is registered on title. Council officers are monitoring compliance of the land owner with the VPA obligations.
RZ/4/2013	Lennox Bridge Car Park 12-14 Phillip Street, Parramatta	Involves works in kind and monetary contribution of \$530,430.	Monetary contribution of \$530,420 paid.
RZ/7/2013	Macquarie Street Car Park, 189 Macquarie Street, Parramatta	Monetary contribution, works in kind, public car park upgrade, road works, public domain works.	Council Officers are liaising with the land owner regarding non-compliance issues.
DA/173/2013	29 Hunter Street, Parramatta	Involves land dedication of an affordable housing unit.	Strata lot comprising the affordable housing lot transferred to Council on 9 October 2017.
RZ/2/2014	5-7 Parkes Street, Parramatta	Involves land dedication, works in kind and land dedication for affordable housing.	Council officers are monitoring compliance of the land owner with the VPA obligations.
RZ/9/2014	St Ioannis Greek Orthodox Church 11 Hassall Street, Parramatta	Involves monetary contribution of \$200,000 and land dedication for affordable housing unit.	Council officers are monitoring compliance of the land owner with the VPA obligations.
DA/296/2014, DA/346/2016, & DA/346/2016	3 Burroway Road, Wentworth Point	Involves land dedication and works in kind.	Three parcels (Lot 27, 28 and 29 on DP 270778) transferred to Council on 29 June 2018.
RZ/6/2010	10 - 12 River Road West, Parramatta	Involves monetary contribution of \$375,000, land dedication and embellishment.	Council officers are monitoring compliance of the land owner with the VPA obligations.
DA/597/2016 & DA/868/2016	2-14 Thallon Street and 7 -13 Jenkins Road, Carlingford	Transferred from The Hills Council, this involves monetary contribution, land dedication and works in kind, in association with a development application.	Council officers are monitoring compliance of the land owner with the VPA obligations.
DA/805/2013	Parramatta RSL 2 Macquarie Street, Parramatta	Involves monetary contribution, in association with a development application.	Council officers are monitoring compliance of the land owner with the VPA obligations.
DA/597/2016	1-7 Thallon Street, Carlingford	Transferred from The Hills Council, this involves monetary contribution of \$921,984, land dedication and works in kind, in association with a development application.	Council officers are monitoring compliance of the land owner with the VPA obligations.
F2016/02308 & DA/1379/2009/HB	1-7 Correy Place, 774-778 Pennant Hills Road & 13 Young Road, Carlingford	Transferred from the Hills Council, this involves monetary contribution.	Council officers are monitoring compliance of the land owner with the VPA obligations.
F2018/01103	180 George Street, Parramatta	Monetary contribution of \$7,179,300 and provision of easements to allow for 24/7 public access	Council officers are monitoring compliance of the land owner with the VPA obligations.



Details of inspections of private swimming pools

A total of 244 applications were received for council to inspect private swimming pools in 2017/18. As a result of these inspection, 60% were issued with a Swimming Pool Compliance Certificate and 6.5% were issued with a Swimming Pool Non-Compliance Certificate, the remainder are still under review.

Council also receives requests to inspect multi-dwelling pools open to and used by the public, these include Hotels, Strata Buildings etc., a total of 21 pools were inspected. Council has for the 2018/19 year commenced a Pro-Active Inspection program for all multi-dwelling premises with pools which will see a significant increase in these types of pools inspected, ensuring greater safety for these premises types with higher volumes of occupants.

Inspections of private swimming pools	
Inspections of tourist and visitor accommodation	2
Inspections of premises with more than 2 dwellings	19
Inspections that resulted in the issuance of a certificate of compliance under section 22D of the ACT	145
Inspections that resulted in the issuance of a certificate of non-compliance under clause 18BA of the Regulation	16

Information Included on Government Information (public access) Act (GIPA) activity

The Government Information (Public Access) Act 2009 (GIPA Act) gives 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 by or by any other means.

Clause 7A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made public available by the agency as a result of the review

Reviews carried out by the agency	No
Information made publicly available by the agency	No

Clause 7B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received	95
---------------------------------------	----

Clause 7C: The total number of access applications received by the agency during the reporting year that the agency refused either to wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 of the Act (information for which there is a conclusive presumption of overriding public interest against disclosure)

Number of Applications Refused	Wholly Partly		Total
	1	2	
% of Total	33%	67%	3



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

*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.

	Media	Members of Parliament	Private sector business	Not for profit organisations or community groups	Members of the public (by legal representative)	Members of the public (other)	Total	% of Total
Access Granted in Full	1	0	21	1	15	24	62	65%
Access Granted in Part	3	1	6	1	5	6	22	23%
Access Refused in Full	0	0	2	0	0	0	2	2%
Information not Held	0	0	1	0	2	6	9	9%
Information Already Available	0	0	0	0	0	0	0	0%
Refuse to Deal with Application	0	0	0	0	0	0	0	0%
Refuse to Confirm / Deny whether information is held	0	0	0	0	0	0	0	0%
Application withdrawn	0	0	0	0	0	0	0	0%
Total	4	1	30	2	22	36	95	
% of Total	4%	1%	32%	2%	23%	38%		

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

	Personal information applications*	Access applications (other than personal information applications)	Access applications that are partly personal information applications and partly other	Total	% of Total
Access Granted in Full	1	60	1	62	65%
Access Granted in Part	1	21	0	22	23%
Access Refused in Full	0	2	0	2	2%
Information not Held	0	8	1	9	9%
Information Already Available	0	0	0	0	0%
Refuse to Deal with Application	0	0	0	0	0%
Refuse to Confirm / Deny whether information is held	0	0	0	0	0%
Application withdrawn	0	0	0	0	0%
Total	2	91	2	95	
% of Total	2%	96%	2%		

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

**Table C: Invalid Applications**

Reason for Invalidity	Number of Applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	7	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)	0	0%
Total number of invalid applications received	7	100%
Invalid applications that subsequently become valid applications	4	57%

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

Number of times consideration used*		% of Total
Overriding secrecy laws	0	0%
Cabinet Information	0	0%
Contempt	0	0%
Legal professional privilege	0	100%
Excluded information	3	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	3	0%

*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

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

Number of times consideration used*		% of Total
Responsible and effective government	2	9%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	19	86%
Business Interests of agencies and other persons	1	5%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	22	

Table F: Timelines

Number of applications*		% of Total
Decided within the statutory timeframe (20 days plus any extensions)	91	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within timeframe (deemed refusal)	0	0%
Total	91	

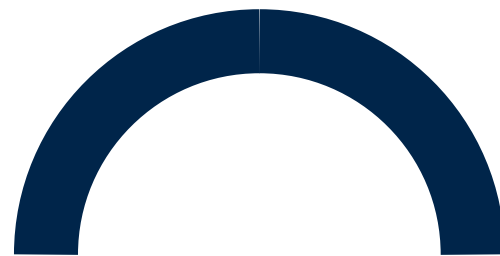


Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

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

*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 indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

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

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

Table I: Applications transferred to other agencies

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

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 Parramatta City Council for the 2017-2018 financial year.

Summary – All PIDs received

Applications by access applicants	July 2017 – June 2018		
	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs	0	0	3
Number of PIDs received by your public authority	0	0	4
Of PIDs received, how many were primarily about:			
Corrupt conduct	0	0	3
Maladministration	0	0	1
Serious and substantial waste	0	0	0
Government Information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of PIDs finalised	0	6	6
Have you established an internal reporting policy?	0	0	Yes
Has the head of your public authority met their staff awareness obligations?	0	0	Yes



Part — 03

Audited Financial Statements —



General Purpose Financial Statements

for the year ended 30 June 2018

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Overview

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

**126 Church Street
Parramatta NSW 2150**

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

www.parracity.nsw.gov.au



Understanding Council's financial statements

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 financial year ended 30 June 2018.

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 year, listing all income and expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

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 NSW Audit Office. In NSW the auditor provides 2 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 year ended 30 June 2018

Statement by Councillors and Management

made pursuant to Section 413(2c) of the *Local Government Act 1993 (NSW)* (as amended)

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

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

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

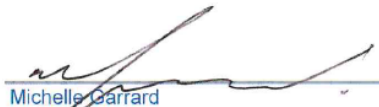
- present fairly the Council's operating result and financial position for the year,
- accord with Council's accounting and other records.

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 29 October 2018.



Andrew Wilson
Lord Mayor
29 October 2018



Michelle Garrard
Deputy Lord Mayor
29 October 2018



Sue Coleman
Acting Chief Executive Officer
29 October 2018



Alistair Cochrane
Responsible Accounting Officer
29 October 2018

Income Statement

for the year ended 30 June 2018

Original unaudited budget 2018 \$'000		Notes	Actual 2018 \$'000	Restated actual 13/5/16 to 30/6/17 \$'000
Income from continuing operations				
<i>Revenue:</i>				
164,945	Rates and annual charges	3a	171,054	168,398
38,427	User charges and fees	3b	35,410	43,635
6,711	Interest and investment revenue	3c	8,992	9,387
16,075	Other revenues	3d	12,974	11,993
15,109	Grants and contributions provided for operating purposes	3e,f	21,562	42,756
31,010	Grants and contributions provided for capital purposes	3e,f	46,117	65,060
<i>Other income:</i>				
—	Net gains from the disposal of assets	5	960	4,353
—	Net share of interests in joint ventures and associates using the equity method	16	866	780
272,277	Total income from continuing operations		297,935	346,362
Expenses from continuing operations				
104,961	Employee benefits and on-costs	4a	99,826	106,161
2,818	Borrowing costs	4b	2,814	3,923
78,419	Materials and contracts	4c	80,254	81,454
39,422	Depreciation and amortisation	4d	39,492	46,983
27,511	Other expenses	4e	39,806	35,176
—	Impairment of IPP&E	4d	111	—
253,131	Total expenses from continuing operations		262,303	273,697
19,146	Net operating result for the year		35,632	72,665
Loss on local government amalgamation				
—	Net assets transferred from former councils	24	—	2,785,193
19,146	Net result for the year		35,632	2,857,858
(11,864)	Net operating result for the year before grants and contributions provided for capital purposes		(10,485)	7,605
Alternate results adjustments				
—	Impairment of Section 7.11 funds receivable from Hornsby Council		10,367	—
—	Stronger Communities Fund expenditures		287	—
—	New Council Implementation Fund expenditures		1,264	—
—	Adjusted net operating result for the year before grants and contributions provided for capital purposes		1,433	7,605

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

General Purpose Financial Statements

for the year ended 30 June 2018

Statement of Comprehensive Income

for the year ended 30 June 2018

	Notes	2018 \$'000	13/5/16 to 30/6/17 \$'000
Net operating result for the year (as per Income Statement)		35,632	2,857,858
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	71,735	—
Adjustment to community land revaluation reserve for asbestos contamination		(1,651)	—
Total items which will not be reclassified subsequently to the operating result		70,084	—
Total other comprehensive income for the year		70,084	—
Total comprehensive income for the year		105,716	2,857,858

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

Statement of Financial Position

as at 30 June 2018

	Notes	2018 \$'000	Restated 2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	6a	17,446	32,430
Investments	6b	133,355	109,301
Receivables	7	26,031	66,759
Inventories	8	82	84
Other	8	241	383
Non-current assets classified as 'held for sale'	9	122,230	209,650
Total current assets		299,385	418,607
Non-current assets			
Investments	6b	185,701	83,229
Receivables	7	23,652	17,641
Infrastructure, property, plant and equipment	10	2,575,254	2,478,640
Investments accounted for using the equity method	16	6,148	5,748
Intangible assets	11	2,268	1,918
Total non-current assets		2,793,023	2,587,176
Total assets		3,092,408	3,005,783
Liabilities			
Current liabilities			
Payables	12	32,144	44,721
Income received in advance	12	13,246	8,052
Borrowings	12	9,035	10,806
Provisions	13	30,644	31,706
Total current liabilities		85,069	95,285
Non-current liabilities			
Payables	12	738	878
Borrowings	12	39,416	48,451
Provisions	13	3,611	3,311
Total non-current liabilities		43,765	52,640
Total Liabilities		128,834	147,925
Net assets		2,963,574	2,857,858
Equity			
Accumulated surplus	14	2,893,490	2,857,858
Revaluation reserves	14	70,084	—
Total equity		2,963,574	2,857,858

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

General Purpose Financial Statements

for the year ended 30 June 2018

Statement of Changes in Equity

for the year ended 30 June 2018

	Notes	2018 Accumulated surplus \$'000	IPP&E revaluation reserve \$'000	Total equity \$'000	13/5/16 to 30/6/17 Accumulated surplus \$'000	IPP&E revaluation reserve \$'000	Restated total equity \$'000
Opening balance		2,857,858	—	2,857,858	—	—	—
Net operating result for the year		35,632	—	35,632	2,878,077	—	2,878,077
Correction of prior period errors	14b	—	—	—	(20,219)	—	(20,219)
Restated net operating result for the year		35,632	—	35,632	2,857,858	—	2,857,858
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10	—	71,735	71,735	—	—	—
– Adjustment to community land revaluation reserve for asbestos contamination	13	—	(1,651)	(1,651)	—	—	—
Other comprehensive income		—	70,084	70,084	—	—	—
Total comprehensive income		35,632	70,084	105,716	2,857,858	—	2,857,858
Equity – balance at end of the reporting period		2,893,490	70,084	2,963,574	2,857,858	—	2,857,858

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

Statement of Cash Flows

for the year ended 30 June 2018

Original unaudited budget 2018 \$'000		Notes	Actual 2018 \$'000	Actual 13/5/16 to 30/6/17 \$'000
Cash flows from operating activities				
Receipts:				
164,945	Rates and annual charges		197,682	158,491
38,427	User charges and fees		37,969	41,524
6,711	Investment and interest revenue received		7,500	9,362
46,119	Grants and contributions		80,265	103,372
—	Bonds, deposits and retention amounts received		7,949	3,073
16,075	Other		22,878	33,720
Payments:				
(108,666)	Employee benefits and on-costs		(101,122)	(102,031)
(56,493)	Materials and contracts		(90,028)	(100,520)
(2,818)	Borrowing costs		(2,863)	(4,455)
—	Bonds, deposits and retention amounts refunded		(5,432)	(2,645)
(45,732)	Other		(54,930)	(26,103)
58,568	Net cash provided (or used in) operating activities	15b	99,868	113,788
Cash flows from investing activities				
Receipts:				
3,355	Sale of investment securities		290,485	195,975
50,950	Sale of infrastructure, property, plant and equipment		88,109	10,698
Payments:				
—	Purchase of investment securities		(416,146)	(203,729)
(109,963)	Purchase of infrastructure, property, plant and equipment		(66,960)	(88,026)
—	Contributions paid to joint ventures and associates		466	—
(55,658)	Net cash provided (or used in) investing activities		(104,046)	(85,082)
Cash flows from financing activities				
Receipts:				
Nil				
Payments:				
(10,806)	Repayment of borrowings and advances		(10,806)	(13,787)
(10,806)	Net cash flow provided (used in) financing activities		(10,806)	(13,787)
(7,896)	Net increase/(decrease) in cash and cash equivalents		(14,984)	14,919
32,430	Plus: cash and cash equivalents – beginning of year	15a	32,430	—
—	Plus: cash transferred on amalgamation of councils		—	17,511
24,534	Cash and cash equivalents – end of the year	15a	17,446	32,430
Additional Information:				
	Plus: Investments on hand – end of year	6b	319,056	192,530
	Total cash, cash equivalents and investments		336,502	224,960

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



Notes to the Financial Statements

for the year ended 30 June 2018

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Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 29/10/2018.

Council has the power to amend and reissue these financial statements.

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (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.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 19 – Material budget variations

a) New and amended standards adopted by Council

AASB 124 – *Related Party Disclosures* was adopted during the year. The impact of this standard had no impact on reporting financial position or performance, however additional disclosures have been included.

The following new standards were adopted during the year. There was no material impact on reported financial position, performance or cash flows of the entity although some additional disclosures have arisen:

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

b) Historical cost convention

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

c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

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

- i) estimated fair values of infrastructure, property, plant and equipment – refer Note 10,
- ii) employee benefit provisions – refer Note 13.

Significant judgements in applying the Council's accounting policies

- iii) Impairment of receivables

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

Monies and other assets received by Council

a) The Consolidated Fund

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

b) 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 other assets 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 other assets subject to Council's control have been included in these reports.

The following Trust monies and other assets are held by Council but are not considered to be under the control of Council and therefore are excluded from these financial statements:

Parramatta Trust Fund

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

Goods and Services Tax (GST)

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

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

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

Note 1. Basis of preparation continued

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 these financial statements, Council considers that the standards and interpretations listed below will have an impact upon future published financial statements ranging from additional and / or revised disclosures to actual changes as to how certain transactions and balances are accounted for.

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

- AASB 9 *Financial Instruments*

This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. It revises the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value. Council already values all other investments at fair value and these changes have no impact.

The standard amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income. Council does not have any liabilities that are recorded on this basis and the new requirements have no impact.

Impairment of assets is now based on expected losses in AASB 9 which requires councils to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) of full lifetime
- expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

A financial impact will only arise if any investments become subject to impairment.

Available-for-sale investments will be classified as fair value through Other Comprehensive Income and will no longer be subject to impairment testing. Council does not hold any available-for-sale investments.

The model for determining impairment losses in relation to receivables will be amended. The impact of the new model has not yet been quantified, although some immaterial impairment may be recognised earlier.

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

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

AASB 15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

AASB 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications), and improve guidance for multiple-element arrangements.

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 *Contributions*. The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

AASB 1058 applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives. In cases where the council enters into other transactions, the council recognises and measures the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 *Property, Plant and Equipment*).

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- contributions by owners
- revenue, or a contract liability arising from a contract with a customer
- a lease liability
- a financial instrument
- a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation continued

Council will recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

The changes in revenue recognition requirements in AASB 15 will cause changes to the timing and amount of revenue recorded in the financial statements, as well as additional disclosures.

New standards will have no impact on rates revenue recognition as prepaid rates received prior to the beginning of a rating period are already recognised as a financial liability until the commencement of the rating period. These standards will affect the timing of the recognition of special purpose grants and contributions income.

This standard will be adopted on 1 July 2019.

– AASB 16 *Leases*

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

This will result into:

- a significant increase in lease assets and financial liabilities recognised on the balance sheet. It was estimated that based on current lease agreements \$12million right of use asset and \$12million lease liability will be recognised by the Council on 1 July 2019.
- a reduction in reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities. During the first year of the application, it was estimated that lease liability will decrease by \$4.3million while right to use asset will decrease by \$4.6million. However, the difference will gradually decrease towards the end of the leases.
- lower operating cash outflows and higher financing cash flows in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

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

Note 2a. Council functions/activities – financial information

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

Functions/ activities	Income from continuing operations		Expenses from continuing operations		Operating results from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	13/5/16 to 30/6/17	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Liveable	24,801	28,802	75,690	82,336	(50,889)	(53,534)	4,144	6,020	41,539	43,245
Sustainable	76,729	78,341	60,808	64,030	15,921	14,311	10,514	7,081	2,307,868	2,228,642
Productive	3,890	8,527	27,258	27,388	(23,368)	(18,861)	100	296	329,621	397,367
Leading	192,515	230,692	98,547	99,943	93,968	130,749	10,177	45,645	413,380	336,529
Total functions and activities	297,935	346,362	262,303	273,697	35,632	72,665	24,935	59,042	3,092,408	3,005,783

Note 2b. Council functions/activities – component descriptions

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

Liveable

Supporting all of our community to live well and succeed – Champions of our community and culture.

Sustainable

Stewards of our built and natural environment – Fostering vibrant neighbourhoods, places and developments that are well-balanced, connected and sustainable.

Productive

Drivers of the economy – Creating local jobs by positioning Parramatta as a global centre for business and investment.

Leading

Accountable – An agile, listening and transparent Council working in partnership and providing great services now and into the future.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations

	2018 \$'000	13/5/16 to 30/6/17 \$'000
a) Rates and annual charges		
Ordinary rates		
Residential	75,904	72,736
Business	53,377	52,616
Total ordinary rates	129,281	125,352
Special rates		
Infrastructure	66	64
Harris Park neighbourhood and shops infrastructure levy	103	102
Catchment remediation	496	506
CBD infrastructure	2,024	1,948
Economic development	745	724
Open space	2,200	2,070
Suburban infrastructure	1,667	1,601
Total special rates	7,301	7,015
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	31,424	32,759
Waste management services (non-domestic)	1,366	1,638
Stormwater levy	1,682	1,634
Total annual charges	34,472	36,031
Total rates and charges and annual charges	171,054	168,398

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

Accounting policy for rates and annual charges

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.

Note 3. Income from continuing operations continued

	2018 \$'000	13/5/16 to 30/6/17 \$'000
b) User charges and fees		
Other user charges and fees		
i) Fees and charges – statutory and regulatory functions (per s.608)		
Planning and building regulation	4,531	6,994
Section 149 certificates (EPA Act)	494	453
Section 603 certificates	311	293
Vehicle crossing inspection fees	195	211
Annual fire safety statement fee	276	227
Application for outstanding notices	59	60
Construction certificate	156	126
Construction zone fee	654	1,273
Cooling towers licence	89	96
Development advertising fee	337	439
Food premises licence	656	584
Hoarding fees	293	552
Payment processing fee	8	52
Road occupancy fees	201	366
Road opening permits	1,667	1,783
Section 611 charges	159	292
Subdivision release fee	348	382
Tree preservation fees	125	148
Other	497	456
Total fees and charges – statutory/regulatory	11,056	14,787
ii) Fees and charges – other (incl. general user charges (per s.608))		
Child care	2,817	3,101
Golf course	—	232
Pools	377	1,830
Halls	627	561
Parks and reserves	285	252
Library incl. photocopy	85	86
Parramatta riverside theatres	2,934	3,259
Parking meters	4,459	4,851
Multi-level parking stations	12,517	14,427
Resident parking scheme	31	30
Other	222	219
Total fees and charges – other	24,354	28,848
Total user charges and fees	35,410	43,635

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations continued

	2018 \$'000	13/5/16 to 30/6/17 \$'000
c) Interest and investment revenue (including losses)		
Interest		
- Overdue rates and annual charges (incl. special purpose rates)	437	416
- Cash and investments	7,690	9,551
Fair value adjustments		
- Fair valuation movements in investments (at fair value or held for trading)	865	(580)
Total interest and investment revenue	8,992	9,387

Interest revenue is attributable to:

Unrestricted investments/financial assets:

Overdue rates and annual charges (general fund)	437	416
General Council cash and investments	4,709	6,975

Restricted investments/funds – external:

Development contributions		
- Section 7.11	3,022	1,320
Domestic waste management operations	565	426
Restricted rates	259	250

Total interest and investment revenue recognised	8,992	9,387
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Accounting policy for interest and investment revenue

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

	2018 \$'000	13/5/16 to 30/6/17 \$'000
d) Other revenues		
Rental income – other council properties	1,855	2,623
Fines – parking	7,356	5,626
Fines – other	951	339
Legal fees recovery – rates and charges (extra charges)	179	218
Legal fees recovery – other	109	41
Commissions and agency fees	17	15
Insurance claim recoveries	166	54
Sales – general	391	368
Outdoor dining rentals	274	371
Rebates	265	177
Technical services – external	61	430
Building insurance and commission	5	7
Riverside theatre bar and catering sales	349	363
Other	996	1,361
Total other revenue	12,974	11,993

Accounting policy for other revenue

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.

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Note 3. Income from continuing operations continued

	2018 Operating \$'000	13/5/16 to 30/6/17 Operating \$'000	2018 Capital \$'000	13/5/16 to 30/6/17 Capital \$'000
e) Grants				
General purpose (untied)				
Financial assistance – general component	7,430	11,273	—	—
Financial assistance – local roads component	1,937	2,854	—	—
Other				
Pensioners' rates subsidies – general component	785	839	—	—
Total general purpose	10,152	14,966	—	—
Specific purpose				
Pensioners' rates subsidies:				
– Domestic waste management	262	313	—	—
Child care	2,190	2,303	—	—
Community care	4	—	—	—
Library	575	558	—	—
Street lighting	807	961	—	—
Transport (roads to recovery)	1,286	1,820	—	—
Transport (other roads and bridges funding)	72	602	1,672	7,592
Community services	91	114	—	—
Dept infrastructure planning and natural resources	—	—	243	1,364
Federal stimulus	—	—	—	250
Greenspace	—	—	5,047	103
Home support	944	1,237	—	—
Ministry of the arts	333	625	—	—
Stronger communities fund	—	1,000	—	14,000
New council implementation fund	—	10,000	—	—
Waste services performance improvement payment	237	458	—	—
Flood management	435	—	—	—
Other	382	302	203	473
Total specific purpose	7,618	20,293	7,165	23,782
Total grants	17,770	35,259	7,165	23,782
Grant revenue is attributable to:				
– Commonwealth funding	3,354	3,940	1,371	3,454
– State funding	14,416	31,319	5,794	20,328
	17,770	35,259	7,165	23,782

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations continued

	Notes	2018 Operating \$'000	13/5/16 to 30/6/17 Operating \$'000	2018 Capital \$'000	13/5/16 to 30/6/17 Capital \$'000
f) Contributions					
Developer contributions: (s7.4 & s7.11 – EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements		—	—	1,660	800
S 7.11 – contributions towards amenities/services		—	—	29,744	35,488
Total developer contributions – cash		—	—	31,404	36,288
Total developer contributions	23	—	—	31,404	36,288
Other contributions:					
Cash contributions					
Community services		—	—	95	—
Kerb and gutter		—	1	—	—
Contributions to services from other councils		—	3,056	—	—
National disability contribution		134	20	—	—
Environmental		—	35	—	—
Leaseback fees		935	881	—	—
Long service leave contributions		215	494	—	—
Other sponsorship received		127	173	—	—
Paid parental leave		133	284	—	—
LIRS subsidy		586	655	—	—
Road restoration contributions		826	836	—	—
Salary sacrifice motor vehicle contributions		213	218	—	—
ESPL operating cost contribution		—	147	—	—
West Epping park		—	—	6,606	4,912
Affordable Housing contribution		—	—	386	—
Parramatta Catchment Group contributions		393	—	—	—
Other		230	697	461	78
Total other contributions – cash		3,792	7,497	7,548	4,990
Total contributions		3,792	7,497	38,952	41,278
Total grants and contributions		21,562	42,756	46,117	65,060

Accounting policy for contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset 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 above.

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.

Note 3. Income from continuing operations continued

	2018 \$'000	13/5/16 to 30/6/17 \$'000
g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	6,618	477
Add: operating grants recognised in the current period but not yet spent period	615	6,469
Less: operating grants recognised in a previous reporting period now spent	(2,530)	(328)
Unexpended and held as restricted assets (operating grants)	4,703	6,618
Capital grants		
Unexpended at the close of the previous reporting period	16,605	1,470
Add: capital grants recognised in the current period but not yet spent	—	16,374
Add: capital grants received for the provision of goods and services in a future period	5,000	—
Less: capital grants recognised in a previous reporting period now spent	(2,756)	(1,239)
Unexpended and held as restricted assets (capital grants)	18,849	16,605
Contributions		
Unexpended at the close of the previous reporting period	88,647	42,663
Add: contributions received for the provision of goods and services in a future period	34,426	58,709
Less: contributions recognised in a previous reporting period now spent	(4,788)	(12,725)
Unexpended and held as restricted assets (contributions)	118,285	88,647

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations

	2018 \$'000	13/5/16 to 30/6/17 \$'000
a) Employee benefits and on-costs		
Salaries and wages	82,234	84,183
Travel expenses	57	69
Employee leave entitlements (ELE)	8,678	13,510
Superannuation	8,896	9,210
Workers' compensation insurance	756	295
Fringe benefit tax (FBT)	284	326
Training costs (other than salaries and wages)	1,210	1,013
Protective clothing	93	148
Recruitment costs	639	544
Other	361	282
Total employee costs	103,208	109,580
Less: capitalised costs	(3,382)	(3,419)
Total Employee costs expensed	99,826	106,161

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, when sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 13 for more information.

	2018 \$'000	13/5/16 to 30/6/17 \$'000
b) Borrowing costs		
i) Interest bearing liability costs		
Interest on loans	2,814	3,918
Total interest bearing liability costs	2,814	3,918
Total interest bearing liability costs expensed	2,814	3,918
ii) Other borrowing costs		
Other borrowing costs	—	5
Total other borrowing costs	—	5
Total borrowing costs expensed	2,814	3,923

Accounting policy for borrowing costs

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

Note 4. Expenses from continuing operations continued

	2018 \$'000	13/5/16 to 30/6/17 \$'000
c) Materials and contracts		
Raw materials and consumables	6,290	7,217
Contractor and consultancy costs:		
– ICT software maintenance	414	268
– air conditioning external services	350	267
– events program	909	681
– economic development	159	217
– building improvements	410	524
– bushland management	2,342	1,990
– open space and natural resources management	538	354
– cleaning external services	3,068	2,546
– consultancies	7,103	6,806
– parks infrastructure maintenance	509	754
– footpath maintenance	998	856
– electrical external services	454	387
– external plant and equipment hire	837	525
– fire protection equipment external services	242	311
– garbage external services	6,347	4,032
– meals on wheels services	203	223
– other minor contracts	2,670	2,772
– motor vehicle accident repairs	221	253
– multi-level car parks	1,651	1,921
– on street paid parking	391	510
– pavement maintenance	130	228
– plant repairs	411	604
– plumbing external services	625	382
– pools repairs	1,328	—
– professional services	1,701	3,387
– public tree maintenance	331	545
– recycling external services	3,165	2,394
– restorations	559	527
– road waste removal external services	92	317
– security external services	1,623	1,490
– tipping fees	15,306	19,569
– other contractor and consultancy costs	2,175	2,530
– library network	378	521
– local parks maintenance	337	255
– sporting grounds maintenance	418	338
– sustainability and waste	431	670
– catchment maintenance	220	547
– agency employees	4,409	5,663
Auditors remuneration	245	168
Legal expenses:		
– Legal expenses: other	4,540	2,228
Operating leases:		
– Operating lease rentals: minimum lease payments	5,724	6,104
Total materials and contracts	80,254	81,881
Less: capitalised costs	—	(427)
Total materials and contracts	80,254	81,454

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations continued

Materials and Contracts

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

Operating leases

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.

	2018 \$'000	13/5/16 to 30/6/17 \$'000
1. Operating lease payments are attributable to:		
Buildings	5,301	5,154
Computers	318	890
Other	105	60
	5,724	6,104

2. Auditor remuneration

During the year the following fees were paid or payable for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council – NSW Auditor-General:

Audit and other assurance services

Audit and review of current year's financial statements	190	168
Overruns for auditing and review of 2016/2017 financial statements recognised in current year	55	—
Remuneration for audit and other assurance services	245	168

Note 4. Expenses from continuing operations continued

	Notes	2018 \$'000	13/5/16 to 30/6/17 \$'000
d) Depreciation, amortisation and impairment			
Depreciation and amortisation			
Plant and equipment		2,370	2,662
Office equipment		610	505
Furniture and fittings		1,672	2,867
Land improvements (depreciable)		637	8
Infrastructure:			
- Buildings – non-specialised		4,397	5,179
- Buildings – specialised		859	—
- Other structures		689	1,258
- Roads		17,660	19,767
- Bridges		1,119	1,247
- Footpaths		2,389	2,640
- Stormwater drainage		3,175	3,569
- Swimming pools		37	42
- Other open space/recreational assets		1,791	5,386
Other assets:			
- Heritage collections (reverse of prior periods depreciation)		(55)	11
- Library books		839	750
- Other		82	7
Intangible assets	11	1,221	1,085
Total depreciation and amortisation costs		39,492	46,983
Impairment / revaluation decrement of IPP&E			
- Buildings – non-specialised		111	—
Total depreciation, amortisation and impairment / revaluation decrement costs expensed		39,603	46,983

Accounting policy for depreciation, amortisation and impairment expenses

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 11 for intangible assets.

Impairment of non-financial 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.

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

Impairment of financial assets

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

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations continued

	2018 \$'000	13/5/16 to 30/6/17 \$'000
e) Other expenses		
Advertising	1,119	1,759
Bad and doubtful debts	10,167	23
Bank charges	664	649
– Department of planning levy	362	354
– Emergency services levy (includes FRNSW, SES, and RFS levies)	2,571	2,132
Councillor expenses – mayoral fee	82	49
Councillor expenses – councillors' fees	382	13
Councillors' expenses (incl. Mayor) – other (excluding fees above)	220	675
Donations, contributions and assistance to other organisations (Section 356)	957	3,421
Electricity and heating	1,420	1,961
Insurance	1,924	2,067
Postage	718	612
Street lighting	4,877	3,550
Subscriptions and publications	753	798
Telephone and communications	720	819
Valuation fees	413	492
Contribution to other councils	278	1,915
Artists in mall and other artists	1,807	1,694
Car registrations	301	368
Catering	504	526
Computer expenses	2,799	4,886
Microfilming	355	215
Parking – seins costs	1,029	834
Parking space levy	1,788	1,957
Promotions and publicity	1,714	1,816
Rent collection costs	209	369
Water	768	503
Other	905	1,146
Total other expenses	39,806	35,603
Less: capitalised costs	—	(427)
Total other expenses	39,806	35,176

Accounting policy for other expenses

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

Note 5. Gains or losses from the disposal of assets

	Notes	2018 \$'000	13/5/16 to 30/6/17 \$'000
Plant and equipment	10		
Proceeds from disposal – plant and equipment		1,585	1,632
Less: carrying amount of plant and equipment assets sold/written off		(1,035)	(1,122)
Net gain/(loss) on disposal		550	510
Infrastructure	10		
Less: carrying amount of infrastructure assets sold/written off		(59)	—
Net gain/(loss) on disposal		(59)	—
Financial assets	6		
Proceeds from disposal/redemptions/maturities – financial assets		290,485	195,976
Less: carrying amount of financial assets sold/redeemed/matured		(290,485)	(195,976)
Net gain/(loss) on disposal		—	—
Non-current assets classified as 'held for sale'	9		
Proceeds from disposal – non-current assets 'held for sale'		87,888	24,721
Less: carrying amount of 'held for sale' assets sold/written off		(87,419)	(20,878)
Net gain/(loss) on disposal		469	3,843
Net gain/(loss) on disposal of assets		960	4,353

Accounting policy for disposal of assets

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

Note 6a. Cash and cash equivalent assets

	2018 \$'000	2017 \$'000
Cash and cash equivalents		
Cash on hand and at bank	7,942	8,595
Cash-equivalent assets		
– Deposits at call	9,504	6,016
– Short-term deposits	—	17,819
Total cash and cash equivalents	17,446	32,430

Accounting policy for cash and cash equivalents

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

Notes to the Financial Statements

for the year ended 30 June 2018

Note 6b. Investments

	2018 Current \$'000	2018 Non-current \$'000	2017 Current \$'000	2017 Non-current \$'000
Investments				
a. 'At fair value through the profit and loss'				
– 'Held for trading'	24,152	71,292	41,131	51,577
b. 'Held to maturity'	109,203	114,409	68,170	31,652
Total investments	133,355	185,701	109,301	83,229
Total cash assets, cash equivalents and investments	150,801	185,701	141,731	83,229
Financial assets at fair value through the profit and loss				
Managed funds	24,152	—	13,031	—
NCD's, FRN's (with maturities > 3 months)	—	71,292	28,100	51,577
Total	24,152	71,292	41,131	51,577
Held to maturity investments				
Long term deposits	109,203	114,409	68,170	31,652
Total	109,203	114,409	68,170	31,652

Accounting policy for investments

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.

a) 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 held at fair value with changes in value taken through profit or loss at each reporting period.

b) 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. Assets in this category are measured at amortised cost.

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. Investments 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.

Impairment of available for sale investments

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

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

	2018 Current \$'000	2018 Non-current \$'000	2017 Current \$'000	2017 Non-current \$'000
Total cash, cash equivalents and investments	150,801	185,701	141,731	83,229
attributable to:				
External restrictions (refer below)	—	165,893	32,080	83,229
Internal restrictions (refer below)	84,539	19,808	54,373	—
Unrestricted	66,262	—	55,278	—
	150,801	185,701	141,731	83,229

	2018 \$'000	2017 \$'000
Details of restrictions		
External restrictions – other		
Developer contributions – general	113,524	67,801
Specific purpose unexpended grants	23,552	23,223
Domestic waste management	18,303	15,514
Harris park special rate	404	291
Open space special rate	502	1,311
Stormwater levy	1,639	1,410
Economic development special rate	938	741
Suburban infrastructure special rate	28	75
CBD infrastructure special rate	5,870	4,374
Infrastructure special rate (former Holroyd)	129	62
Catchment remediation special rate	1,004	507
External restrictions – other	165,893	115,309
Total external restrictions	165,893	115,309
Internal restrictions		
Employees leave entitlement	5,499	5,499
Property and significant assets reserve	93,891	36,204
Council election	200	800
Parking meters	1,022	1,358
Urgent ward works	3,039	3,291
Asset renewal reserve	696	7,221
Total internal restrictions	104,347	54,373
Total restrictions	270,240	169,682

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables

	2018		2017	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Purpose				
Rates and annual charges	7,129	937	4,989	787
User charges and fees	1,682	—	1,141	—
Accrued revenues				
– Interest on investments	2,421	—	1,794	—
Amounts due from other councils	20,661	—	47,963	—
Deferred debtors	—	21,655	—	15,655
Government grants and subsidies	1,878	—	7,199	—
Net GST receivable	901	—	1,984	—
Hoarding fees	6	—	185	—
Environmental upgrade agreements	140	738	140	878
Employee receivables	6	322	5	321
GIO workers compensation	62	—	79	—
Licencing receivables	875	—	772	—
Property leases	510	—	554	—
Restorations / reinstatements	13	—	83	—
Riverside theatres Parramatta	18	—	24	—
Facility hire	99	—	198	—
Other debtors	955	—	807	—
Total	37,356	23,652	67,917	17,641
Less: provision for impairment				
Rates and annual charges	(60)	—	(59)	—
Other debtors	(11,265)	—	(1,099)	—
Total provision for impairment – receivables	(11,325)	—	(1,158)	—
Total net receivables	26,031	23,652	66,759	17,641
Externally restricted receivables				
Domestic waste management	1,682	—	1,396	—
Stormwater management	138	—	134	—
Other				
Open space special rate	70	—	61	—
Economic development special rate	60	—	36	—
Suburban infrastructure special rate	—	—	49	—
CBD Infrastructure special rate	216	—	89	—
Harris park special rate	12	—	11	—
Infrastructure Special Rate (Former Holroyd)	3	—	2	—
Catchment Remediation Special Rate	22	—	2	—
Grants	—	—	2	—
Section 7.11 due from other Councils	4,761	—	20,846	—
Total external restrictions	6,964	—	22,628	—
Unrestricted receivables	19,067	23,652	44,131	17,641
Total net receivables	26,031	23,652	66,759	17,641

Note 7. Receivables continued

	2018 \$'000	2017 \$'000
Movement in provision for impairment of receivables	1,158	1,138
Balance at the beginning of the year	10,500	663
+ new provisions recognised during the year		
- amounts already provided for and written off this year	—	(167)
- amounts provided for but recovered during the year	(333)	(476)
Balance at the end of the year	11,325	1,158

Accounting policy for receivables

Recognition and measurement

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

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

Impairment

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

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income statement.

Note 8. Inventories and other assets

	2018		2017	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
a) Inventories				
Inventories at cost				
Stores and materials	60	—	67	—
Trading stock	22	—	17	—
Total inventories at cost	82	—	84	—
b) Other assets				
Prepayments	196	—	368	—
Other	45	—	15	—
Total other assets	241	—	383	—

Accounting policy

Inventories at cost

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

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9. Non-current assets classified as held for sale (and disposal groups)

	2018		2017	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
i) Non-current assets and disposal group assets				
Non-current assets 'held for sale'				
Land	122,230	—	209,650	—
Total non-current assets classified as 'held for sale'	122,230	—	209,650	—

ii) Details of assets and disposal groups

Parramatta Square sites 6 & 8 remained classified as Held for Sale since last financial year.

	Assets 'held for sale'	
	2018 \$'000	2017 \$'000
iii) Reconciliation of non-current assets 'held for sale'		
Opening balance (former Councils)	209,650	209,650
Less: carrying value of assets/operations sold	(87,420)	—
Balance still unsold after 12 months:	122,230	209,650
Closing balance of 'held for sale' non-current assets and operations	122,230	209,650

Accounting policy for non-current assets classified as held for sale

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

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.

Note 10. Infrastructure, property, plant and equipment

Asset class	Gross carrying amount \$'000	Adjustments				Adjusted net carrying amount \$'000	Asset movements during the reporting period							as at 30/6/2018	
		Accumulated depreciation and impairment \$'000	Adjustments to the gross carrying amount ¹ \$'000	Adjustments to the accumulated depreciation ¹ \$'000	Adjusted carrying amount \$'000		Additions renewals ² \$'000	Additions new assets \$'000	Carrying value of disposals \$'000	Depreciation expense \$'000	Impairment loss/ revaluation decrements (recognised in P/L) \$'000	WIP Capitalised \$'000	Revaluation increments to equity (ARR) \$'000	Gross carrying amount \$'000	Accumulated depreciation and impairment \$'000
Capital work in progress	30,715	—	(776)	—	29,939	65,930	—	—	—	—	(69,527)	—	26,342	—	26,342
Plant and equipment	20,117	11,072	—	—	9,045	—	4,004	(1,035)	(2,370)	—	—	—	18,565	8,921	9,644
Office equipment	10,528	8,883	—	—	1,645	—	3,175	—	(610)	—	—	—	7,109	2,899	4,210
Furniture and fittings	17,938	8,763	(701)	—	8,474	—	2,207	—	(1,672)	—	—	—	16,561	7,552	9,009
Land:															
– Operational land	455,275	—	(12,129)	—	443,146	—	—	—	—	—	—	—	443,146	—	443,146
– Community/land	259,999	—	70,038	—	330,037	21	—	—	—	—	—	55,521	385,579	—	385,579
– Land under roads (post 30/6/08)	1,024	—	823	—	1,847	—	—	—	—	—	—	304	2,151	—	2,151
Land improvements – depreciable	982	96	11,970	2,904	9,952	1,438	—	—	(637)	—	—	—	14,394	3,641	10,753
Infrastructure:															
– Buildings – non-specialised	188,686	24,566	(1,071)	(76)	163,225	4,958	1,716	(35)	(4,397)	(111)	—	—	194,132	28,776	165,356
– Buildings – specialised	—	—	33,996	5,445	28,551	177	—	—	(859)	—	—	—	34,173	6,304	27,869
– Other structures	32,774	13,379	(13,714)	(5,548)	11,229	1,354	—	—	(689)	—	—	—	20,414	8,520	11,894
– Roads	1,159,640	255,648	(8,340)	(3,324)	898,976	13,740	—	—	(17,660)	—	—	—	1,165,040	269,984	895,056
– Bridges	98,117	28,788	—	—	69,329	250	2,422	(24)	(1,119)	—	—	—	100,747	29,889	70,858
– Footpaths	158,528	35,617	(1,614)	(71)	121,468	5,132	2,000	—	(2,389)	—	—	333	171,266	44,722	126,544
– Bulk earthworks (non-depreciable)	102,677	—	(339)	—	102,338	—	—	—	—	—	—	—	102,338	—	102,338
– Stormwater drainage	355,524	136,777	(115)	—	218,632	5,832	3,500	—	(3,175)	—	—	—	364,741	139,952	224,789
– Swimming pools	1,336	352	—	—	984	42	—	—	(37)	—	—	—	1,378	389	989
– Other open space/ recreational assets	146,358	30,598	(109,842)	(15,419)	21,337	4,348	9,700	—	(1,791)	—	—	15,577	72,336	23,165	49,171
Other assets:															
– Heritage collections	2,347	55	—	—	2,292	—	449	—	55	—	—	—	2,796	—	2,796
– Library books	14,612	12,111	—	—	2,501	—	966	—	(839)	—	—	—	5,064	2,436	2,628
– Other	8,640	424	(4,895)	(371)	3,693	—	521	—	(82)	—	—	—	4,242	110	4,132
Total infrastructure, property, plant and equipment	3,065,817	567,129	(36,709)	(16,660)	2,478,640	103,222	30,660	(1,094)	(38,271)	(111)	(69,527)	71,735	3,152,514	577,260	2,575,254

1. Refer to Note 14b for details of prior year adjustments.

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

Notes to the Financial Statements

for the year ended 30 June 2018

Note 10. Infrastructure, property, plant and equipment continued

Accounting policy for infrastructure, property, plant and equipment

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

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.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss 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.

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

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

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Crown reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

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 of station in the local government area transferred as part of the City of Parramatta and Cumberland Proclamation 2016.

Note 11. Intangible assets

	2018 \$'000	2017 \$'000
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value	8,168	7,878
Accumulated amortisation	(6,250)	(5,165)
Net book value – opening balance	1,918	2,713
Movements for the year		
– Purchases	1,168	290
– Development costs	403	—
– Amortisation charges	(1,221)	(1,085)
– Gross book value written off	(191)	—
– Accumulated amortisation charges written off	191	—
Closing values:		
Gross book value (30/6)	9,548	8,168
Accumulated amortisation (30/6)	(7,280)	(6,250)
Total intangible assets – net book value	2,268	1,918

Accounting policy for 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.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 12. Payables and borrowings

	2018		2017	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Payables				
Goods and services	8,452	—	10,203	—
Accrued expenses:				
– Accrued Interest	243	—	292	—
– Salaries and wages	2,003	—	1,864	—
– Other expenditure accruals	10,187	—	23,214	—
Security bonds, deposits and retentions	11,119	—	9,008	—
Environment upgrade agreement	140	738	140	878
Total payables	32,144	738	44,721	878
Income received in advance				
Payments received in advance	13,246	—	8,052	—
Total income received in advance	13,246	—	8,052	—
Borrowings				
Loans – secured	9,035	39,416	10,806	48,451
Total borrowings	9,035	39,416	10,806	48,451
Total payables and borrowings	54,425	40,154	63,579	49,329

a) Payables and borrowings relating to restricted assets

There are no restricted assets (external or internal) applicable to the above payables and borrowings.

2018	2017
\$'000	\$'000

b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Payables – security bonds, deposits and retentions	8,620	6,758
	8,620	6,758

c) Changes in liabilities arising from financing activities

Class of borrowings	2017		Non-cash changes			2018
	Opening balance as at 1/7/17	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance as at 30/6/18
Loans – secured	59,257	(10,806)	—	—	—	48,451
Total	59,257	(10,806)	—	—	—	48,451

Note 12. Payables and borrowings continued

	2018 \$'000	2017 \$'000
d) Financing arrangements		
i) Unrestricted access was available at balance date to the following lines of credit:		
Bank overdraft facilities ¹	2,000	1,000
Credit cards/purchase cards	250	250
Total financing arrangements	2,250	1,250
Undrawn facilities as at balance date:		
– Bank overdraft facilities	2,000	1,000
– Credit cards/purchase cards	250	250
Total undrawn financing arrangements	2,250	1,250

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

Accounting policy for payables and borrowings

Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the 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.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Provisions

	2018		2017	
	Current \$'000	Non-current \$'000	Current \$'000	Non-current \$'000
Provisions				
Employee benefits:				
Annual leave	8,734	—	8,452	—
Sick leave	932	—	1,193	—
Long service leave	15,099	1,218	14,728	918
Other employee provisions	1,862	—	3,233	—
Sub-total – aggregate employee benefits	26,627	1,218	27,606	918
Other provisions:				
Local government elections (sept 17)	—	—	800	—
Legal expense	800	—	700	—
Asbestos removal	3,217	—	2,600	—
Make good provisions	—	2,393	—	2,393
Sub-total – other provisions	4,017	2,393	4,100	2,393
Total provisions	30,644	3,611	31,706	3,311

a) Provisions relating to restricted assets

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

	2018 \$'000	2017 \$'000
b) Current provisions not anticipated to be settled within the next twelve months		
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	16,424	13,870
	16,424	13,870

c) Description of and movements in provisions

2018	Other provisions				Total \$'000
	Legal Expense \$'000	Asbestos Removal \$'000	Make Good Provisions \$'000	Local Govt. Elections \$'000	
At beginning of year	700	2,600	2,393	800	6,493
Changes to provision:					
Additional provisions	100	1,651	—	—	1,751
Amounts used (payments)	—	(1,034)	—	(800)	(1,834)
Unused amounts reversed	—	—	—	—	—
Total other provisions at end of year	800	3,217	2,393	—	6,410

2017	Other provisions				Total \$'000
	Legal Expense \$'000	Asbestos Removal \$'000	Make Good Provisions \$'000	Local Govt. Elections \$'000	
At beginning of year	200	—	—	—	200
Changes to provision:					
Additional provisions	500	2,600	2,393	800	6,293
Total other provisions at end of year	700	2,600	2,393	800	6,493

Note 13. Provisions continued

Nature and purpose of material non-employee benefit provisions

Make Good Provisions

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

Asbestos Removal

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

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

Accounting policy for provisions

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

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

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

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

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

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.

Defined Benefit Plan: Multi-Employer Pooled Fund

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

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

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

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

Division B 1.9 times employee contributions

Division C 2.5% salaries

Division D 1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2017. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2017.

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

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

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

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

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

i) *wind-up of the plan*

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

ii) *the entity's withdrawal from the plan*

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

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Provisions continued

d) Further information relating to reasons for accounting for the pooled employer fund as a defined contribution plan:

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

Council confirms that the plan is a defined benefit plan.

ii) the reason why sufficient information is not available to enable an entity to account for the plan as a defined benefits plan:

- 1) Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
- 2) The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer;
- 3) Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
- 4) The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As that there is insufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub- group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

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

The expected contributions by Council to the Fund for the next annual reporting period are \$1.098M.

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

The estimated employer reserves financial position for the Pooled Employers at 30 June 2018 is:

Employer reserves only ¹	\$millions	Asset Coverage
Assets	1,817.8	
Past Service Liabilities	1,787.5	101.7%
Vested Benefits	1,778.0	102.2%

1. Excluding member accounts and reserves in both assets and liabilities.

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

Investment return	6.0% per annum
Salary inflation ¹	3.5% per annum
Increase in CPI	2.5% per annum

1. Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the 2018 triennial review will be completed around December 2018.

The requirement for additional contributions (currently \$40M per annum) is assessed annually by the Actuary and is designed to not only restore the Funds to a satisfactory financial position but to allow the Trustee, on behalf of the employers, to commence de-risking the asset allocation and consequently reduce the market exposure risk to growth assets.

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

As previously notified, to enable this de-risking of the asset allocation to commence, additional contributions are estimated to remain in place until 30 June 2021. It is estimated that there are \$1,278,000.00 additional contributions remaining. However, the Trustee will be reviewing the financial position of the fund on an annual basis and will provide updates accordingly.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2018 was \$1,234,388. The last valuation of the Fund was performed by the Actuary, Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ending 30 June 2017.

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

Based on a Past Service Liabilities methodology, the share of the surplus attributed to the organisation is 1.07%.

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

b) Correction of errors relating to a previous reporting period

Nature of prior-period errors

Revaluation of Community Land and Land Under Roads

During the current year revaluation, land parcels were realigned to the Council's Geographic Information System, which detected a difference between the system and the fixed asset register.

The adjustment reflects an increase to the opening fair value of Community Land by \$68,813k and Land Under Roads by \$822k. As a result, Council has increased retained earnings at 30 June 2017.

IPPE Lost on Amalgamation

Multiple assets that were transferred to Cumberland Council on the date of amalgamation were identified in the current fixed assets register. These assets should have been written off on amalgamation date, 13 May 2016, when ownership was transferred to the other Council.

The adjustment results into a decrease of the opening carrying value of IPPE as disclosed in Note 10 by \$12,399k and a decrease in retained earnings at 30 June 2017.

Errors in Capital Work in Progress Account

During a current year review of a work in progress account, there were identified multiple capital projects that were brought forward from prior years and related to:

- assets that were disposed on amalgamation
- assets held for sale and therefore cannot have the capital value increased
- operational works that were incorrectly classified as capital.

All of these capital costs should have been written off to P&L in prior years and resulted in \$3,019k decrease in opening WIP balance.

\$2,243k of capital works were incorrectly expensed last year.

A net result of two errors above is a decrease of the opening carrying value of WIP and opening retained earnings is \$776k.

Double Counting Carparks Assets

It was noted that during last year revaluation, external values included multilevel carparks in Buildings category during revaluation. However, these carparks were already accounted for in Open Space assets category.

This adjustment decreases Open Space assets category and decreases opening balance of retained earnings by \$59,822k.

Impaired Buildings

North Rocks Pre-School should have been impaired last year when corresponding land parcel was reclassified as held for sale and 2 Darwin St. buildings was sold by Hornsby Shire Council prior to amalgamation but was not disposed in the fixed assets register. These prior year errors resulted in a decrease of opening net book value of Buildings on Note 10 and a decrease of opening balance of retained earnings by \$1,445k.

Assets Held For Sale

Even though, Parramatta Square sites were reclassified to the Assets Held for Sale category last year and removed from Note 10, \$5,610k associated with the development were incorrectly added to the Operational Land category on Note 10.

The Parramatta Square overheads asset was identified in Other Assets category. This asset should have been written off last year when Parramatta Square assets were reclassified as Held for Sale. The impact is \$4,528k decrease in the opening balance of Other Assets on Note 10 and retained earnings.

The sale of Lennox Carpark occurred last year but the land parcel was not disposed from the Operational Land asset category. As a result, opening balance of Operational Land and retained earnings were overstated by \$5,310k.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors continued

Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the table below.

Adjustments to the comparative figures for the period ended 30 June 2017

	Original Balance 30 June 2017 \$'000	Impact Increase/ (decrease) \$'000	Restated Balance 30 June 2017 \$'000
Statement of Financial Position			
Infrastructure, property, plant and equipment	2,498,688	(20,049)	2,478,639
Total assets	3,025,831	(20,049)	3,005,782
Security bonds, deposits and retentions	8,837	170	9,007
Total liabilities	147,754	170	147,924
Retained earnings	2,878,077	—	2,878,077
Total equity	2,878,077	—	2,857,858
Income Statement			
Net gain from the disposal of assets	9,663	(5,310)	4,353
Gain on local government amalgamation	2,800,103	(14,909)	2,785,194
Total income from continuing operations	2,878,077	(20,219)	2,857,858
Net operating result for the year	2,878,077	(20,219)	2,857,858

Note 15. Statement of cash flows – additional information

	Notes	2018 \$'000	13/5/16 to 30/6/17 \$'000
a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	17,446	32,430
Balance as per the Statement of Cash Flows		17,446	32,430
b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		35,632	72,665
Adjust for non-cash items:			
Depreciation and amortisation		39,492	46,983
Net losses/(gains) on disposal of assets		(960)	(4,353)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		(865)	580
– Revaluation decrements / impairments of IPP&E direct to P&L		111	—
Share of net (profits) or losses of associates/joint ventures		(866)	(780)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		31,585	(1,649)
Increase/(decrease) in provision for doubtful debts		10,167	20
Decrease/(increase) in inventories		2	34
Decrease/(increase) in other assets		142	(166)
Increase/(decrease) in payables		(1,751)	(4,024)
Increase/(decrease) in accrued interest payable		(49)	(532)
Increase/(decrease) in other accrued expenses payable		(12,888)	2,608
Increase/(decrease) in other liabilities		2,529	(2,146)
Increase/(decrease) in employee leave entitlements		(679)	4,444
Increase/(decrease) in other provisions		(1,734)	103
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		99,868	113,788

Note 16. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2018	2017	2018	2017
Joint ventures	866	780	6,148	5,748
Total	866	780	6,148	5,748

a) Joint arrangements

i) Joint ventures

Council has incorporated the following joint ventures into its consolidated financial statements.

a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2018 \$'000	2017 \$'000
Civic Risk West	Joint venture	Equity method	5,386	5,138
Civic Risk Mutual (Westpool and UIP)	Joint venture	Equity method	762	610
Total carrying amounts – material joint ventures			6,148	5,748

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Interests in other entities continued

b) Details

Name of entity	Principal activity
Civic Risk West	
Civic Risk Mutual	Management of public liability and property insurance

c) Relevant interests and fair values

Name of entity	Interest in outputs		Interest in ownership		Proportion of voting power	
	2018	2017	2018	2017	2018	2017
Civic Risk West	13%	17%	13%	13%	10%	10%
Civic Risk Mutual	9%	9%	9%	9%	6%	6%

d) Summarised financial information for joint ventures

	Civic Risk West		Civic Risk Mutual	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Statement of financial position				
Current assets				
Cash and cash equivalents	3,022	4,619	1,158	506
Other current assets	19,442	13,732	5,759	6,239
Non-current assets	41,740	47,434	5,989	5,888
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	6,111	5,008	2,690	2,890
Other current liabilities	720	688	299	423
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	15,612	20,429	1,448	2,830
Net assets	41,761	39,660	8,469	6,490
Reconciliation of the carrying amount				
Opening net assets	39,660	32,197	6,490	7,286
Profit/(loss) for the period	5,913	7,463	1,979	(796)
Other adjustments to equity:	(3,812)	—	—	—
Closing net assets	41,761	39,660	8,469	6,490
Council's share of net assets (%)	12.9%	13.0%	9.0%	9.4%
Council's share of net assets	5,386	5,138	762	610
Statement of comprehensive income				
Income	6,076	7,064	9,425	8,302
Interest income	3,261	3,757	439	584
Interest expense	(17)	(17)	—	—
Other expenses	(3,407)	(3,341)	(7,886)	(9,682)
Profit/(loss) for period	5,913	7,463	1,978	(796)
Total comprehensive income	5,913	7,463	1,978	(796)
Share of income – Council (%)	12.1%	11.7%	7.5%	11.7%
Profit/(loss) – Council	717	873	149	(93)
Total comprehensive income – Council	717	873	149	(93)
Equity returned to the Council during the year	466	—	—	—

Note 16. Interests in other entities continued

Accounting policy for joint arrangements

Joint ventures

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 Investments in 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 joint venture 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.

b) Unconsolidated structured entities

Council is not required to consolidate the following structured entities:

1. Parramasala

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

According to the 2018 annual agreement, the Council sponsorship amount is \$200k and in-kind support of Parramasala festival (providing office facilities, marketing, etc.).

Nature of risks relating to the Unconsolidated Structured Entity

Council signs an annual agreement with Parramasala that establishes the terms and conditions of sponsorship and annual festival. There are no further obligations between the entities. The term of the Agreement is for a period of 1 year from 1 July 2017 to 30 June 2018.

As per the Agreement, Parramasala delivers the festival at its own risk and releases Council from any claims, liabilities or damages in relation to the festival.

	2018 \$'000	13/5/16 to 30/6/17 \$'000
Expenses incurred by Council relating to the Structured Entity:		
– Sponsorship	200	202
– In-kind	5	5

Current intention to provide financial support

Council has a current intention to support the Unconsolidated Structured Entity.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Contingencies and commitments for expenditure

	2018 \$'000	2017 \$'000
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	13,436	1,596
Plant and equipment	5,330	255
Footpaths	1,279	235
Roads, kerb and gutter	3,132	875
Bridges	66	—
Stormwater Drainage	1,401	94
Land Improvements	1,327	914
Other	1,054	221
Total commitments	27,025	4,190
These expenditures are payable as follows:		
Within the next year	27,025	4,190
Total payable	27,025	4,190
Sources for funding of capital commitments:		
Unrestricted general funds	4,834	957
Future grants and contributions	538	—
Sect 64 and 94 funds/reserves	13,563	906
Unexpended grants	757	739
Externally restricted reserves	557	—
Internally restricted reserves	5,552	—
Special rates	1,224	380
Other funding	—	1,208
Total sources of funding	27,025	4,190

Details of capital commitments

Capital commitments relate to ongoing capital projects such as 5 Parramatta Square development, interior fit-out of the Community Centre, roads, kerb and gutter maintenance, aquatic centre design etc.

b) 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	5,710	4,651
Later than one year and not later than 5 years	15,174	1,093
Total non-cancellable operating lease commitments	20,884	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 five to seven years.

Conditions relating to operating leases:

- No lease agreements impose any financial restrictions on Council regarding future debt etc.

c) Contingent Assets and Liability

There are no known material contingent assets or liabilities as at 30 June 2018.

Note 18. 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 value		Fair value	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial assets				
Cash and cash equivalents	17,446	32,430	17,470	32,430
Investments				
– 'Held for trading'	95,444	92,708	95,444	92,708
– 'Held to maturity'	223,612	99,822	223,612	99,822
Receivables	49,683	84,400	54,432	84,400
Total financial assets	386,185	309,360	390,958	309,360
Financial liabilities				
Payables	32,882	45,599	32,882	45,428
Loans/advances	48,451	59,257	49,886	61,299
Total financial liabilities	81,333	104,856	82,768	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.

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 Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Financial risk management continued

	Increase of values/rates		Decrease of values/rates	
	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
2018				
Possible impact of a 10% movement in market values	9,544	9,544	(9,544)	(9,544)
Possible impact of a 1% movement in interest rates	2,410	2,410	(2,410)	(2,410)
13/5/16 to 30/6/17				
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)

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 reported to Council monthly and benchmarks are set and 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:

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
i) Ageing of receivables				
Current (not yet overdue)	79%	70%	2%	83%
Overdue	21%	30%	98%	17%
	100%	100%	100%	100%

	2018 \$'000	2017 \$'000
ii) Ageing of receivables – value		
Rates and annual charges		
Current	6,348	124
< 1 year overdue	1,271	4,865
1 – 2 years overdue	101	341
2 – 5 years overdue	73	258
> 5 years overdue	273	188
	8,066	5,776

Other receivables		
Current	35,785	66,489
0 – 30 days overdue	1,440	167
31 – 60 days overdue	11	1,423
61 – 90 days overdue	16	4,208
> 91 days overdue	15,690	7,495
	52,942	79,782

Note 18. 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.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a 4-year renewal basis. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

	Weighted average interest rate %	Subject to no maturity \$'000	≤ 1 Year \$'000	Payable in: 1 – 5 Years \$'000	> 5 Years \$'000	Total cash outflows \$'000	Actual carrying values \$'000
2018							
Trade/other payables	0.00%	11,119	20,722	—	—	31,841	32,882
Loans and advances	5.07%	—	11,340	41,200	2,962	55,502	48,451
Total financial liabilities		11,119	32,062	41,200	2,962	87,343	81,333
2017							
Trade/other payables	0.00%	9,008	36,593	—	—	45,601	45,599
Loans and advances	5.13%	—	13,672	42,422	13,080	69,174	59,257
Total financial liabilities		9,008	50,265	42,422	13,080	114,775	104,856

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Material budget variations

Council's original financial budget for 17/18 is not required to be audited.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variation**¹ between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

	2018 Budget \$'000	2018 Actual \$'000	2018 Variance ¹ \$'000	2018 Variance ¹ %	2018 Variance ¹
Revenues					
Rates and annual charges	164,945	171,054	6,109	4%	F
User charges and fees	38,427	35,410	(3,017)	(8%)	U
Interest and investment revenue	6,711	8,992	2,281	34%	F
Additional revenue received for the disposal of Parramatta Square building sites 3 & 4 resulting in higher investment balances and returns received. City of Parramatta were able to receive favourable rates in returns on investments resulting in larger return on investment.					
Other revenues	16,075	12,974	(3,101)	(19%)	U
Other revenue is below the budget due to the over budgeting of parking fines and sponsorship revenue resulting in a shortfall for 2017/18.					
Operating grants and contributions	15,109	21,562	6,453	43%	F
Early payment of the Financial Assistance Grant (FAG) and higher than anticipated child care rebate funding resulted into this favourable variance.					
Capital grants and contributions	31,010	46,117	15,107	49%	F
Capital grants and contributions are significantly higher than budgeted due to early grant payments for 2018/19 from NSW Department of Planning and Infrastructure (\$5,243k) for Carter Street Regional Cycleways and Escarpment Boardwalk, RMS Block Grant (\$565k) and Financial Assistance Grant (\$4,831k). West Epping Park received a contribution for \$6,602k for the completion of works that was not budgeted. Other variances relate to S7.4 and S7.11 contributions being above budget.					
Net gains from disposal of assets	—	960	960	100%	F
Net gain from the sale of Plant and Equipment and Parramatta Square (Building 3) was not budgeted for.					
Joint ventures and associates – net profits	—	866	866	100%	F
Movement in Joint Ventures net assets for 2017/18.					
Expenses					
Employee benefits and on-costs	104,961	99,826	5,135	5%	F
Borrowing costs	2,818	2,814	4	0%	F
Materials and contracts	78,419	80,254	(1,835)	(2%)	U
Depreciation and amortisation	39,422	39,492	(70)	(0%)	U
Other expenses	27,511	39,806	(12,295)	(45%)	U
Unfavorable variance is mainly due to \$10,367k bad debt write-off expenditure in relation to Section 7.11 funds receivable from Hornsby Council.					

1. Note that for variations of budget to actual:

Material variations represent those variances that amount to 10% or more of the original budgeted figure.

F = Favourable budget variation, U = Unfavourable budget variation.

Note 19. Material budget variations continued

Budget variations relating to Council's Cash Flow Statement include:

	2018 Budget \$'000	2018 Actual \$'000	2018 Variance ¹ \$'000	2018 Variance ¹ %	2018 Variance ¹
Cash flows from operating activities	58,568	99,868	41,300	70.5%	F
Cash flow from operating activities is significantly higher than budgeted due to early grant payments for 2018/19 from NSW Department of Planning and Infrastructure (\$5,243k) for Carter Street Regional Cycleways and Escarpment Boardwalk, RMS Block Grant (\$565k) and Financial Assistance Grant (\$4,831k). West Epping Park received a contribution for \$6,602k for the completion of works that was not budgeted. Other variances relate to S7.4 and S7.11 contributions being above budget.					
Cash flows from investing activities	(55,658)	(104,046)	(48,388)	86.9%	U
Cash flow exceeded budget due to the sale of Parramatta Square (sites 3&4), which resulted into higher cash balance to invest resulting in investment purchases.					
Cash flows from financing activities	(10,806)	(10,806)	—	0.0%	F

1. Note that for variations of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, **U** = Unfavourable budget variation.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. 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:

	Date of latest valuation	Fair value measurement hierarchy			Total \$'000
		Level 1	Level 2	Level 3	
		Quoted prices in active mks \$'000	Significant observable inputs \$'000	Significant unobservable inputs \$'000	
2018					
Recurring fair value measurements					
Financial assets					
Investments					
- 'Held for trading'	29/06/18	95,444	—	—	95,444
Total financial assets		95,444	—	—	95,444
Infrastructure, property, plant and equipment					
Operational land	13/05/16	—	443,146	—	443,146
Community land	30/06/18	—	—	385,579	385,579
Land under roads	30/06/18	—	—	2,151	2,151
Buildings-non specialised	13/05/16	—	—	165,356	165,356
Buildings-specialised	13/05/16	—	—	27,869	27,869
Open space	30/06/18	—	—	49,171	49,171
Other structures	13/05/16	—	—	11,894	11,894
Roads	13/05/16	—	—	895,056	895,056
Bridges	13/05/16	—	—	70,858	70,858
Footpaths	31/03/18	—	—	126,544	126,544
Stormwater drainage	13/05/16	—	—	224,789	224,789
Bulk earthworks	13/05/16	—	—	102,338	102,338
Swimming pools	13/05/16	—	—	989	989
Total infrastructure, property, plant and equipment		—	443,146	2,062,594	2,505,740

Note 20. Fair value measurement continued

	Fair value measurement hierarchy			Total \$'000
	Level 1	Level 2	Level 3	
	Quoted prices in active mkts \$'000	Significant observable inputs \$'000	Significant unobservable inputs \$'000	
2017				
Recurring fair value measurements				
Financial assets				
Investments				
– 'Held for trading'	92,708	—	—	92,708
Total financial assets	92,708	—	—	92,708
Infrastructure, property, plant and equipment				
Operational land	—	443,146	—	443,146
Community land	—	—	330,037	330,037
Land under roads	—	—	1,847	1,847
Buildings-non specialised	—	—	163,225	163,225
Buildings – specialised	—	—	28,551	28,551
Open space	—	—	21,337	21,337
Other structures	—	—	11,229	11,229
Roads	—	—	898,976	898,976
Bridges	—	—	69,329	69,329
Footpaths	—	—	121,468	121,468
Stormwater drainage	—	—	218,632	218,632
Bulk earthworks	—	—	102,338	102,338
Swimming pools	—	—	984	984
Total infrastructure, property, plant and equipment	—	443,146	1,967,953	2,411,099
Non-recurring fair value measurements				
Non-current assets classified as 'held for sale'				
Land	209,650	—	—	209,650
Total NCA's classified as 'held for sale'	209,650	—	—	209,650

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.

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.

Carrying amount of Operational Land was assessed at this reporting date by management using APV indices report. Change in carrying value was considered to be immaterial.

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 the inputs used in the valuation of these assets are observable.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Fair value measurement continued

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

Land Under Roads

Land Under Roads identified as roads constructed post 1/7/2008 has been valued on 13 May 2016, 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.

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

Buildings

Council engaged Assetic Pty Ltd in 2016 to value all buildings and to assess change in carrying amount at the end of this financial year. Change in carrying value was considered to be immaterial.

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.

Other Structures

This asset class is comprised of car parking buildings, shade shelters, retaining walls, 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 on May 13 2016 and to assess change in carrying amount at the end of this financial year. Change in carrying value was considered to be immaterial.

Unobservable level 3 inputs used include residual value, useful life, asset condition and pattern of consumption.

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 is non-depreciable as it is not expected that the formation will not need to be renewed during the normal operational use of the assets.

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. 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 where rated by IMG in 2015. Council has a documented condition assessment manual. Each condition criteria were assessed in terms of actual affected extent and severity and applied a scaling to convert it to a 1 to 5 rating scale in line with industry recommendations, which have been aligned to the NAMS ratings 1 (Excellent) to 5 (Very Poor).

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

Council engaged Assetic Pty Ltd to assess change in carrying amount of Roads at the end of this financial year. Change in carrying value was considered to be immaterial and no revaluation was performed this financial year.

Note 20. Fair value measurement continued

Bridges

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

A revaluation was conducted in 2016 for the existing Parramatta bridges by Assetic Pty Ltd.

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.

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.

Council engaged Assetic Pty Ltd to assess change in carrying amount of Bridges at the end of this financial year. Change in carrying value was considered to be immaterial and no revaluation was performed this financial year.

Footpaths

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

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

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. 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.

Council engaged Assetic Pty Ltd to assess change in carrying amount of Stormwater Drainage at the end of this financial year. Change in carrying value was considered to be immaterial and no revaluation was performed this financial year.

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.

Council engaged Assetic Pty Ltd to assess change in carrying amount of Swimming Pools at the end of this financial year. Change in carrying value was considered to be immaterial and no revaluation was performed this financial year.

Open Space Assets

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

All open space assets were valued by internal experts using Level 3 valuation inputs using the cost approach.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. 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 \$'000	Total \$'000
Opening balance – 13/5/16	—	—
Balance on transfer from former Councils	1,989,115	1,989,115
Purchases (GBV)	28,108	28,108
Disposals (WDV)	(15,568)	(15,568)
Depreciation and impairment	(33,702)	(33,702)
Closing balance – 30/6/17	1,967,953	1,967,953
Purchases (GBV)	55,192	55,192
Disposals (WDV)	(59)	(59)
Depreciation and impairment	(32,227)	(32,227)
FV gains – other comprehensive income	71,735	71,735
Closing balance – 30/6/18	2,062,594	2,062,594

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

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

I,PP&E			
Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
Community Land	385,579	Land Values obtained from the NSW Valuer-General	Land value, land area
Land Under Roads	2,151	Englobo methodology	Land value, land area
Buildings (Specialised and Non-Specialised)	193,225	Market-based direct comparison/ cost approach	Market value if available. Otherwise, current replacement cost
Other Structures	11,894		
Roads	997,394		
Bridges	70,858		
Footpaths	126,544	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition.
Stormwater Drainage	224,789		
Swimming Pools	989		
Open Space Assets	49,171		

5) Highest and best use

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

Note 21. Related party transactions

a. Key management personnel

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

- a) Lord Mayor;
- b) Councillors;
- c) CEO;
- d) Directors;

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

Compensation:	2018 \$'000
Short-term benefits	3,165
Post-employment benefits	240
Other long-term benefits	119
Termination benefits	129
Total	3,653

KMP compensation includes all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. If a person became a KMP of a reporting entity during a reporting period, no disclosure is required for any remuneration paid to that person before that person's appointment as KMP. If a person ceases to be a KMP during a reporting period, the entity is required to disclose that person's compensation for the period until cessation. Short-term benefits include cash salary and, where relevant for executives, lump sum payments, motor vehicle benefits, car parking and the fringe benefits tax paid or payable on these benefits. Post-employment benefits include superannuation benefits. Other long-term benefits include long service leave and annual leave.

b. Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Aside from these arm's length "ordinary citizen transactions", no further transactions between KMP (and their related parties) and Council took place during the reporting period.

Note 22. Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

Purpose	Opening balance \$'000	Contributions received during the year		Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
		Cash \$'000	Non-cash \$'000					
Open space	445	—	—	11	(201)	—	255	—
Community facilities	5,660	750	—	189	—	—	6,599	—
Traffic and parking	2,817	—	—	87	(71)	—	2,833	—
Traffic and transport	134	—	—	4	(18)	—	120	—
Councils OnLine	32	(0)	—	1	(19)	—	14	—
Public domain projects	5,398	1,472	—	193	(0)	—	7,062	—
River foreshore park	2,146	566	—	74	(148)	—	2,638	—
Arts and cultural facility	7,129	1,130	—	232	(642)	—	7,849	—
Recreation Facilities	4,503	941	—	156	—	—	5,600	—
Historic buildings	544	188	—	20	—	—	752	—
Car park enhancements	183	188	—	—	(371)	—	0	—
Access and transport	7,614	1,129	—	256	(74)	—	8,925	—
Ermington traffic and pedestrian	78	—	—	—	(78)	—	0	—
Community facilities (A)	1,077	1,619	—	42	(1,075)	—	1,663	—
Drainage, water quality and laneway infrastructure	1,329	924	—	56	(39)	—	2,270	—
Natural environment	—	307	—	0	(302)	—	5	—
Open space and recreation	4,326	2,696	—	165	(844)	—	6,343	—
Public domain	1,724	769	—	63	(207)	—	2,349	—
Roads and shared paths	3,064	1,382	—	114	(277)	—	4,283	—

Note 23. Statement of developer contributions continued

Purpose	Contributions received during the year			Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
	Opening balance \$'000	Cash \$'000	Non-cash \$'000					
Parramatta Square	—	312	—	—	(312)	—	(0)	—
Open Space Land – Former Hills	2,679	561	—	93	—	—	3,333	—
Open Space Capital – Former Hills	154	126	—	7	—	—	287	—
Transport Facilities Capital – Former Hills	1,328	307	—	47	—	—	1,682	—
Administration – Former Hills	1,118	20	—	35	—	—	1,173	—
Stormwater Management – Former Hills	1,521	404	—	54	—	—	1,979	—
Community Facilities – Former Hills	1,425	365	—	43	—	—	1,833	—
Open Space and Recreation – Former Hills	3,170	40	—	50	—	—	3,260	—
Roads and Natural Paths – Former Hills	2,878	139	—	47	(37)	—	3,027	—
Natural Environment – Former Hills	1	17	—	0	—	—	18	—
Public Domain – Former Hills	1	17	—	0	—	—	18	—
Drainage and Water Quality – Former Hills	1	22	—	0	—	—	23	—
Drainage & Water Quality – Former Hornsby	—	32	—	1	—	—	33	—
Public Domain – Former Hornsby	—	252	—	24	—	—	276	—
Roads – Former Hornsby	1,978	226	—	45	—	—	2,249	—
Open Space – Former Hornsby	5,957	2,301	—	164	—	—	8,422	—
Community Facilities – Former Hornsby	2,331	299	—	63	—	—	2,693	—
Plan Administration – Former Hornsby	30	8	—	1	—	—	39	—
Other – Former Hornsby	104	1,824	—	32	—	—	1,960	—
Community Facilities – Former Auburn	27	33	—	1	—	—	61	—
Public Domain – Former Auburn	56	76	—	3	—	—	135	—
Accessibility and Traffic – Former Auburn	16	21	—	1	—	—	38	—
Plan Administration – Former Auburn	6	8	—	0	—	—	14	—
Open Space (HBW)	7,070	1,885	—	252	—	—	9,207	—

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23. Statement of developer contributions continued

Purpose	Contributions received during the year			Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
	Opening balance \$'000	Cash \$'000	Non-cash \$'000					
Community Facilities (HBW)	4,198	1,055	—	148	(30)	—	5,371	—
Traffic Management (HBW)	1,400	780	—	56	—	—	2,236	—
Plan Administration (HBW)	296	273	—	14	—	—	583	—
Community Facilities (Carter Street)	30	312	—	6	—	—	348	—
Local Open Space (Carter Street)	77	823	—	15	—	—	915	—
District Recreation (Carter Street)	175	1,870	—	35	—	—	2,080	—
Active Transport (Carter Street)	58	623	—	12	—	—	693	—
Traffic Management (Carter Street)	170	623	—	15	—	—	808	—
Plan Administration (Carter Street)	2	25	—	0	—	—	27	—
Parks and Recreation (former Holroyd)	5	1	—	0	—	—	6	—
Sporting Fields (former Holroyd)	5	1	—	0	—	—	6	—
Community Facilities (former Holroyd)	2	2	—	0	—	—	4	—
S7.11 contributions – under a plan	86,472	29,744	—	2,928	(4,746)	—	114,398	—
Total S7.11 and S7.12 revenue under plans	86,472	29,744	—	2,928	(4,746)	—	114,398	—
S7.4 planning agreements	2,175	1,660	—	94	(42)	—	3,887	—
Total contributions	88,647	31,404	—	3,022	(4,788)	—	118,285	—
S7.11 contribution – under a plan								
Parramatta S 94 Contribution Plan Number 1								
Traffic and parking	2,817	—	—	87	(71)	—	2,833	—
Total	2,817	—	—	87	(71)	—	2,833	—
Parramatta Comprehensive Section 94 Contribution Plan								
Open space	445	—	—	11	(201)	—	255	—
Traffic and transport	134	—	—	4	(18)	—	120	—
Total	579	—	—	15	(219)	—	375	—

Note 23. Statement of developer contributions continued

Purpose	Contributions received during the year			Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
	Opening balance \$'000	Cash \$'000	Non-cash \$'000					
S7.11 Contributions – under a plan								
Parramatta Comprehensive Section 94A Contribution Plan (non city centre)								
Councils OnLine	32	(0)	—	1	(19)	—	14	
Community facilities (A)	1,077	1,619	—	42	(1,075)	—	1,663	
Drainage, water quality and laneway infrastructure	1,329	924	—	56	(39)	—	2,270	
Natural environment	—	307	—	0	(302)	—	5	
Open space and recreation	4,326	2,696	—	165	(844)	—	6,343	
Public domain	1,724	769	—	63	(207)	—	2,349	
Roads and shared paths	3,064	1,382	—	114	(277)	—	4,283	
Total	11,552	7,697	—	441	(2,763)	—	16,927	—
Parramatta Comprehensive Section 94A Contribution Plan (civic improvement)								
Community facilities	5,660	750	—	189	—	—	6,599	
Public domain projects	5,398	1,472	—	193	(0)	—	7,063	
River foreshore park	2,146	566	—	74	(148)	—	2,638	
Arts and cultural facility	7,129	1,130	—	232	(642)	—	7,849	
Recreation Facilities	4,503	941	—	156	—	—	5,600	
Historic buildings	544	188	—	20	—	—	752	
Car park enhancements	183	188	—	—	(371)	—	0	
Access and transport	7,614	1,129	—	256	(74)	—	8,923	
Parramatta Square	—	312	—	—	(312)	—	(0)	
Total	33,177	6,676	—	1,120	(1,548)	—	39,424	—
Ermington traffic and pedestrian works								
Ermington traffic and pedestrian	78	—	—	—	(78)	—	0	
Total	78	—	—	—	(78)	—	0	—
Section 94 Development Contribution Plan – Carlingford Precinct								
Open Space Land – Former Hills	2,679	561	—	93	—	—	3,333	
Open Space Capital – Former Hills	154	126	—	7	—	—	287	
Transport Facilities Capital – Former Hills	1,328	307	—	47	—	—	1,682	
Administration – Former Hills	1,118	20	—	35	—	—	1,173	
Stormwater Management – Former Hills	1,521	404	—	54	—	—	1,979	
Community Facilities – Former Hills	966	333	—	36	—	—	1,335	
Total	7,766	1,751	—	272	—	—	9,789	—

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23. Statement of developer contributions continued

Purpose	Contributions received during the year			Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
	Opening balance \$'000	Cash \$'000	Non-cash \$'000					
S7.11 Contributions – under a plan								
Section 94A development Contribution Plan – former Hills LGA land								
Community Facilities – Former Hills	459	32	—	8	—	—	499	—
Open Space and Recreation – Former Hills	3,170	40	—	50	—	—	3,260	—
Roads and Natural Paths – Former Hills	2,878	139	—	47	(37)	—	3,027	—
Natural Environment – Former Hills	1	17	—	0	—	—	19	—
Public Domain – Former Hills	1	17	—	0	—	—	19	—
Drainage and Water Quality – Former Hills	1	22	—	0	—	—	23	—
Total	6,510	267	—	105	(37)	—	6,847	—
Section 94 former Epping and Hornsby TC								
Plan Administration – Former Hornsby	—	4	—	0	—	—	4	—
Community Facilities – Former Hornsby	—	146	—	2	—	—	148	—
Drainage & Water Quality – Former Hornsby	—	32	—	1	—	—	33	—
Open Space – Former Hornsby	—	1,298	—	—	—	—	1,298	—
Public Domain – Former Hornsby	—	252	—	24	—	—	277	—
Roads – Former Hornsby	—	147	—	2	—	—	149	—
Total	—	1,879	—	29	—	—	1,909	—
Hornsby Section 94 Development Contribution Plan								
Roads – Former Hornsby	1,978	79	—	43	—	—	2,100	—
Open Space – Former Hornsby	5,957	1,003	—	164	—	—	7,124	—
Community Facilities – Former Hornsby	2,331	153	—	61	—	—	2,545	—
Plan Administration – Former Hornsby	30	4	—	1	—	—	35	—
Total	10,296	1,239	—	269	—	—	11,804	—

Note 23. Statement of developer contributions continued

Purpose	Contributions received during the year			Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
	Opening balance \$'000	Cash \$'000	Non-cash \$'000					
S7.11 Contributions – under a plan								
Hornsby Section 94A development Contribution Plan								
Other – Former Hornsby	104	1,751	—	31	—	—	1,886	—
Total	104	1,751	—	31	—	—	1,886	—
Auburn Development Contributions Plan 2007 – part B Residential and part F Employment								
Community Facilities – Former Auburn	27	34	—	1	—	—	62	—
Public Domain – Former Auburn	56	76	—	3	—	—	135	—
Accessibility and Traffic – Former Auburn	16	21	—	1	—	—	38	—
Plan Administration – Former Auburn	6	8	—	0	—	—	14	—
Total	105	139	—	5	—	—	249	—
Auburn Development Contributions Plan 2007 – part C Homebush Bay West								
Open Space (HBW)	7,070	1,885	—	252	—	—	9,207	—
Community Facilities (HBW)	4,198	1,055	—	148	(30)	—	5,371	—
Traffic Management (HBW)	1,400	780	—	56	—	—	2,236	—
Plan Administration (HBW)	296	273	—	14	—	—	583	—
Total	12,964	3,993	—	469	(30)	—	17,397	—
Carter Street Precinct Development Contribution Plan 2016								
Community Facilities (Carter Street)	30	312	—	6	—	—	348	—
Local Open Space (Carter Street)	77	823	—	15	—	—	915	—
District Recreation (Carter Street)	175	1,870	—	35	—	—	2,080	—
Active Transport (Carter Street)	58	623	—	12	—	—	693	—
Traffic Management (Carter Street)	170	623	—	15	—	—	808	—
Plan Administration (Carter Street)	2	25	—	0	—	—	27	—
Total	512	4,275	—	83	—	—	4,871	—

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23. Statement of developer contributions continued

Purpose	Contributions received during the year			Interest earned in year \$'000	Expenditure during year \$'000	Internal borrowing (to)/from \$'000	Held as restricted asset \$'000	Cumulative internal borrowings due/ (payable) \$'000
	Opening balance \$'000	Cash \$'000	Non-cash \$'000					
S7.11 Contributions – under a plan								
Holroyd Section 94 Development Contributions Plan 2013								
Parks and Recreation – former Holroyd	5	1	—	0	—	—	6	—
Sporting Fields – former Holroyd	5	1	—	0	—	—	6	—
Community Facilities – former Holroyd	2	2	—	0	—	—	4	—
Total	12	4	—	0	—	—	16	—
Section 94A former Epping and Hornsby TC								
Other – Former Hornsby	—	74	—	1	—	—	75	—
Total	—	74	—	1	—	—	75	—
S7.4 planning agreements								
Parramatta River – Pedestrian Crossing	1,725	1,130	—	72	—	—	2,927	—
Local Road Works – River Road West	166	—	—	5	—	—	171	—
Local road works – Ermington	53	—	—	1	(42)	—	12	—
Robin Thomas Reserve	210	—	—	7	—	—	217	—
Bushland Regeneration – Ponds Creek Reserve	21	—	—	1	—	—	22	—
Lennox Bridge Portals	—	530	—	8	—	—	538	—
Total	2,175	1,660	—	94	(42)	—	3,887	—

Note 24. Local Government amalgamation

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 \$'000
Gain on local government amalgamation		
Assets and liabilities transferred from former councils	a	4,822,118
Accounting policy adjustments		(2,036,925)
		2,785,193

Note 24. Local Government amalgamation continued

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 below.

	Former Parramatta City Council \$'000	Former Auburn Council \$'000	Former Holroyd Council \$'000	Altered Hills Shire Council \$'000	Altered Hornsby Shire Council \$'000	Gain on local government amalgamation \$'000
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	1,791,023	163,602	30,703	275,204	201,206	2,461,738
Investments accounted for using the equity method	4,968	—	—	—	—	4,968
Intangible assets	2,713	—	—	—	—	2,713
Total non-current assets	1,826,843	163,602	30,703	275,204	201,206	2,497,558
Total assets	2,236,830	173,798	30,703	286,145	211,749	2,939,225
Liabilities						
Current liabilities						
Payables (excluding bank overdraft)	50,519	—	—	—	—	50,519
Borrowings	13,787	—	—	—	—	13,787
Provisions	29,068	—	—	—	—	29,068
Total current liabilities	93,374	—	—	—	—	93,374
Non-current liabilities						
Payables	—	—	—	—	—	—
Income received in advance Borrowings	59,257	—	—	—	—	59,257
Provisions	1,401	—	—	—	—	1,401
Total non-current liabilities	60,658	—	—	—	—	60,658
Total liabilities	154,032	—	—	—	—	154,032
Net assets transferred	2,082,798	173,798	30,703	286,145	211,749	2,785,193

Notes to the Financial Statements

for the year ended 30 June 2018

Note 24. Local Government amalgamation continued

ii) 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 \$'000
Adjustments made to recognise net assets at fair value	
Write-off of assets where original cost is below Council's capitalisation threshold	
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)

Note 25a. Statement of performance measures – consolidated results

	Amounts 2018 \$'000	Indicator 2018 %	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	(13,065)			
Total continuing operating revenue ¹ excluding capital grants and contributions	249,127	-5.24%	1.10%	> 0.00%
2. Own source operating revenue ratio				
Total continuing operating revenue ¹ excluding all grants and contributions	227,565			
Total continuing operating revenue ¹	295,244	77.08%	68.46%	>60.00%
3. Unrestricted current ratio				
Current assets less all external restrictions ²	292,421			
Current liabilities less specific purpose liabilities ^{3,4}	60,025	4.87x	4.87x	>1.5x
4. Debt service cover ratio				
Operating result ¹ before capital excluding interest and depreciation/impairment/amortisation	29,241			
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	13,620	2.15x	3.05x	>2x
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	8,006			
Rates, annual and extra charges collectible	177,387	4.51%	3.03%	<5% metro
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	241,058			
Monthly payments from cash flow of operating and financing activities	22,098	10.91 mths	6.4 mths	>3 mths

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.

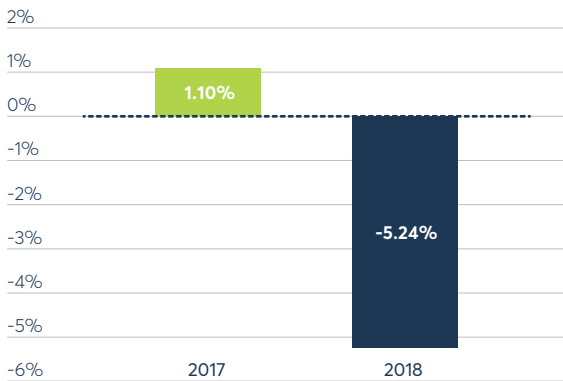
3. Refer to Notes 12 and 13.

4. Refer to Note 12b and 13b – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

End of Audited Financial Statements

Note 25b. Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Benchmark: ----- Minimum >=0.00%

■ Ratio achieves benchmark ■ Ratio is outside benchmark
Source for benchmark: Code of Accounting Practice & Financial Reporting #26

Purpose of operating performance ratio

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

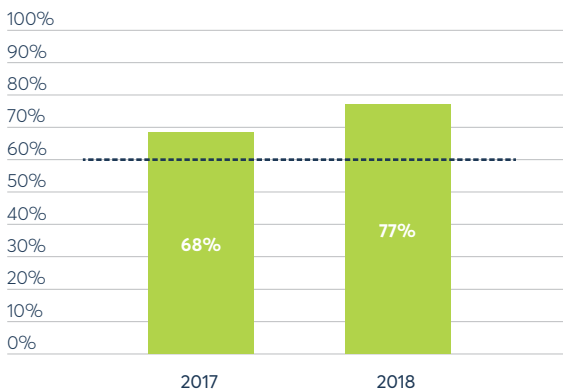
Commentary on 2017/18 result

2017/18 ratio

-5.24%

This ratio is below the benchmark due to significant one-off operating expenditures that relate to write off of Section 7.11 funds receivable from Hornsby Council, LED Street Lighting upgrade, Light Rail project studies and Parramatta Square development.

2. Own source operating revenue ratio



Benchmark: ----- Minimum >=60.00%

■ Ratio achieves benchmark ■ Ratio is outside benchmark
Source for benchmark: Code of Accounting Practice & Financial Reporting #26

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.

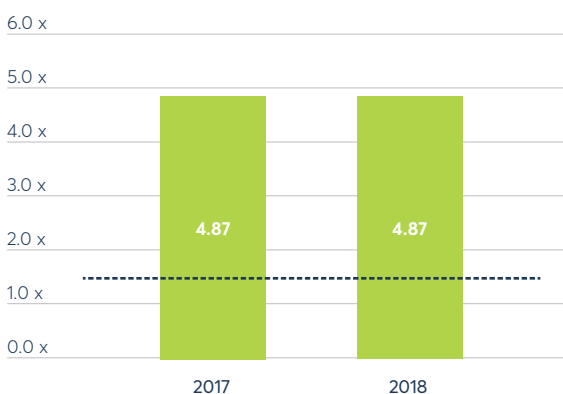
Commentary on 2017/18 result

2017/18 ratio

77.08%

The ratio remains above the benchmark and improved since last year due to increase in rates and fines revenue.

3. Unrestricted current ratio



Benchmark: ----- Minimum >=1.50

■ Ratio achieves benchmark ■ Ratio is outside benchmark
Source for benchmark: Code of Accounting Practice & Financial Reporting #26

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 2017/18 result

2017/18 ratio

4.87x

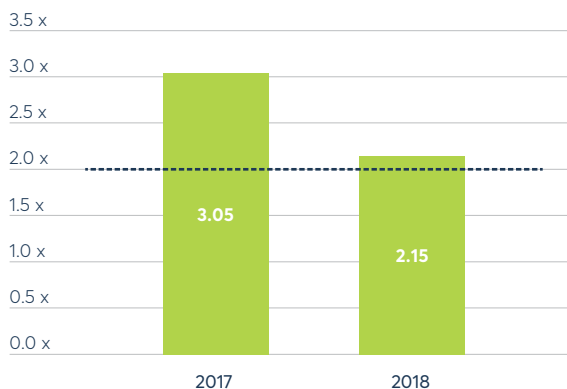
This ratio exceeds the benchmark and slightly increased comparing to the last year indicating a sound liquidity position.

Notes to the Financial Statements

for the year ended 30 June 2018

Note 25b. Statement of performance measures – consolidated results (graphs) continued

4. Debt service cover ratio



Benchmark: ----- Minimum ≥ 2.00
 Legend: ■ Ratio achieves benchmark ■ Ratio is outside benchmark
 Source for benchmark: Code of Accounting Practice & Financial Reporting #26

Purpose of debt service cover ratio

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

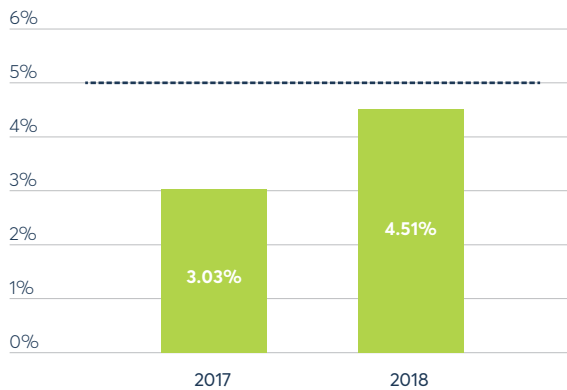
Commentary on 2017/18 result

2017/18 ratio

2.15x

Even though this ratio slightly decreased compared to the last year due to lower operating results before capital, it remains above the benchmark of 2.0 due to Council not taking up additional borrowings.

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



Benchmark: ----- Maximum $< 5.00\%$
 Legend: ■ Ratio achieves benchmark ■ Ratio is outside benchmark
 Source for benchmark: Code of Accounting Practice & Financial Reporting #26

Purpose of rates and annual charges outstanding ratio

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

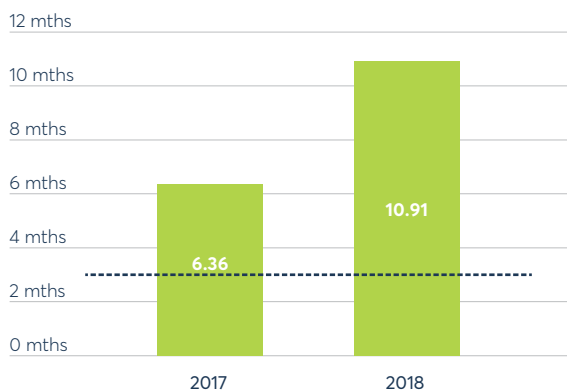
Commentary on 2017/18 result

2017/18 ratio

4.51%

This ratio is below the benchmark and indicates outstanding debt recovery results. This ratio deteriorated this year. The main reason is that the Council did not pursue any debtors associated with the new post-amalgamation areas since debtors' data accuracy had to be verified first. This ratio will improve in 2018/19.

6. Cash expense cover ratio



Benchmark: ----- Minimum ≥ 3.00
 Legend: ■ Ratio achieves benchmark ■ Ratio is outside benchmark
 Source for benchmark: Code of Accounting Practice & Financial Reporting #26

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 2017/18 result

2017/18 ratio

10.91mths

Cash expense cover ratio exceeds the benchmark and improved this year due to higher cash balance as a result of sale of Parramatta Square assets and grants received in June.

Note 26. 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

Acting Chief Executive Officer

Sue Coleman

Responsible Accounting Officer

Alistair Cochrane

Elected members

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 Procriv

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 year ended 30 June 2018

Independent Auditor's Report

30 October 2018, Sydney



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial report

City of Parramatta Council

To the Councillors of the City of Parramatta Council

Opinion

I have audited the accompanying financial report of City of Parramatta Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, 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 report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report 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 Report' 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.

Independent Auditor's Report continued

30 October 2018, Sydney

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

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

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report 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 report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

Notes to the Financial Statements

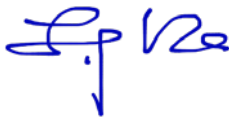
for the year ended 30 June 2018

Independent Auditor's Report

30 October 2018, Sydney

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 19 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Weini Liao
Director, Financial Audit Services

30 October 2018
SYDNEY

Report on Conduct of the Audit

30 October 2018, Sydney



Andrew Wilson
Lord Mayor
City of Parramatta Council
PO Box 32
PARRAMATTA NSW 2124

Contact: Weini Liao
Phone no: 02 9275 7432
Our ref: D1823418/1776

30 October 2018

Dear Lord Mayor

Report on the Conduct of the Audit for the year ended 30 June 2018 City of Parramatta Council

I have audited the general purpose financial statements of the City of Parramatta Council (the Council) for the year ended 30 June 2018 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 year ended 30 June 2018 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.

INCOME STATEMENT

Operating result

	2018	2017	Variance
	\$m	\$m	%
Rates and annual charges revenue	171.1	168.4	↑ 1.6
Grants and contributions revenue	67.7	107.8	↓ (37.2)
Operating result for the year	35.6	72.7	↓ (51.0)
Net operating result before capital amounts	(10.5)	7.6	↓ (238.2)

Notes to the Financial Statements

for the year ended 30 June 2018

Report on Conduct of the Audit continued

30 October 2018, Sydney

Our insights inform and challenge government to improve outcomes for citizens



City of Parramatta 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 was 13 May 2016 to 30 June 2017. Comparative analysis is 13 months compared to 12 months for the financial year 2017–18.

- Rates and annual charges revenue of \$171.1 million represented 57.4 per cent of the total income from operations. It increased by \$2.7 million (1.6 per cent) in 2017–18 as a result of the Council using 2016 Valuer-General's valuations for the basis of rate calculations, compared to 2013 valuations used in the prior year.
- Grants and contributions revenue of \$67.7 million decreased by \$40.1 million (37.2 per cent) in 2017–18 mainly due to:
 - Stronger Communities Fund (\$15 million) and New Council Implementation Fund (\$10 million) received in 2016–17 were non-recurring grants. These grants were utilised for the delivery of community infrastructure and service improvement projects as part of the amalgamation process. These funds were not received in the 2017–18
 - \$5.9 million lower grants received from Roads and Maritime Services in 2017–18. The main reason for the decline was due to some one-off grants received in 2016–17 that were not available to the Council in 2017–18 e.g. City River Renewal and Escarpment Boardwalk Funds
 - \$3.1 million one-off contributions to services from other councils received as part of the amalgamation were not made available in 2017–18.
- Council's operating result was a surplus of \$35.6 million including the effect of depreciation and amortisation expense of \$39.5 million. This was \$37 million lower than the 2016–17 result mainly due to the lower grants and contributions received for both capital and operating purposes.

The net operating result before capital grants and contributions was a deficit of \$10.5 million. This was \$18.2 million lower than the 2016–17 result mainly due to the lower operating result for the year and an impairment of section 7.11 funds receivable from Hornsby Council of \$10.4 million.

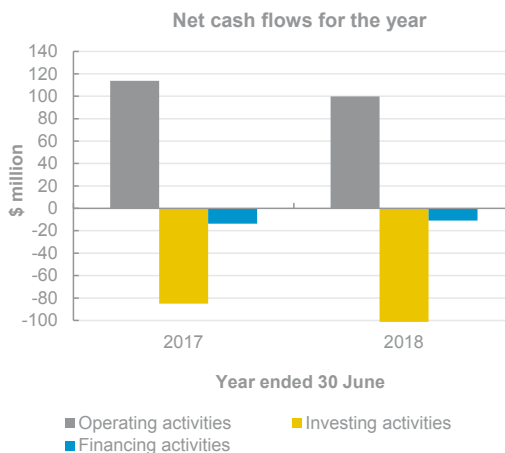
STATEMENT OF CASH FLOWS

The Council's cash and cash equivalents balance at 30 June 2018 was \$17.4 million. The net cash flow for the year was a decrease of \$15 million.

The decrease in cashflow from operating activities was mainly due to the lower grants and contributions revenue.

The increase in cash outflow from investing activities is a result from purchase of investment securities, partly offset by sale of IPPE and investment securities.

The council also repaid \$10.8 million borrowings during the year.



Report on Conduct of the Audit continued

30 October 2018, Sydney

Our insights inform and challenge government to improve outcomes for citizens



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	165.9	115.3	• Externally restricted cash and investments is mainly comprised of developer contributions, specific purpose unexpended grants and domestic waste management funds.
Internal restrictions	104.4	54.4	
Unrestricted	66.3	55.3	
Cash and investments	336.5	225	<ul style="list-style-type: none"> • 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 (\$93.9 million), employee leave entitlements (\$5.5 million), ward works (\$3.0 million) asset renewal reserve (\$0.7 million) and other (\$1.3 million). Property and significant asset reserves represent the funds accumulated from the sale of property, such as Parramatta Square development sites. • Unrestricted cash and investments provide liquidity for day-to-day operations.

Debt

The Council had borrowings of \$48.5 million at 30 June 2018. Council continued to repay its loan during the period (\$10.8 million). As at reporting date, the Council had a current borrowing of \$9 million.

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 25 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's Special Schedule 7 which has not been audited.

Notes to the Financial Statements

for the year ended 30 June 2018

Report on Conduct of the Audit continued

30 October 2018, Sydney

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Operating performance ratio

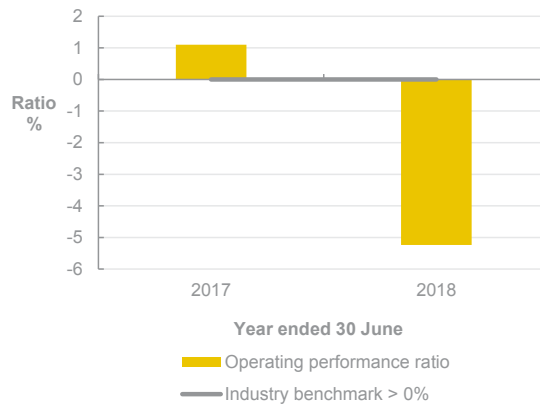
Council's operating performance ratio for the period was negative 5.2 per cent, which was below the industry benchmark of zero per cent.

The ratio was impacted by lower operating grants and contributions revenue and significant one-off operating expenditures including:

- an impairment of Section 7.11 funds receivable from Hornsby Council \$10.4 million
- LED Street Lighting upgrade \$1.4 million
- Light Rail project studies \$1.3 million
- Parramatta Square development costs expensed of \$3 million.

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

Operating performance ratio

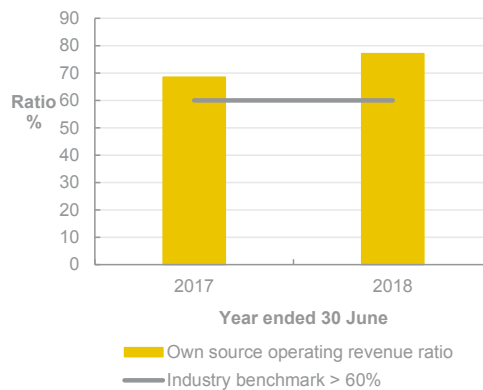


Own source operating revenue ratio

Council's own source operating revenue ratio of 77.1 per cent reflected a low level of reliance on externally sourced revenue. This was contributed by increased rates and annual charges of \$171.1 million and fees and charges of \$35.4 million. The ratio in the current period exceeded the OLG benchmark of greater than 60 per cent, an improvement of 9 per cent compared to the prior year.

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.

Own source operating revenue ratio



Report on Conduct of the Audit continued

30 October 2018, Sydney

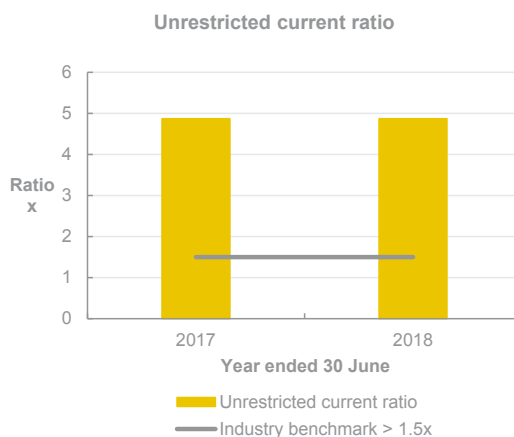
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Unrestricted current ratio

This ratio indicated that Council currently had \$4.9 of unrestricted assets available to service every one dollar of its unrestricted current liabilities. This exceeded the industry benchmark and is consistent with prior year.

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.

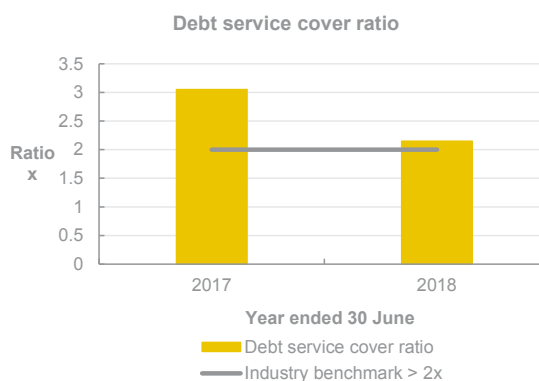


Debt service cover ratio

Council's debt service cover ratio of 2.2 was above the industry benchmark of 2.0.

The ratio slightly decreased compared to prior year due to lower operating results before capital, but it remains above the benchmark. The Council did not acquire any new debt in 2017–18.

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.



Notes to the Financial Statements

for the year ended 30 June 2018

Report on Conduct of the Audit continued

30 October 2018, Sydney



Our insights inform and challenge government to improve outcomes for citizens

Rates and annual charges outstanding ratio

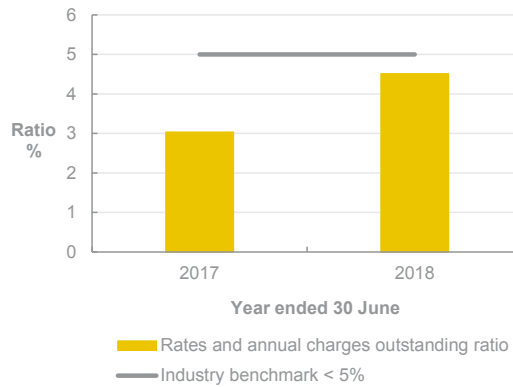
Council's outstanding rates and charges ratio of 4.5 per cent was within the industry benchmark of less than five per cent.

It proved the Council's effective rate recovery measures in collecting and reducing outstanding rates.

The ratio deteriorated compared to prior year mainly due to the Council not pursuing any debtors associated with the post-amalgamation areas. The Council was in the process of resolving data integrity issues.

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.

Rates and annual charges outstanding ratio

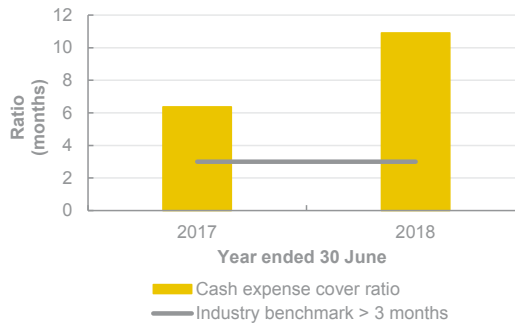


Cash expense cover ratio

Council's cash expense ratio of 10.9 months well exceeded the benchmark of greater than three months. The improvement was attributable by the significant cash reserves acquired from the sale of Parramatta Square assets. Council received sale proceeds of \$77 million in 2017-18 from the sale of land in Parramatta Square.

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.

Cash expense cover ratio



Report on Conduct of the Audit continued

30 October 2018, Sydney

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Building and infrastructure renewals ratio (unaudited)

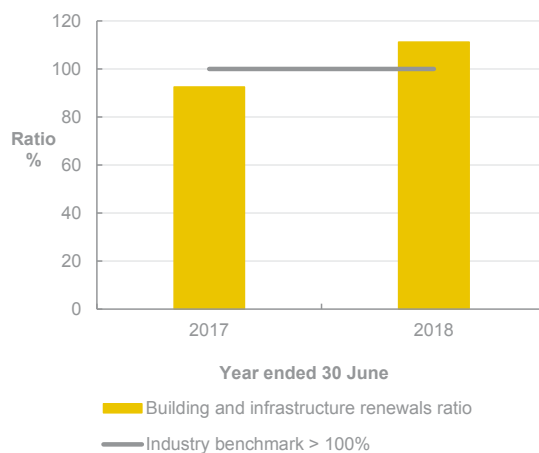
Council's building and infrastructure renewals ratio of 115.3 per cent exceeded the industry benchmark of greater than 100 per cent. This indicated the Council's infrastructure renewal program had sufficiently renewed assets at a greater rate than they were depreciating.

The Council ensures it matches the required expenditure for asset renewals with the actual condition assessment of the assets through its asset management program.

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 council's Special Schedule 7 which has not been audited.

Building and infrastructure renewals ratio



OTHER MATTERS New accounting standards implemented

AASB 124 'Related Party Disclosures'

Effective for annual reporting periods beginning on or after 1 July 2016

AASB 2015-6 extended the scope of AASB 124 to include not-for-profit public-sector entities. As a result, Council's financial statements disclosed the:

- compensation paid to their key management personnel
- nature of their related party relationships
- amount and nature of their related party transactions, outstanding balances and commitments and outstanding balances (including commitments).

AASB 2016-2 'Disclosure Initiative – Amendments to AASB 107'

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

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 12.

Notes to the Financial Statements

for the year ended 30 June 2018

Report on Conduct of the Audit continued

30 October 2018, Sydney

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.

A handwritten signature in blue ink, appearing to read "Weini Liao".

Weini Liao
Director, Financial Audit Services

cc: Sue Coleman, Acting Chief Executive
Andrew Wilson, Lord Mayor
Colin Gellatly, Chair of Audit and Risk Committee
Tim Hurst, Chief Executive of the Office of Local Government

Special Purpose Financial Statements

for the year ended 30 June 2018

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Background

- i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors. Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities. These include **a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **a)** adopt a corporatisation model and **b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Special Purpose Financial Statements

for the year ended 30 June 2018

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government';
- the Division of Local Government Guidelines 'Pricing 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 year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 29 October 2018.



Andrew Wilson
Lord Mayor
29 October 2018



Michelle Garrard
Deputy Lord Mayor
29 October 2018



Sue Coleman
Acting Chief Executive Officer
29 October 2018



Alistair Cochrane
Responsible Accounting Officer
29 October 2018

Income Statement of Council's Other Business Activities

for the year ended 30 June 2018

	Car park operations Category 1		Leasing of Council property Category 1	
	2018 \$'000	13/5/16 to 30/6/17 \$'000	2018 \$'000	13/5/16 to 30/6/17 \$'000
Income from continuing operations				
User charges	12,517	14,427	—	—
Rental revenue	—	—	392	1,098
Total income from continuing operations	12,517	14,427	392	1,098
Expenses from continuing operations				
Employee benefits and on-costs	158	143	356	276
Materials and contracts	1,680	1,932	109	288
Depreciation, amortisation and impairment	1,137	1,043	163	232
Calculated taxation equivalents	3,506	2,910	712	2,909
Other expenses	2,001	2,047	283	647
Total expenses from continuing operations	8,482	8,075	1,623	4,352
Surplus (deficit) from continuing operations before capital amounts	4,035	6,352	(1,231)	(3,254)
Surplus (deficit) from all operations before tax	4,035	6,352	(1,231)	(3,254)
Less: corporate taxation equivalent (30%) [based on result before capital]	(1,211)	(1,906)	—	—
Surplus (deficit) after tax	2,825	4,446	(1,231)	(3,254)
Plus opening retained profits	219,046	—	45,122	—
Plus assets and liabilities transferred from former councils	—	209,784	—	45,467
Plus adjustments for amounts unpaid:				
– Taxation equivalent payments	3,506	2,910	712	2,909
– Corporate taxation equivalent	1,211	1,906	—	—
Closing retained profits	226,587	219,046	44,603	45,122
Return on capital (%)	1.7%	3.3%	-3.0%	-7.3%
Subsidy from Council	2,150	—	2,308	6,898

Special Purpose Financial Statements

for the year ended 30 June 2018

Statement of Financial Position – Council's Other Business Activities

as at 30 June 2018

	Car park operations Category 1		Leasing of Council property Category 1	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Assets				
Current assets				
Cash and cash equivalents	37,623	28,945	—	—
Receivables – due from general fund	—	—	274	415
Total Current Assets	37,623	28,945	274	415
Non-current assets				
Receivables – due from general fund	—	—	3,472	—
Infrastructure, property, plant and equipment	235,185	193,289	40,945	44,780
Total non-current assets	235,185	193,289	44,417	44,780
Total assets	272,808	222,234	44,691	45,195
Liabilities				
Current liabilities				
Payables–due to general fund	46,176	3,150	—	—
Provisions	45	38	47	49
Total current liabilities	46,221	3,188	47	49
Non-current liabilities				
Provisions	—	—	41	24
Total non-current liabilities	—	—	41	24
Total liabilities	46,221	3,188	88	73
Net assets	226,587	219,046	44,603	45,122
Equity				
Accumulated surplus	226,587	219,046	44,603	45,122
Total equity	226,587	219,046	44,603	45,122

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Special Purpose Financial Statements

for the year ended 30 June 2018

Note 1. Significant accounting policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial 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.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

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

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

Declared business activities

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

Category 1

(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):

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first \$629,000 of combined land values attracts **0%**. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$3,846,000 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.

Note 1. Significant accounting policies continued

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 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.

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 2.63% at 30/6/18.

iv) Dividends

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

Special Purpose Financial Statements

for the year ended 30 June 2018

Independent Auditor's Report

30 October 2018, Sydney



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

City of Parramatta Council

To the Councillors of the City of Parramatta Council

Opinion

I have audited the accompanying special purpose financial report (the financial report) of City of Parramatta Council's (the Council) Declared Business Activities, which comprise the Income Statement of each Declared Business Activity for the year ended 30 June 2018, the Statement of Financial Position of each Declared Business Activity as at 30 June 2018, 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 report presents fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2018, and its financial performance for the year then ended, 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.

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 Report' 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 continued

30 October 2018, Sydney

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial report may not be suitable for another purpose.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report and for determining that the accounting policies, described in Note 1 to the financial report, 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 report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

Special Purpose Financial Statements

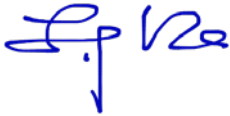
for the year ended 30 June 2018

Independent Auditor's Report continued

30 October 2018, Sydney

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Notes 2 and 3 of the financial report
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Weini Liao
Director, Financial Audit Services

30 October 2018
SYDNEY

Special Schedules

for the year ended 30 June 2018

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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.
1. Special Schedules are not audited (with the exception of Special Schedule 2).

Special Schedules

for the year ended 30 June 2018

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2018

Function or activity	Expenses from continuing operations \$'000	Income from continuing operations		Net cost of services \$'000
		Non-capital \$'000	Capital \$'000	
Governance	3,674	—	—	(3,674)
Administration	102,264	4,720	21,167	(76,377)
Public order and safety				
Enforcement of local government regulations	5,366	12,640	—	7,274
Other	2,579	—	—	(2,579)
Total public order and safety	7,945	12,640	—	4,695
Health	1,215	1,110	—	(105)
Environment				
Other environmental protection	5,365	2,161	1,417	(1,787)
Solid waste management	26,729	32,119	—	5,390
Street cleaning	6,807	48	—	(6,759)
Drainage	5,069	458	458	(4,153)
Stormwater management	29	—	—	(29)
Total environment	43,999	34,786	1,875	(7,338)
Community services and education				
Administration and education	3,471	215	781	(2,475)
Social protection (welfare)	—	—	—	—
Aged persons and disabled	2,483	1,343	—	(1,140)
Children's services	4,818	5,037	—	219
Total community services and education	10,772	6,595	781	(3,396)
Housing and community amenities				
Public conveniences	347	—	—	(347)
Street lighting	3,824	860	—	(2,964)
Town planning	4,948	1,073	2,046	(1,829)
Total housing and community amenities	9,119	1,933	2,046	(5,140)

Special Schedule 1 – Net Cost of Services continued

for the year ended 30 June 2018

Function or activity	Expenses from continuing operations \$'000	Income from continuing operations		Net cost of services \$'000
		Non-capital \$'000	Capital \$'000	
Recreation and culture				
Public libraries	8,406	733	95	(7,578)
Community centres and halls	480	7	2,034	1,561
Performing arts venues	6,730	3,656	—	(3,074)
Other cultural services	3,486	207	1,130	(2,149)
Sporting grounds and venues	1,246	7	1,619	380
Swimming pools	2,795	430	941	(1,424)
Parks and gardens (lakes)	12,523	515	8,769	(3,239)
Other sport and recreation	851	987	—	136
Total recreation and culture	36,517	6,542	14,588	(15,387)
Mining, manufacturing and construction				
Building control	10,137	5,385	—	(4,752)
Total mining, manufacturing and const.	10,137	5,385	—	(4,752)
Transport and communication				
Urban roads (UR) – local	24,037	4,061	4,090	(15,886)
Parking areas	3,846	12,518	188	8,860
Footpaths	2,790	25	1,382	(1,383)
Other transport and communication	991	883	—	(108)
Total transport and communication	31,664	17,487	5,660	(8,517)
Economic affairs				
Other economic affairs	4,997	1,021	—	(3,976)
Total economic affairs	4,997	1,021	—	(3,976)
Totals – functions	262,303	92,219	46,117	(123,967)
General purpose revenues¹		158,734		158,734
Share of interests – joint ventures and associates using the equity method	—	866		866
Net operating result²	262,303	251,818	46,117	35,632

1. Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose

2. As reported in the Income Statement grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

Special Schedules

for the year ended 30 June 2018

Special Schedule 2 – Permissible income for general rates

for the year ended 30 June 2019

		2018/19 Former Parramatta City Council \$'000	2018/19 Former Auburn Council \$'000	2018/19 Former Holroyd Council \$'000	2018/19 Altered Hills Shire Council \$'000	2018/19 Altered Hornsby Shire Council \$'000	2018/19 City of Parramatta Council \$'000
Notional general income calculation¹							
Last year notional general income yield	a	98,482	13,608	1,349	11,131	10,449	135,019
Plus or minus adjustments ²	b	1,486	821	—	95	608	3,010
Notional general income	c = (a + b)	99,968	14,429	1,349	11,226	11,057	138,029
Permissible income calculation (%)							
Special variation percentage ³	d	0.00%	0.00%	7.00%	0.00%	0.00%	
Or rate peg percentage	e	2.30%	2.30%	2.50%	2.30%	2.30%	
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%	0.00%	0.00%	0.00%	
Less: expiring special variation amount	g	—	—	—	—	—	—
Plus: special variation amount	h = d x (c - g)	—	—	94	—	—	94
Or plus: rate peg amount	i = c x e	2,299	332	—	258	254	3,144
Or plus: Crown land adjustment and rate peg amount	j = c x f	—	—	—	—	—	—
Sub-total	k = (c + g + h + i + j)	102,267	14,761	1,443	11,484	11,311	141,267
Plus (or minus) last year's carry forward total	l	96	160	51	(231)	(15)	61
Less: valuation objections claimed in the previous year	m	—	—	—	—	—	—
Sub-total	n = (l + m)	96	160	51	(231)	(15)	61
Total permissible income	o = k + n	102,363	14,921	1,494	11,253	11,297	141,328
Less: notional general income yield	p	102,260	14,760	1,443	11,473	11,311	141,247
Catch-up or (excess) result	q = o - p	103	161	51	(220)	(14)	81
Plus: income lost due to valuation objections claimed ⁴	r	—	—	—	—	—	—
Less: unused catch-up ⁵	s	—	—	—	—	—	—
Carry forward to next year	t = q + r - s	103	161	51	(220)	(14)	81

Special Schedule 2 – Permissible income for general rates continued

for the year ended 30 June 2019

		2017/18 Former Parramatta City Council \$'000	2017/18 Former Auburn Council \$'000	2017/18 Former Holroyd Council \$'000	2017/18 Altered Hills Shire Council \$'000	2017/18 Altered Hornsby Shire Council \$'000	2017/18 City of Parramatta Council \$'000
Notional general income calculation¹							
Last year notional general income yield	a	96,970	13,856	1,306	10,596	10,053	132,781
Plus or minus adjustments ²	b	152	(305)	3	145	241	236
Notional general income	c = (a + b)	97,122	13,551	1,309	10,741	10,294	133,017
Permissible income calculation (%)							
Special variation percentage ³	d	0.00%	0.00%	7.00%	0.00%	0.00%	
Or rate peg percentage	e	1.50%	1.50%	1.50%	1.50%	1.50%	
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%	0.00%	0.00%	0.00%	
Less: expiring special variation amount	g	—	—	—	—	—	—
Plus: special variation amount	h = d x (c - g)	—	—	92	—	—	92
Or plus: rate peg amount	i = c x e	1,457	203	—	161	154	1,976
Or plus: Crown land adjustment and rate peg amount	j = c x f	—	—	—	—	—	—
Sub-total	k = (c + g + h + i + j)	98,579	13,754	1,401	10,902	10,448	135,084
Plus (or minus) last year's carry forward total	l	(1)	14	(1)	(2)	(14)	(4)
Less: valuation objections claimed in the previous year	m	—	—	—	—	—	—
Sub-total	n = (l + m)	(1)	14	(1)	(2)	(14)	(4)
Total permissible income	o = k + n	98,578	13,768	1,400	10,900	10,434	135,080
Less: notional general income yield	p	98,482	13,608	1,349	11,131	10,449	135,019
Catch-up or (excess) result	q = o - p	96	160	51	(231)	(15)	61
Plus: income lost due to valuation objections claimed⁴	r	—	—	—	—	—	—
Less: unused catch-up⁵	s	—	—	—	—	—	—
Carry forward to next year	t = q + r - s	96	160	51	(231)	(15)	61

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. will extract these amounts from Council's Special Schedule 2 in the financial data return (FDR) to administer this process.

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 return (FDR) to administer this process.

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 2 in the financial data return (FDR) to administer this process.

Special Schedules

for the year ended 30 June 2018

Independent Auditor's Report

30 October 2018, Sydney



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

City of Parramatta Council

To the Councillors of City of Parramatta Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of City of Parramatta Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 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.

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter – Basis of Accounting

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

Independent Auditor's Report continued

30 October 2018, Sydney

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

Special Schedules

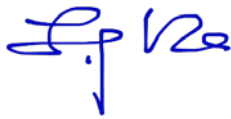
for the year ended 30 June 2018

Independent Auditor's Report continued

30 October 2018, Sydney

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 Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Weini Liao
Director, Financial Audit Services

30 October 2018
SYDNEY

Special Schedule 7 – Report on Infrastructure Assets

for the year ended 30 June 2018

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard \$'000	Estimated cost to bring to the agreed level of service set by Council \$'000	2017/18 Required maintenance ¹ \$'000	2017/18 Actual maintenance \$'000	Net carrying amount \$'000	Gross replacement cost (GRC) \$'000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings	426	1,390	12,406	12,606	193,225	228,305	43%	42%	15%	0%	0%
	Sub-total	426	1,390	12,406	12,606	193,225	228,305	43.0%	42.0%	15.0%	0.0%	0.0%
Other structures	Other structures	—	—	—	—	11,894	20,414	64%	26%	10%	0%	0%
	Sub-total	—	—	—	—	11,894	20,414	64.0%	26.0%	10.0%	0.0%	0.0%
Roads	Roads (including street furniture, kerb and gutter and traffic management devices)	9,502	27,814	11,728	11,353	895,056	1,165,040	45%	28%	24%	2%	1%
	Bridges	63	135	747	573	70,858	100,747	18%	78%	4%	0%	0%
	Footpaths	642	1,807	7,170	6,136	126,544	171,266	29%	48%	22%	1%	0%
	Bulk earthworks	—	—	—	—	102,338	102,338	100%	0%	0%	0%	0%
	Sub-total	10,207	29,756	19,645	18,062	1,194,796	1,539,391	45.1%	31.6%	20.9%	1.6%	0.8%
Stormwater drainage	Stormwater drainage	20,956	47,872	3,584	3,141	224,789	364,741	14%	44%	29%	3%	10%
	Sub-total	20,956	47,872	3,584	3,141	224,789	364,741	14.0%	44.0%	29.0%	3.0%	10.0%
Open space/recreational assets	Swimming pools	—	—	—	—	989	1,378	0%	100%	0%	0%	0%
	Other open space assets	688	2,386	15,301	14,986	59,924	86,730	60%	11%	27%	2%	0%
	Sub-total	688	2,386	15,301	14,986	60,913	88,108	58.9%	12.7%	26.5%	2.0%	0.0%
	Total all assets	32,277	81,404	50,936	48,795	1,685,617	2,240,959	40.4%	34.0%	21.7%	1.7%	2.2%

1. Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1 Excellent/very good	No work required (normal maintenance)
2 Good	Only minor maintenance work required
3 Satisfactory	Maintenance work required
4 Poor	Renewal required
5 Very poor	Urgent renewal/upgrading required

Special Schedules

for the year ended 30 June 2018

Special Schedule 7 – Report on Infrastructure Assets continued

for the year ended 30 June 2018

	Amounts 2018 \$'000	Indicator 2018	Indicator 2017	Benchmark
Infrastructure asset performance indicators consolidated¹				
1. Buildings and infrastructure renewals ratio²				
Asset renewals ³	35,833	111.19%	92.46%	>= 100%
Depreciation, amortisation and impairment	32,227			
2. Infrastructure backlog ratio²				
Estimated cost to bring assets to a satisfactory standard	32,277	1.91%	2.49%	< 2.00%
Net carrying amount of infrastructure assets	1,685,617			
3. Asset maintenance ratio				
Actual asset maintenance	48,795	95.80%	103.59%	> 100%
Required asset maintenance	50,936			
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	81,404	3.63%	4.33%	
Gross replacement cost	2,226,565			

1. All asset performance indicators are calculated using the asset classes identified in the previous table.

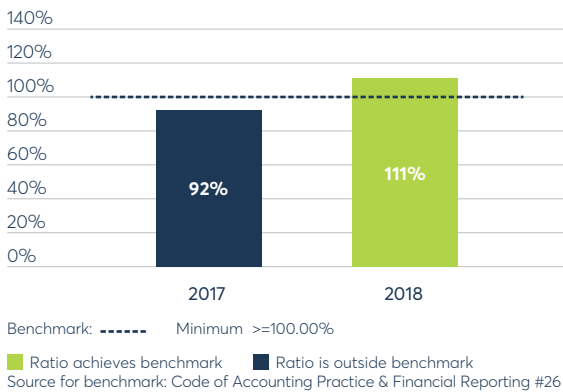
2. Excludes Work In Progress (WIP)

3. 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 continued

for the year ended 30 June 2018

1. Buildings and 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.

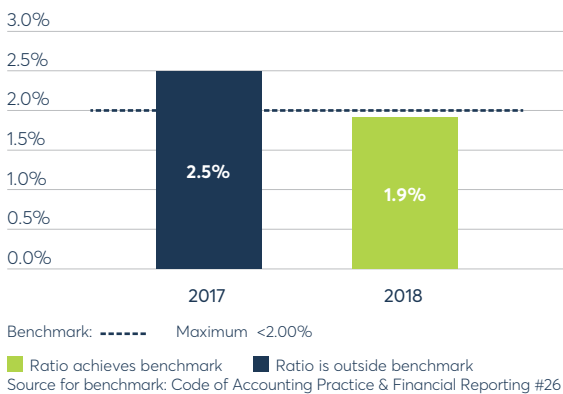
Commentary on 2017/18 result

2017/18 ratio

111.19%

The renewals ratio has improved significantly in 2018 and is now exceeding the required benchmark. This result indicates that council is adequately renewing its existing assets.

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.

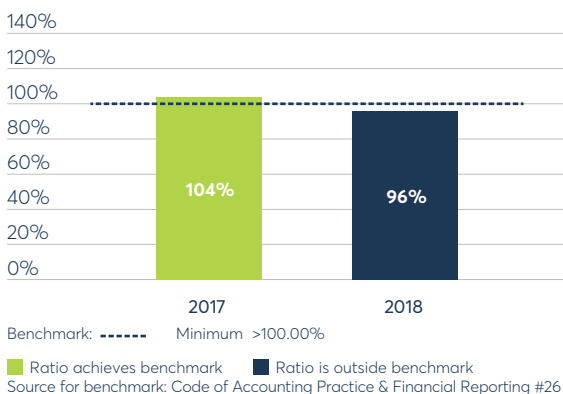
Commentary on 2017/18 result

2017/18 ratio

1.91%

Council's renewal ratio has improved significantly and is now below the maximum benchmark. This is due to a reduction in the percentage of poor and very poor condition assets across asset classes.

3. Asset maintenance ratio



Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

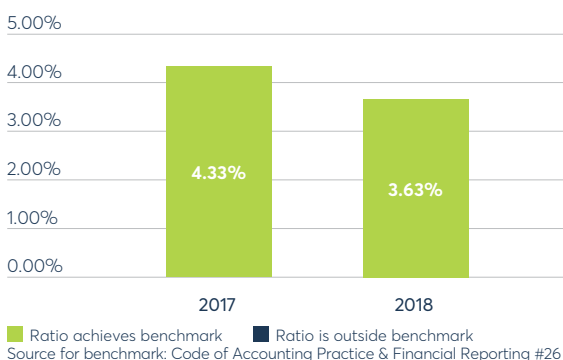
Commentary on 2017/18 result

2017/18 ratio

95.80%

Council's maintenance ratio has decreased slightly from the prior year and indicates that council needs to invest further

4. Cost to bring assets to agreed service level



Purpose of agreed service level 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 2017/18 result

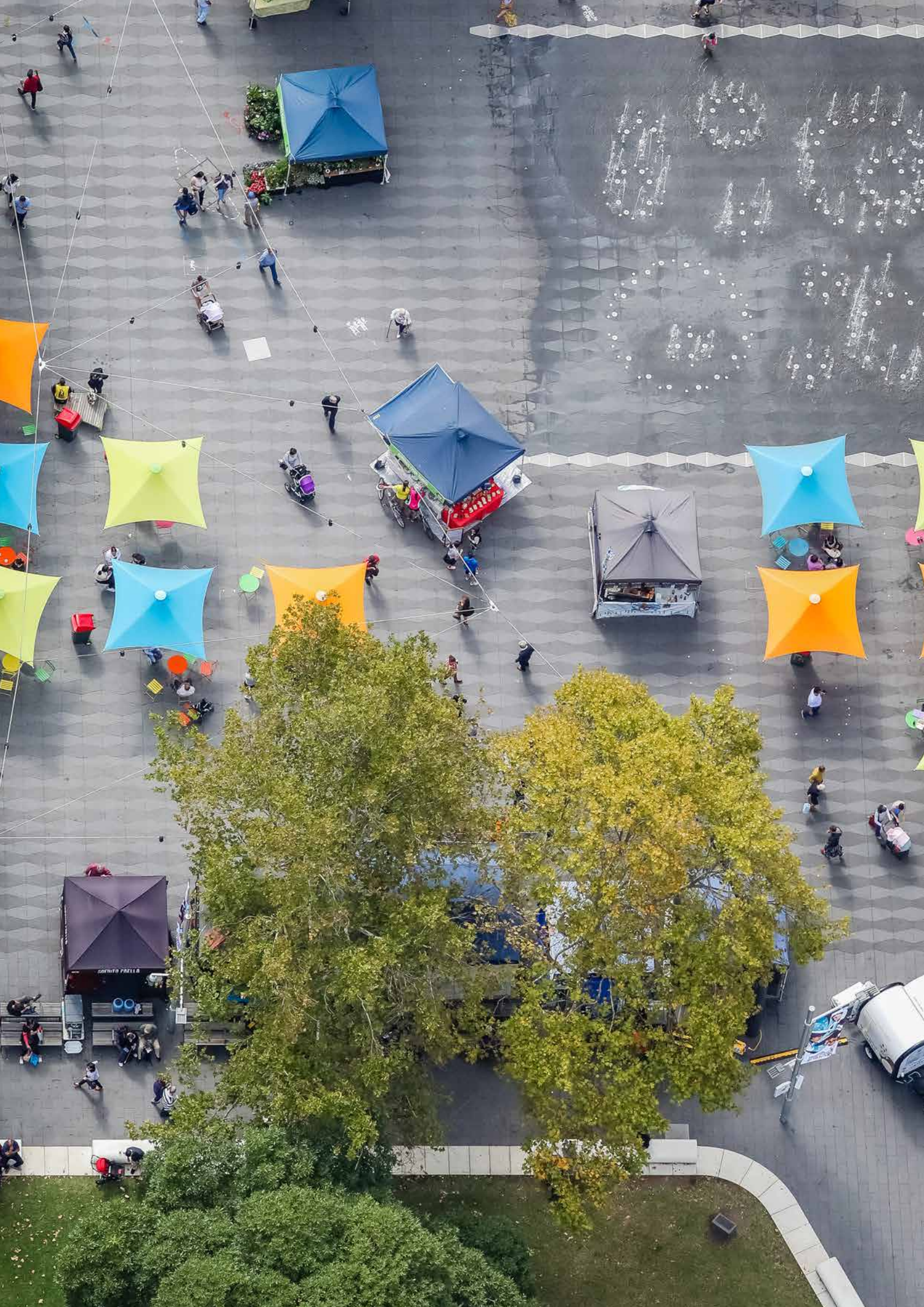
2017/18 ratio

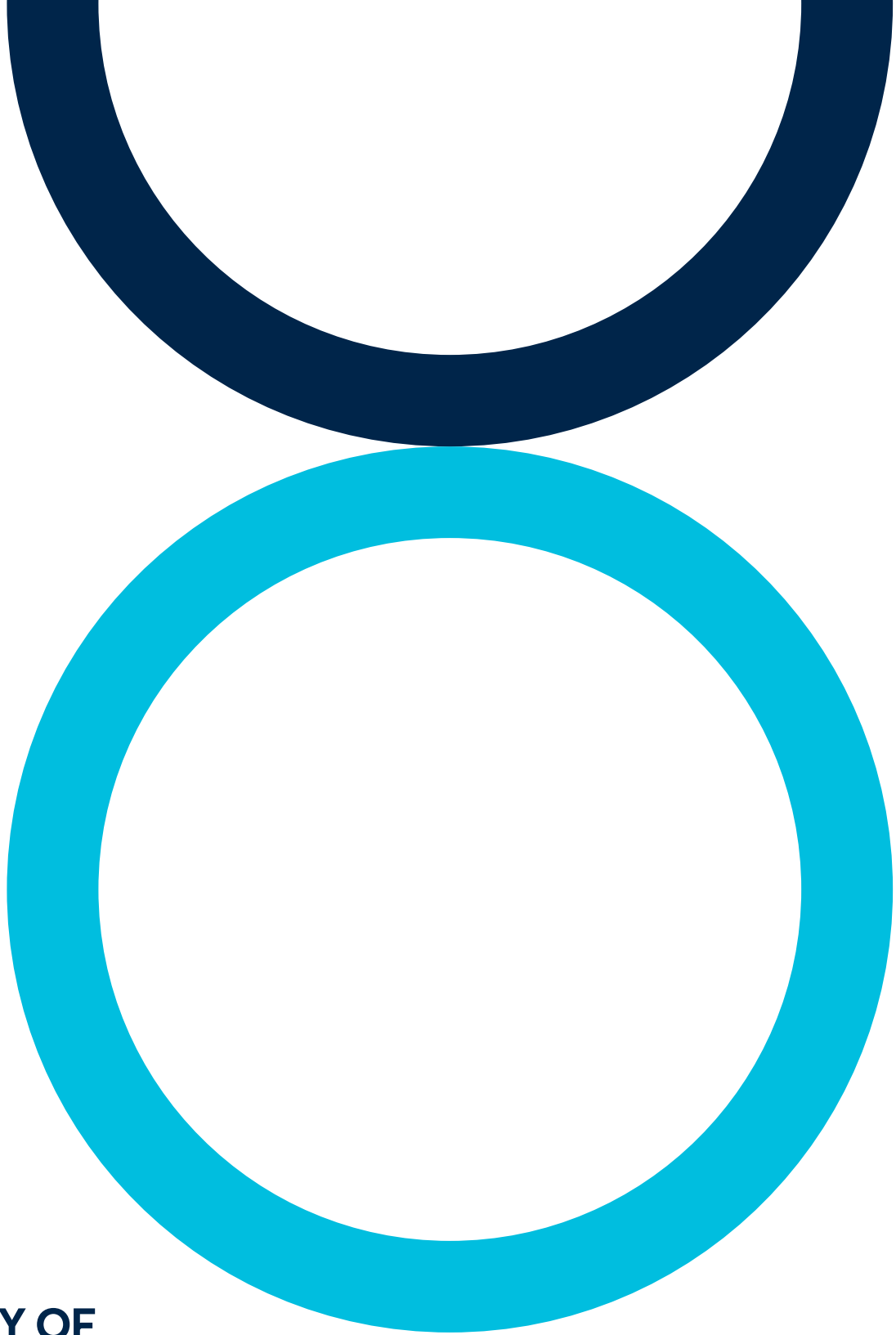
3.63%

The estimated cost to bring assets to an agreed service level as set by Council has reduced due to a reduction of assets in poor and very poor condition across the asset classes.

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36	Plant Stall	Jodie Choolburra
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**CITY OF
PARRAMATTA**

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Facebook groups: Parramatta Heritage Centre and Discover Parramatta