

NOTICE OF COUNCIL MEETING

PUBLIC

SUPPLEMENTARY AGENDA A&B

An Ordinary Meeting of City of Parramatta Council will be held in PHIVE (COUNCIL CHAMBER) COUNCIL CHAMBER AT 5 PARRAMATTA SQUARE, PARRAMATTA on Monday, 28 October 2024 at 6:30pm.

Gail Connolly PSM
CHIEF EXECUTIVE OFFICER



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MINUTE OF THE LORD MAYOR

ITEM NUMBER	8.1
SUBJECT	Welcoming His Majesty King Charles III and Her Majesty Queen Camilla to Parramatta
REFERENCE	F2024/00282 - D09519646
REPORT OF	Lord Mayor, Councillor Martin Zaiter

CSP THEME: Welcoming

WORKSHOP/BRIEFING DATE: Nil

PURPOSE:

To acknowledge His Majesty King Charles III and Her Majesty Queen Camilla's visit to the City of Parramatta.

RECOMMENDATION:

- (a) That Council acknowledge the presence of His Majesty King Charles III and Her Majesty Queen Camilla during their royal visit to the City of Parramatta on Tuesday 22 October 2024.
- (b) That Council note that the Lord Mayor met with Their Majesties on behalf of the City of Parramatta at the Community BBQ, hosted by the Hon. Chris Minns MP, Premier of NSW, at Parramatta Park on 22 October 2024.

BACKGROUND

- 1. With rich heritage and culture to draw upon, City of Parramatta has a long history of royal visits. Queen Elizabeth II visited Old Government House in 1970 to open the restored museum and later opened the old Parramatta Stadium in 1986. Two years later Queen Elizabeth II elevated Parramatta's position of Mayor to Lord Mayor to mark City of Parramatta's bicentenary.
- 2. Australia's second European settlement, City of Parramatta is home to Australia's oldest surviving European dwelling at Elizabeth Farm. Old Government House is the oldest surviving public building in Australia and an important UNESCO World Heritage listed site.
- 3. In personally speaking with the Lord Mayor on 22 October 2024, His Majesty King Charles III acknowledged both Parramatta's long history symbolised by Old Government House, as well as its cultural diversity and growth trajectory to become a global city.

FINANCIAL IMPLICATION FOR COUNCIL

- 4. There are no new financial implications for Council as a result of this Lord Mayoral Minute.

Lord Mayor, Councillor Martin Zaiter

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

MINUTE OF THE LORD MAYOR

ITEM NUMBER	8.2
SUBJECT	Advocating for High Speed Rail
REFERENCE	F2024/00282 - D09519647
REPORT OF	Lord Mayor, Councillor Martin Zaiter

CSP THEME: THRIVING**WORKSHOP/BRIEFING DATE:** Nil**PURPOSE:**

To advocate for a high speed rail (HSR) station in the City of Parramatta, as part of the first stage of the east coast HSR network being planned by the Australian Government.

RECOMMENDATION:

- (a) That Council notes public comments by officials of the Australian Government's High Speed Rail Authority that indicate Stage 1 of East Coast High Speed Rail (HSR) is being planned to connect Newcastle through the Central Coast to Sydney Central Station and that stations at Parramatta and Western Sydney Airport are only being considered as part of a future stage.
- (b) That Council notes that Sydney Central Station is no longer central to the growing population of Greater Sydney and that Parramatta is better positioned in terms of both geography and population spread to become the future 'Grand Central Station' of Sydney's transport network.
- (c) That Council reiterates its long-held position that any alignment of east coast HSR must have a station in the City of Parramatta to support equitable access to HSR to ensure a more equitable distribution of jobs and activity across Greater Sydney.
- (d) That Council advocates publicly and with all levels of government the need for stations in Parramatta and at the Western Sydney Airport to be included in the first stage of the HSR project.

BACKGROUND

1. Council has long advocated that any HSR network serving the east coast of Australia should include a station at Parramatta. Council advocated for such a station in its submissions to previous HSR investigations in 2011 and 2013, as a priority in its submission to the State of NSW's *Future Transport 2056* plan in 2017, in its *Local Strategic Planning Statement* in 2020 and its global vision.
2. The benefits of a HSR station located in Parramatta are extensive and include:
 - a) Improved access to and from HSR for all Sydneysiders due to Parramatta's position as the geographic and population centre of Greater Sydney. According to 2021 Census data, more people now live west of Parramatta than to its east. This means that a HSR link at Parramatta would be more accessible to the majority of the population than one located at Sydney

Central Station and would ensure the transformative benefits of HSR infrastructure were shared more widely.

- b) Supporting Parramatta's growth as a major economic, cultural and population centre. Over the next 25 years, the City of Parramatta is set to grow to more than 500,000 residents and add over 150,000 new jobs.
 - c) Three high speed rail stations in metropolitan Sydney in the Sydney CBD, Parramatta and Western Sydney Airport is consistent with the NSW Government's '3 cities' vision for the 'Eastern Harbour City', 'Central River City' and 'Western Parkland City', outlined in the *Greater Sydney Region Plan – A Metropolis of Three Cities* (March 2018).
 - d) Supporting the polycentric development of metropolitan Sydney, spreading economic and access opportunities across the metropolitan area, and relieving pressure on Sydney CBD. With both existing and planned public transport upgrades, including north-south mass transit lines serving the city, a HSR station in Parramatta would serve as a hub for all of Western Sydney and help fuel the economic growth of Western Sydney centres.
 - e) Unlocking opportunities for people who live, work and play along the HSR line to enjoy economic and cultural offerings in Parramatta and Western Sydney. The HSR would unlock access to major attractors like Sydney Olympic Park, CommBank Stadium, the soon to be redeveloped Riverside Theatres and the new Powerhouse Museum to visitors from up and down the east coast of Australia.
 - f) A HSR connection and stations at Parramatta and Western Sydney Airport would enhance the attractiveness of the new airport to customers along the rail route and increase the viability of the airport with fast connections to the major commercial centres of Greater Sydney.
3. The Australian Government has established the High Speed Rail Authority (HSRA) to plan and protect a corridor for stage 1 of high speed rail from Sydney to Newcastle, and prepare a business case for investment by the end of this year.
4. A recent media report (*The Sydney Morning Herald*, 16 October 2024) includes an update on the project from the HSRA CEO, Tim Parker. The following critical statements are extracted from that media report:

"The "emerging scope" for the project entails the first stage of the high-speed line terminating at Central Station, instead of Olympic Park as under previous state government plans.

Parker said the rationale for extending it to Central Station was "all about connectivity", adding that it was vital to locate the stop in an area where most people could access it.

"That's why Central will be the right location," he said. "It means whoever wants to use it can get there either by Metro or Sydney Trains," he said.

While Hornsby has been under consideration, Parker indicated Central Station and Gosford were likely to be the only stops between Sydney and the Central Coast.

...

The Authority is also considering an alignment for further stages of high-speed rail from Central Station to stops at Parramatta, Western Sydney

Airport and on to Canberra. Parker said completion of the business case by the end of the year would allow the Federal Government to make an investment decision in 2025 and, if given the green light, could result in the first contracts being awarded by 2027.”

5. Connecting Newcastle and the Central Coast to Sydney Central Station, without delivering stations in Parramatta and Western Sydney Airport (nor anywhere else in Greater Sydney) appears to be a decision that is responsive to the historical predominance of Sydney CBD. It does not reflect the current polycentric development of Greater Sydney, nor Parramatta’s central geographic location, access to a vast and growing population and growing economic influence. The Federal Government should consider the substantial benefits that would be generated by provision of HSR stations in Parramatta and Western Sydney Airport, with a future connection on to Canberra.
6. HSR should include stations in Parramatta and Western Sydney Airport as part of the first stage of any HSR project. Failure to do so will:
 - a) limit its economic benefits in the fastest growing regions of Greater Sydney.
 - b) undermine the investment that the State and Federal Government are making into establishing Parramatta as a substantial CBD and the establishment of Western Sydney Airport.
 - c) limit the effectiveness the value of HSR to residents of Western Sydney as travel times to get into the Sydney CBD to access a service to Newcastle would be comparable to driving to Newcastle from many parts of Western Sydney.
 - d) continue to provide the Sydney CBD with an unfair competitive advantage (in terms of infrastructure provision) in providing jobs over Parramatta and Western Sydney generally that will further add to the job’s inequity between the east and west.
 - e) increase the risk that Parramatta and Western Sydney would be completely bypassed in the HSR network in future stages should the line be extended from Central Station to Wollongong and then on to Canberra and Melbourne.
7. This Lord Mayoral Minute proposes that Council advocate publicly, and with all levels of government, the need for stations in Parramatta and at the Western Sydney Airport to be included in the first stage of the HSR project. This ensures that benefits accrue not just to the eastern city, but Parramatta and Western Sydney as well.

FINANCIAL IMPLICATION FOR COUNCIL

8. Advocacy for HSR and the transport needs of the Parramatta community are identified in Council’s *Delivery Program and Operational Plan for 2022-2026* and several strategic plans and can be undertaken utilising existing resources. Hence, there are no new financial implications for Council as a result of this Lord Mayoral Minute.

ATTACHMENTS:

There are no attachments for this report.

Lord Mayor, Councillor Martin Zaiter

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

MINUTE OF THE LORD MAYOR

ITEM NUMBER	8.3
SUBJECT	Record-breaking Parramatta Lanes!
REFERENCE	F2024/00282 - D09519648
REPORT OF	Lord Mayor, Councillor Martin Zaiter

CSP THEME: Thriving

WORKSHOP/BRIEFING DATE: Nil

PURPOSE:

To celebrate the record-breaking 2024 Parramatta Lanes festival and thank all staff involved in its success.

RECOMMENDATION:

- (a) That Council celebrate the success of the record-breaking 2024 Parramatta Lanes festival, with over 200,000 people attending throughout four nights of incredible local food, music, art and culture.
- (b) That Council recognise the significant efforts of all staff involved in creating such a successful event, particularly the Manager Events, the Events and Festivals team and also the Waste and Cleansing teams who provided invaluable support with short notice in response to the unprecedented attendance.

BACKGROUND

- 1. 2024 marked the 13th season of Parramatta Lanes festival, a vibrant celebration of local food, music, art and culture in Parramatta's laneways and public spaces held from 23-26 October 2024.
- 2. The event exceeded expectations with a record-breaking attendance of more than 200,000 people over the four nights. **See <https://www.facebook.com/share/r/Uhvcn2PWq2TeLKL/> for a video of some of the coverage.**
- 3. Council recognises all of the staff and providers who contributed to the success of the festival, particularly the Events and Festivals team and Waste and Cleansing team who provided invaluable support with short notice in response to the unprecedented attendance.
- 4. Parramatta Lanes offered guests a range of curated culinary and cultural experiences, with over 70 street food vendors and pop up bars, as well as 100 live music acts, street performers and eclectic activations over 8 stages and 16 festival sites. Local businesses also extended exclusive deals to patrons throughout the festival and enjoyed increased visitation. **There were 94 pieces of media coverage with an estimated reach of over 2.4 million and advertising to sales ratio (ASR) of \$653,157. Social media statistics recorded Council's social media marketing generating more than 2.25M owned impressions across Facebook and Instagram promoting Parramatta Lanes.**

5. The festival aims to promote Parramatta as a destination of choice, encouraging Parramatta CBD workers to stay in the area after work and attracting visitors from beyond the LGA. In 2021, Parramatta Lanes won the RH Dougherty Award for Innovation in Special Events and Australian Event Awards' Best Cultural, Arts or Music Event Award. The festival aligns with Strategic Goal 2 of the Cultural Plan: 'Diversity is our strength, and everyone is welcome', and celebrates the City's public art, live music and local businesses.
6. This popular, award-winning event has a proven track record of social and economic benefits for the region, demonstrating the need for Parramatta to gain a greater share of arts, culture and major event funding from Federal and State governments.
7. In the past eight years, Destination NSW has invested in significantly more sports, cultural, creative and arts events in Sydney's east compared to Sydney's west. There are now more people living west of Parramatta than to its east, resulting in a growing demand for Lanes and other premier events that showcase Sydney's geographic centre.

FINANCIAL IMPLICATIONS FOR COUNCIL

8. Council originally allocated \$943,000 in the 2023/24 budget for the Parramatta Lanes festival.
9. However, due to the August 2024 increase in Australia's general terrorism threat level to 'probable', and the operation of the light rail, all costs associated with Council's events have increased beyond the original allocated budget.
10. Councillors were advised in August 2024 that the safety/security costs for the Parramatta Lanes festival (and other events) would increase as a result of the additional requirements. It is estimated that the additional impact on the Lanes budget was approximately \$102,000 with an additional estimated increase of \$200,000 for the remaining civic events in 2024/25.
11. There are no further financial implications for Council arising from this Lord Mayoral Minute.

Lord Mayor, Councillor Martin Zaiter

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

MINUTE OF THE LORD MAYOR

ITEM NUMBER	8.4
SUBJECT	Celebrating the 10 Year Anniversary of the Western Sydney Wanderers Football Club Asian Champions League Triumph
REFERENCE	F2024/00282 - D09519740
REPORT OF	Lord Mayor, Councillor Martin Zaiter

CSP THEME: Thriving

WORKSHOP/BRIEFING DATE: Nil

PURPOSE:

To celebrate the 10 year anniversary of the Western Sydney Wanderers Football Club 2014 Asian Champions League triumph.

RECOMMENDATION:

- (a) That Council notes the 10-year anniversary of the Western Sydney Wanderers FC 2014 AFC Asian Champions League triumph, when the Wanderers made history as the first Australian football club to win the prestigious Asian Champions League trophy.
- (b) That Council celebrates the passion and resilience of the Wanderers, whose victory remains one of the biggest moments in Australian football history.

BACKGROUND

1. On 1 November 2014, the Western Sydney Wanderers Football Club, a club that had not existed 32 months earlier, were crowned Champions of Asia. The Wanderers drew 0-0 with Saudia Arabian powerhouse Al-Hilal on their home turf in the second leg of the AFC Asian Champions League (ACL) Final.
2. This triumphant victory made the Wanderers the first Australian club to claim the title. It was an extraordinary achievement for coach Tony Popovic and his side of underdogs, who were cobbled together as a team in just six months in 2012, and played their first Hyundai A-League game in just October 2012. The Wanderers went on to win the Premiers Plate six months later and qualified for the ACL.
3. In just their third season of football, the Wanderers lifted the trophy 1-0 on aggregate after Tomi Juric's goal earned them a home win at Parramatta in the first leg of the ACL on home turf.
4. Today I ask Council to join me in celebrating the 10-year anniversary of this historic victory, which remains one of the biggest moments in Australian football history. *"We were called a small club yesterday. Today we are the biggest in Asia,"* Popovic said at the time.
5. Western Sydney Wanderers FC are set to mark the 10-year anniversary of their unforgettable 2014 AFC Asian Champions League triumph with a special

celebration at their upcoming home Isuzu UTE A-League clash against Adelaide United on Saturday 2 November 2024 at CommBank Stadium.

6. The night will feature special presentations with players from the 2014 ACL winning campaign, and the Asian Champions League trophy will be on full display for members and fans to relive the pride and joy of that unforgettable victory.
7. The Wanderers FC has a long standing history with City of Parramatta as a key strategic partner. In 2017 Council entered into a MoU with the Wanderers FC which continues to date and includes, amongst other things, the Sydney Derby Partnership (sponsorship), the Karabi Indigenous program and ongoing media, branding and visitation activities.
8. The best is yet to come for the Wanderers. Council celebrates the passion and resilience of the Wanderers and their massive membership and fan base, making them one of the biggest clubs in Australian soccer and the pride of Sydney's West.

FINANCIAL IMPLICATION FOR COUNCIL

9. There are no new financial implications for Council as a result of this Lord Mayoral Minute.

Lord Mayor, Councillor Martin Zaiter

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

MINUTE OF THE LORD MAYOR

ITEM NUMBER	8.5
SUBJECT	Congratulations to the Award-Winning City of Parramatta
REFERENCE	F2024/00282 - D09519649
REPORT OF	Lord Mayor, Councillor Martin Zaiter

CSP THEME: Thriving

WORKSHOP/BRIEFING DATE: Nil

PURPOSE:

To congratulate the hard working staff of City of Parramatta on multiple award-winning projects and infrastructure.

RECOMMENDATION:

- (a) That Council congratulate City of Parramatta staff on winning the following 2024 international, national and local government awards:
 - a. Parramatta Lanes and Riverside Theatres: Platinum (Winner) for Best Events Campaign Award – Councils (Parramatta Lanes) and Gold (Second-Place) for Best Music and Arts Venue (Riverside Theatres) at the 2024 Western Sydney Tourism Awards.
 - b. PHIVE: Best Designed Buildings and Landscapes Civic Centre award at the 2024 International Architecture Awards by The Chicago Athenaeum: Museum of Architecture and Design, The European Centre for Architecture Art Design and Urban Studies and Metropolitan Arts Press Ltd.
 - c. Parramatta Aquatic Centre (PAC): A.H Pierce Memorial Facility of the Year Award, Marketing & Communications Award and Lifeguard of the Year Award at the 2024 NSW ARI Awards.
 - d. City of Parramatta's Environmental and Sustainability team: Biodiversity Conservation Award (Artificial Hollows – a novel approach) at the 2024 Keep Australia Beautiful NSW Sustainable Cities Sustainability Awards.
 - e. City of Parramatta's People, Culture and Performance team: Best Use of Technology Award and Best Health and Wellbeing Program Award at the 2024 Australian HR Awards.
- (b) That Council commend the Council officers involved in these excellent projects on their outstanding efforts.

BACKGROUND

1. Parramatta Lanes and Riverside Theatres have both been recognised at the recent Western Sydney Tourism Awards 2024 for their contribution to the tourism industry in Western Sydney.
2. The success of Parramatta Lanes was recognised by its Platinum (Winner) for Best Events Campaign Award – Councils. This category recognises a campaign that enhances the profile/awareness and appeal of the destination through their

marketing campaign as well as creating economic impact, increased visitation, and community involvement.

3. Riverside's Gold award (Second-Place) for Best Music and Arts Venue recognised a venue that offers a high-quality overall experience to the audience and strong commitment to local music and arts, thus creating economic impact, increased visitation, and community involvement.
4. PHIVE, Parramatta's iconic flagship community, cultural and civic centre, is the toast of the architecture industry after PHIVE was awarded the Best Designed Buildings and Landscapes Civic Centre award at the 2024 International Architecture Awards.
5. The annual international awards by The Chicago Athenaeum: Museum of Architecture and Design, The European Centre for Architecture Art Design and Urban Studies and Metropolitan Arts Press Ltd., recognise the best, significant new buildings that underscore the direction and understanding of current cutting-edge processes consistent with today's design thinking. It is recommended that Council commend the officers involved in these projects on their outstanding efforts.
6. The building was designed by a team led by award-winning French architect Manuelle Gautrand, in partnership with Ms Gautrand's French firm and Australian firms Design Inc and Lacoste + Stevenson, represented by Richard Does and Thierry Lacoste.
7. The win represents PHIVE's sixth major award. It was previously recognised among the world's best libraries as one of four finalists in the International Federation of Library Associations and Institutions' (IFLA) Public Library of the Year award for 2023, and in May 2024 was awarded Australian Public Library of the Year by the Australian Library and Information Association (ALIA).
8. Parramatta Aquatic Centre (PAC) has scooped up three awards at the 2024 Aquatic and Recreation Institute (ARI) NSW Awards of Excellence. pFinalists in seven out of 17 awards, PAC won the Facility of the Year, Lifeguard of the Year and Marketing and Communications awards. Parramatta Aquatic Centre (PAC): A.H Pierce Memorial Facility of the Year Award, Marketing & Communications Award and Lifeguard of the Year Award at the 2024 NSW ARI Awards. PAC was a finalist in the categories of Duty Manager of the Year Award, Customer Service Team of the Year Award, Swim School of the Year Award and Accessibility Award.
9. The Keep Australia Beautiful NSW Sustainable Cities Sustainability Awards has been rewarding and recognising projects around litter, waste management, recycling and other environmental areas in metropolitan councils and urban communities since 1994.
10. In addition to winning the Biodiversity Conservation Award (Artificial Hollows – a novel approach), City of Parramatta's Environmental and Sustainability team was also a finalist in the Overall Sustainable Cities Award at the Keep Australia Beautiful NSW Sustainable Cities Sustainability Awards.
11. At the 2024 Australian HR Awards, Council's People Connect HR systems transformation won the Best Use of Technology category, alongside its 2023 Health and Wellbeing Action Plan picking up the Best Health and Wellbeing program category at the awards ceremony. The prestigious awards recognise HR

professionals and organisations across private and public sectors nationally with Parramatta's people-first approach to employee experience a clear winner for its HR system transformation project and health and wellbeing initiative. The 2023 Health and Wellbeing action plan combined a traditional approach with new initiatives and ideas to put employee health and wellbeing first.

FINANCIAL IMPLICATIONS FOR COUNCIL

12. There are no new financial implications for Council arising from this Lord Mayoral Minute.

Lord Mayor, Councillor Martin Zaiter

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL

REPORTS TO COUNCIL - FOR COUNCIL DECISION

ITEM NUMBER	13.4
SUBJECT	LATE REPORT: Presentation of the Audited 2023-2024 Annual Financial Statements
REFERENCE	F2024/00282 - D09519618
REPORT OF	Financial Controller

PURPOSE:

To authorise the audited 2023-24 Annual Financial Statements for the year ending 30 June 2024, and to receive the Auditor's Report from the Audit Office of NSW.

RECOMMENDATION

- (a) That Council authorise the Lord Mayor, Deputy Lord Mayor, Chief Executive Officer and Responsible Accounting Officer to sign the following:
 - i. 2023-24 General Purpose Financial Statements – Statement by Councillors and Management; and
 - ii. 2023-24 Special Purpose Financial Statements – Statement by Councillors and Management.
- (b) That Council receive and note the confidential NSW Audit Office Engagement Closing Report for the 2023-24 Annual Financial Statements.
- (c) That Council note the Audit Risk and Improvement Committee's recommendation that Council approve the 2023-24 Financial Statements.
- (d) That Council authorise the release of the audited 2023-24 Annual Financial Statements to the Office of Local Government and for public exhibition.

BACKGROUND

- 1. Council's audited 2023-24 Annual Financial Statements for the year ended 30 June 2024 have been completed and are submitted to Council for authorisation and formal referral to the Audit Office of New South Wales.
- 2. Council's 2023-24 Annual Financial Statements include the following:
 - a) The General Purpose Financial Statements (Attachment 1)
 - b) The Special Purpose Financial Statements (Attachment 2)
 - c) The Special Schedules (Attachment 3).
- 3. The 2023-24 Annual Financial Statements were presented to the Audit, Risk and Improvement Committee (ARIC) on 24 October 2024. The ARIC recommended that the 2023-24 Annual Financial Statements be approved by Council.
- 4. The 2023-24 Annual Financial Statements are attached to this report. Once Council has approved the Financial Statements and the delegated persons sign the statements, the Independent Auditor's report will be finalised and released.

5. A representative of the Audit Office of New South Wales will present the Independent Auditor's Report and respond to any questions at the Council meeting to be held on 25 November 2024.
6. Section 420 of the *Local Government Act 1993*, requires Council to make the audited financial reports and auditor reports available for public submissions. Submissions must be in writing and lodged with Council within seven (7) days after being made available. A report will be provided to Council summarising any submissions received.

ISSUES/OPTIONS/CONSEQUENCES

7. Attachment 1 to this report contains the General-Purpose Financial Statements for the year ended 30 June 2024 which include the statutory financial statements along with associated notes. Also attached are the Special Purpose Financial Statements (Attachment 2) for the year ended 30 June 2024 and the Special Schedules (Attachment 3) for the year ended 30 June 2024. These reports are prepared in accordance with the requirements of the Office of Local Government Code of Accounting Practice and Financial Reporting 2023/24, dated December 2023.
8. The 2023-24 Annual Financial Statements outline Council's statutory financial performance and position in accordance with Australian Accounting Standards. They are designed for the general purpose of allowing external parties and the community to understand the overall financial performance and position of the Council, and to compare its financial performance with other similar organisations.
9. Included below are the key highlights from the Statements.

General Purpose Financial Statements

Council's net operating result before capital grants and contributions for the financial year 2023-24 is a surplus of \$30.8million (\$33.7m in 2022-23).

Total Income from Continuing Operations increased by \$55.8m from 2022-23, driven by:

- \$9.9m/5.1% increase in Rates and Annual Charges.
- \$8.1m/24% increase in User Charges & Fees driven primarily from the addition of Parramatta Aquatic Centre (PAC) in September 2023, and higher volumes of Road Occupancy, Road Opening Permits and food premises inspections.
- \$0.3m/2% increase in Other Revenues driven by slight improvement in non-parking related fines.
- (\$15.0m)/(48%) decrease in Grants and Contributions provided for operating purposes – driven by lower amounts received for the Financial Assistance Grant and the receipt of the Regional and Local Roads Repair grant in 2022-23 rather than in 2023/24 as originally planned.
- (\$5.2m)/(8%) decrease in Grants and Contributions provided for Capital Purposes due to the higher amount of tied income received for Parramatta Aquatic Centre in 2022-23 prior to its completion in early 2023-24.
- \$18.3m/146% increase in Interest and Investment Income driven by strong financial market returns and the interest received on the settlement

with Sydney Metro for the compulsory acquisition of the site known as Horwood Place.

- \$39.5m/76% increase in Other Income driven by additional compensation (final Court decision) from the Horwood Place settlement.

Total Expenses from Continuing Operations increased by (\$64m) from 2022-23, driven by:

- (\$21.5m)/(16%) increase in Employee Benefits and On-costs primarily due to additional costs of operating PAC and Town Hall, as well as the impact of the State Award increase and higher superannuation.
- (\$19.5m)/(18%) increase in Materials and Services because of increased contractors, materials and ICT costs.
- \$0.4m/75% decrease in Borrowing Costs because of the completion of several loans for the Loan Infrastructure Renewal Scheme (LIRS), established in 2014-15.
- (\$1.0m)/(2%) increase in Depreciation, Amortisation and Impairment of non-financial assets driven by the 2022-23 indexation (approx. 7%) of assets and higher depreciation arising from the increase in asset additions.
- (\$1.1m)/(20%) increase in Other Expenses driven by the increase in utilities from opening/operating PAC and Town Hall.
- (\$21.5m)/(509%) increase in Net Loss from the Disposal of Assets, driven by the partial disposal of 9 Wentworth Street building assets because of refurbishment, roads renewals and the disposal of intangible assets due to the expiry of software.

Council's cash and investments increased by \$79.7m from \$512.4m to \$592.1m (including investments to Civic Risk). This increase is mainly due to receipt of cash from the Horwood Place compulsory acquisition settlement.

Unrestricted cash balance decreased by (\$63m), from \$125.1m in 2022-23 to \$62.1m in 2023-24. The inverse relationship between the increase in total cash and investments and the decrease in unrestricted cash balance is due to Council receiving a greater amount of cash for restricted purposes (external restrictions such as Developer Contributions, Grants, and internal restrictions on the Property Reserve for the amount received for the Horwood Place settlement), as well as an increase in overall operating expenditure funded from unrestricted cash.

Council's receivables balance decreased by (\$3.4m), driven by the cash receipt of Horwood Place Settlement, partially offset by an increase in Rates and Government Grants receivables. The receivable for the sale of land (6 & 8 Parramatta Square) has been reclassified from current to non-current after the delay of the completion of each tenancy (expected May/June 2025 with payment to follow thereafter).

The increase in Infrastructure, Property, Plant, and Equipment (IPPE) is primarily attributable to an overall increment of \$100.1m because of comprehensive revaluations, valuations and indexations of applicable asset classes.

The Capital Work in Progress (WIP) balance reduced mainly due to the completion of significant capital projects such as PAC, Town Hall, and Alfred Street Pedestrian Bridge.

Council's Loan balance reduced by \$2m during the 2023-24 Financial year. As at 30 June 2024, Council's loan portfolio has a remaining balance of \$0.8m, with the final payment of all loans to occur in March 2025.

Council's financial indicators outlined in Note G1-1 are performing above benchmark, except the Rates and Annual Charges Outstanding Percentage, which is still outside the benchmark mainly due to Council refraining from aggressive pursuit of debtors in 2023-24, following financial hardship applications, payment plans and the ongoing cost of living crisis within the community.

Special Purpose Financial Statements

Council identified its Multi-level Car Park operations as Category 1 and Commercial Property Portfolio as Category 2 in accordance with the requirement of National Competition Policy (NCP) guidelines.

Special Schedules – Permissible Income for General Rates and Report on Infrastructure Assets

The permissible income reports the income for the current reporting year and for the following year. The permissible income is calculated in accordance with the IPART rate-peg limit and/or other adjustments in accordance with the Act and appropriate approvals by the Independent Pricing and Regulatory Tribunal (IPART) or the Minister for Local Government.

The Report on Infrastructure provides information on a Council's assets in addition to that contained in the Infrastructure, Property, Plant and Equipment note of the council's General Purpose Financial Report. The nature of the information in the report on infrastructure assets is related to the condition, maintenance and renewal of infrastructure assets.

TIMETABLE

10. Audited Financial Statements must be submitted to the Office of Local Government by 31 October 2024 (s416(1) of the *Local Government Act, 1993*).
11. Council is required to authorise the financial statements and send them to the NSW Audit Office before it can receive the final Auditors report.
12. Within five (5) weeks, the NSW Audit Office will attend Council to present its final overview of the financial statements and any other financial matters arising.

CONSULTATION & TIMING

ARIC Consultation

13. The following consultation has been undertaken with ARIC in relation to this matter:

Date	Stakeholder	Stakeholder Comment	Council Officer Response	Responsibility
24 October 2024	Audit, Risk. and Improvement Committee	Approved as presented	Noted	Executive Director, F&I

Presentation of Financial Reports to the Public (s418-s420)

14. Pursuant to section 420(1) of the Act, any person may make submissions to Council with respect to the audited financial reports or with respect to the Auditor's reports.
15. Submissions must be in writing and must be lodged within 7 days after the date on which the reports are presented to the public.
16. Copies of all submissions received by Council must be referred to the Auditor.

LEGAL IMPLICATIONS FOR COUNCIL

17. There are no legal implications for Council associated with this report.

FINANCIAL IMPLICATIONS FOR COUNCIL

18. If Council resolves to approve this report in accordance with the proposed resolution, there are no financial impacts on the budget.




Dileesha Goonetilleke
Financial Controller

Amit Sharma
Chief Financial Officer

John Angilley
Executive Director Finance & Information

Gail Connolly
Chief Executive Officer

ATTACHMENTS:

- | | | |
|---|---|-------------|
| 1  | Annual_Financial_Statements-GPFS-2024 (Attachment 1) | 72
Pages |
| 2  | Annual_Financial_Statements-SPFS-2024 (Attachment 2) | 10
Pages |
| 3  | Annual_Financial_Statements-SS-2024 (Attachment 3) | 8 Pages |
| 4 | City of Parramatta Council Engagement Closing Report 2023-24 (confidential) | 24
Pages |

REFERENCE MATERIAL



General Purpose Financial Statements



**CITY OF
PARRAMATTA**

For the year ended
30 June 2024

City of Parramatta Council

General Purpose Financial Statements

for the year ended 30 June 2024

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3. Contents for the notes to the Financial Statements	9

Overview

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

**9 Wentworth 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.cityofparramatta.nsw.gov.au

City of Parramatta Council

General Purpose Financial Statements

for the year ended 30 June 2024

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

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

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

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

- present fairly the Council's operating result and financial position for the year ended 30 June 2024.
- 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 28 October 2024.

Martin Zaiter
Lord Mayor
28 October 2024

Cameron MacLean
Deputy Lord Mayor
28 October 2024

Gail Connolly PSM
Chief Executive Officer
28 October 2024

John Angilley
Responsible Accounting Officer
28 October 2024

City of Parramatta Council | Income Statement | for the year ended 30 June 2024

City of Parramatta Council

Income Statement

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Income from continuing operations				
220,613	Rates and annual charges	B2-1	221,620	211,711
42,962	User charges and fees	B2-2	41,788	33,679
21,890	Other revenues	B2-3	12,358	12,082
24,412	Grants and contributions provided for operating purposes	B2-4	16,057	31,106
125,346	Grants and contributions provided for capital purposes	B2-4	57,452	62,697
19,910	Interest and investment income	B2-5	30,898	12,583
—	Other income	B2-6	91,653	52,148
500	Net gain from the disposal of assets	B4-1	—	—
455,633	Total income from continuing operations		471,826	416,006
Expenses from continuing operations				
147,487	Employee benefits and on-costs	B3-1	159,530	138,072
71,242	Materials and services	B3-2	129,925	110,431
109	Borrowing costs	B3-3	135	530
58,497	Depreciation, amortisation and impairment of non-financial assets	B3-4	61,876	60,908
49,974	Other expenses	B3-5	6,488	5,423
—	Net loss from the disposal of assets	B4-1	25,659	4,214
327,309	Total expenses from continuing operations		383,613	319,578
128,324	Net operating result for the year attributable to Council		88,213	96,428
Net operating result for the year before grants and contributions provided for capital purposes				
—			30,761	33,731

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

City of Parramatta Council | Statement of Comprehensive Income | for the year ended 30 June 2024

City of Parramatta Council

Statement of Comprehensive Income

for the year ended 30 June 2024

\$ '000	Notes	2024	2023
Net operating result for the year – from Income Statement		88,213	96,428
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain on revaluation of Infrastructure, Property, Plant, and Equipment (IPPE)	C1-5	100,088	153,530
Re-measurement of remediation liability for asbestos contamination	C3-5	2,551	(8,354)
Total items that will not be reclassified subsequently to the operating result		102,639	145,176
Total other comprehensive income for the year		102,639	145,176
Total comprehensive income for the year attributable to Council		190,852	241,604

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

City of Parramatta Council | Statement of Financial Position | as at 30 June 2024

City of Parramatta Council

Statement of Financial Position

as at 30 June 2024

\$ '000	Notes	2024	2023
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	42,395	63,201
Investments	C1-2	326,794	309,853
Receivables	C1-4	42,133	141,327
Inventories		108	121
Prepayments		2,534	1,728
Total current assets		413,964	516,230
Non-current assets			
Investments and other financial assets	C1-2	222,897	139,349
Receivables	C1-4	98,602	2,846
Infrastructure, property, plant and equipment (IPPE)	C1-5	3,713,011	3,564,475
Intangible assets	C1-6	163	1,846
Right of use assets	C2-1	1,918	3,635
Total non-current assets		4,036,591	3,712,151
Total assets		4,450,555	4,228,381
LIABILITIES			
Current liabilities			
Payables	C3-1	52,559	50,558
Contract liabilities	C3-2	32,833	23,571
Lease liabilities	C2-1	1,735	3,359
Borrowings	C3-3	827	2,003
Employee benefit provisions	C3-4	31,470	29,934
Provisions	C3-5	1,962	3,339
Total current liabilities		121,386	112,764
Non-current liabilities			
Payables	C3-1	72	69
Contract liabilities	C3-2	25,827	–
Lease liabilities	C2-1	106	52
Borrowings	C3-3	–	827
Employee benefit provisions	C3-4	2,352	1,605
Provisions	C3-5	33,836	36,940
Total non-current liabilities		62,193	39,493
Total liabilities		183,579	152,257
Net assets		4,266,976	4,076,124
EQUITY			
Accumulated surplus		3,525,795	3,418,486
IPPE Revaluation Surplus		741,181	657,638
Total equity		4,266,976	4,076,124

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

City of Parramatta Council | Statement of Changes in Equity | for the year ended 30 June 2024

City of Parramatta Council

Statement of Changes in Equity
for the year ended 30 June 2024

\$ '000	Notes	2024			2023		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		3,418,486	657,638	4,076,124	3,319,278	515,242	3,834,520
Net operating result for the year		88,213	–	88,213	96,428	–	96,428
Other comprehensive income							
– Gain on revaluation of IPPE	C1-5	–	100,088	100,088	–	153,530	153,530
– Adjustment to community land revaluation reserve for asbestos contamination	C3-5	–	2,551	2,551	–	(8,354)	(8,354)
Other comprehensive income		–	102,639	102,639	–	145,176	145,176
Total comprehensive income		88,213	102,639	190,852	96,428	145,176	241,604
Transfers between equity items		19,096	(19,096)	–	2,780	(2,780)	–
Closing balance at 30 June		3,525,795	741,181	4,266,976	3,418,486	657,638	4,076,124

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

City of Parramatta Council | Statement of Cash Flows | for the year ended 30 June 2024

City of Parramatta Council

Statement of Cash Flows

for the year ended 30 June 2024

Original unaudited budget 2024	\$ '000	Notes	Actual 2024	Actual 2023
Cash flows from operating activities				
<i>Receipts:</i>				
220,614	Rates and annual charges		215,286	216,374
42,962	User charges and fees		45,641	37,457
19,910	Interest received		28,580	15,284
149,758	Grants and contributions		103,106	102,140
–	Bonds, deposits and retention received		3,541	–
36,963	Other ¹		119,449	46,250
<i>Payments:</i>				
(144,933)	Payments to employees		(159,207)	(137,532)
(72,057)	Payments for materials and services		(145,353)	(120,188)
(112)	Borrowing costs		(170)	(573)
(48,845)	Other		(18,131)	(28,425)
204,260	Net cash provided from/(used in) operating activities	F1-1	192,742	130,787
Cash flows from investing activities				
<i>Receipts:</i>				
86,855	Sale of investments		1,097,365	884,281
–	Proceeds from sale of IPPE		17,863	5,903
<i>Payments:</i>				
–	Purchase of investments		(1,191,914)	(841,138)
(285,703)	Payments for IPPE		(131,914)	(166,375)
–	Purchase of intangible assets		486	(31)
(198,848)	Net cash provided from/(used in) investing activities		(208,114)	(117,360)
Cash flows from financing activities				
<i>Payments:</i>				
(2,003)	Repayment of borrowings		(2,003)	(9,664)
(3,409)	Principal component of lease payments		(3,431)	(3,820)
(5,412)	Net cash flow provided from/(used in) financing activities		(5,434)	(13,484)
–	Net change in cash and cash equivalents		(20,806)	(57)
50,000	Cash and cash equivalents at beginning of year		63,201	63,258
50,000	Cash and cash equivalents at end of year	C1-1	42,395	63,201

(1) Includes the remaining proceeds of Horwood Place court ruling (\$101m) received during the year. See Note B2-6 Other Income for more details on the compensation received for Horwood Place acquisition.

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

City of Parramatta Council

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City of Parramatta Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 28 October 2024. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The material accounting policy information related to these financial statements are set out below. Accounting policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021*, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity. The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Historical cost convention

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

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

Significant judgements in applying the Council's accounting policies

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

Monies and other assets received by Council

The Consolidated Fund

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

Volunteer services

Council has volunteers who work across several Council departments including bush care, park committees, and community care. Their services are vital to the success of Parramatta, with many Council programs and initiatives relying heavily on assistance from local volunteers. The total volunteer services provided for the year ended 30 June 2024, which can be reliably measured for 1116 volunteers, is \$422,945. Council has elected to not recognise volunteer services in the income statement as the total amount of services donated, while can be reliably measured, is not material. The number of volunteers have increased from previous years primarily due to Council receiving a State Government Grant "Places to Roam" for National Tree Day in Financial Year (FY) 2023/24.

A1-1 Basis of preparation (continued)

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2023.

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

This Standard amends AASB 13, including adding authoritative implementation guidance and providing related illustrative examples, for application by not-for-profit public sector entities.

In particular, this standard provides guidance on:

- (a) highest and best use
- (b) financially feasible uses
- (c) use of assumptions
- (d) nature of costs to include in the replacement cost of a reference asset and on the identification of economic obsolescence when using the cost approach.

Council has reviewed its fair value methodology and has determined that the amendment above is not likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

The standard applies prospectively to annual periods beginning on or after 1 January 2024; i.e. Council's financial statements for the year ended 30 June 2025, with earlier application not permitted.

New accounting standards adopted during the year

During the year, NSW Council adopted all standards which were mandatorily effective for the first time at 30 June 2024. None of these standards had a significant impact on reported position or performance.

The following new standards are effective for the first time at 30 June 2024 and are relevant to the Council:

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates Equivalent standard for JO's is AASB 2021-6 *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*

The most significant change introduced by this standard is to remove the requirement to disclose significant accounting policies and instead require disclosure of material accounting policy information.

"Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements."

In applying the new requirements, Council has after taking into account the various specific facts and circumstances applied professional judgement to ensure it discloses only material accounting policies as opposed to significant accounting policies throughout these financial statements.

AASB 2022-7 Editorial Corrections to Australian Accounting standards and Repeal of Superseded and Redundant Standards

AASB 2022-7 makes editorial corrections to six Standards and to Practice Statement 2 *Making Materiality Judgements*. The repeal of superseded principal Standards and of redundant amending Standards does not change the application of any Standards or requirements. Accordingly the adoption of AASB 2022-7 has no impact on Council.

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B Financial Performance**B1 Functions or activities****B1-1 Functions or activities – income, expenses and assets**

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

\$ '000	Income		Expenses		Net Operating result from continuing operations		Grants and contributions		Carrying amount of assets ¹	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Functions or activities										
Finance and Information Office	302,297	194,845	97,998	38,649	204,299	156,196	9,550	13,707	2,199,885	678,500
People Culture and Workplace	136	175	8,969	13,068	(8,833)	(12,893)	–	–	–	–
City Engagement and Experience	498	1,372	21,261	22,099	(20,763)	(20,727)	260	327	–	–
Office of Lord Mayor and CEO	25	–	3,478	3,076	(3,453)	(3,076)	25	–	–	–
City Strategy	–	775	–	7,902	–	(7,127)	–	730	–	–
Property & Place	–	44,920	–	27,447	–	17,473	–	25,232	–	1,258,939
City Assets and Operations	91,859	123,637	167,656	142,025	(75,797)	(18,388)	22,116	25,133	2,239,882	2,280,757
Community and Culture	23,291	17,045	53,806	43,787	(30,515)	(26,742)	2,614	2,635	10,788	10,185
City Planning and Design	53,720	33,237	30,445	21,525	23,275	11,712	38,944	26,039	–	–
Total functions and activities	471,826	416,006	383,613	319,578	88,213	96,428	73,509	93,803	4,450,555	4,228,381

(1) Allocation of carrying amount of assets has been updated in 2022/23 to be in line with Council's internal Asset Ownership Matrix

B1-2 Components of functions or activities

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

Finance and Information

- Finance and Information Administration
- Information Communication & Technology
- Governance, Risk, and Procurement
- Finance
- Property Development Group
- Property Assets, Security, and Services

People Culture and Workplace

- People and Culture Administration
- WHS and Wellbeing
- Workplace Relations & Strategic Projects Manager
- Organisational Capability & Talent Manager
- People and Culture Operations

City Engagement and Experience

- Events and Festivals
- City Experience and Engagement Admin
- Marketing, Brand, and Creative Services
- Communications and Customer Engagement

Office of Lord Mayor and CEO

- GM Office of Lord Mayor and CEO
- Office of the Lord Mayor
- Office of the CEO
- Councillor Support
- Council Secretariat

City Assets and Operations

- City Services Administration
- Parks and Open Spaces
- Fleet and Depot Operations
- Road and Infrastructure
- Waste and Cleansing
- Environment and Sustainability
- Capital Project Delivery
- Regulatory Services

Community and Culture

- Riverside Theatres
- Social and Community Services
- Libraries
- Community Infrastructure
- Community Services Admin
- Community Hubs
- City Culture

City Planning and Design

- Development & Traffic Services
- City Design
- City Strategy
- Strategic Land Use Planning
- City Planning and Design Administration
- Major Projects and Precincts
- Infrastructure Planning & Design

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B2 Sources of income**B2-1 Rates and annual charges**

\$ '000	2024	2023
Ordinary rates		
Residential	105,831	101,768
Business	65,652	62,940
Less: pensioner rebates (mandatory)	(1,289)	(1,399)
Less: pensioner rebates (Council policy)	(423)	(461)
Rates levied to ratepayers	169,771	162,848
Pensioner rate subsidies received	823	758
Total ordinary rates	170,594	163,606
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	47,941	45,048
Stormwater management services	1,983	2,104
Other	1,527	1,367
Less: pensioner rebates (mandatory)	(484)	(524)
Less: pensioner rebates (Council policy)	(166)	(180)
Annual charges levied	50,801	47,815
Pensioner annual charges subsidies received:		
– Domestic waste management	225	290
Total annual charges	51,026	48,105
Total rates and annual charges	221,620	211,711

Council has used 2022 year valuations provided by the NSW Valuer General in calculating its rates.

Material accounting policy information

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

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

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

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B2-2 User charges and fees

\$ '000	Timing	2024	2023
User charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s608)			
Planning and building regulation	2	3,612	4,121
Road opening permits	2	2,613	2,187
Road occupancy fees	2	1,920	1,234
Construction zone fees	2	871	956
Section 10.7 certificates (EP&A Act)	2	833	735
Section 603 certificates	2	622	469
Food premises licences	2	546	137
Hoarding fees	2	454	558
Annual fire safety statement fees	2	364	236
Tower crane application fees	2	357	85
Vehicle crossing inspection fees	2	242	581
Subdivision release fees	2	208	131
Section 611 charges	2	204	44
Tree preservation fees	2	122	146
Development advertising fees	2	138	162
Other	2	772	755
Total fees and charges – statutory/regulatory		13,878	12,537
(ii) Fees and charges – other (incl. general user charges (per s608))			
Multi-level parking stations	2	8,194	7,879
Swimming centres	1	6,570	706
Child care	1	5,739	5,778
Parramatta Riverside Theatre operations	2	4,142	3,595
Parking meters	2	3,012	3,014
Other	2	253	170
Total fees and charges – other		27,910	21,142
Total user charges and fees		41,788	33,679
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		12,309	6,484
User charges and fees recognised at a point in time (2)		29,479	27,195
Total user charges and fees		41,788	33,679

Material accounting policy information

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

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service. There is no material obligation for Council in relation to refunds or returns.

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

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

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B2-3 Other revenues

\$ '000	Timing	2024	2023
Fines – parking	2	5,573	5,245
Fines – other	2	3,679	2,588
Easements	2	663	–
Riverside Theatre bar and catering sales	2	655	575
Rebates	2	467	334
Sales – general	2	260	227
Events Income	2	223	695
Legal costs recovered	2	171	210
Tenancy Restoration	2	–	1,352
Other	2	667	856
Total other revenue		12,358	12,082

Timing of revenue recognition for other revenue

Other revenue recognised at a point in time (2)	12,358	12,082
Total other revenue	12,358	12,082

Material accounting policy information for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Relating to current year					
Financial assistance – general component	2	79	1,913	–	–
Financial assistance – local roads component	2	106	653	–	–
Prepayment received in advance for subsequent year					
Financial assistance – general component ¹	2	6,784	8,288	–	–
Financial assistance – local roads component ¹	2	2,188	2,451	–	–
Amount recognised as income during current year		9,157	13,305	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Operating Grants - NSW Government	2	859	8,816	–	–
Roads to Recovery	2	1,944	1,772	–	–
Transport (other roads and bridges funding)	1&2	717	1,551	9,035	2,267
Department of Planning, Housing and Infrastructure	1&2	152	1,075	10,700	12,243
Street lighting	1	–	942	–	–
Home support	2	823	834	–	–
Ministry of the arts	2	248	751	–	–
Library	2	856	738	–	–
Road restoration contributions	2	352	656	–	–
Paid parental leave	2	193	224	–	–
National disability contribution	2	203	177	–	–
Local Infrastructure Renewal Scheme subsidy	2	82	170	–	–
Other sponsorship received	2	52	63	–	–

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Community services	2	110	47	–	–
Salary sacrifice motor vehicle contributions	2	27	22	–	–
Parramatta Road Urban Amenity Improvement Program	2	–	–	–	8,982
Parramatta Aquatic Centre	1	–	–	4,622	11,999
Open space improvements	2	–	–	557	2,311
Child care	2	145	–	–	–
Other specific grants	1&2	–	70	437	1,258
Other contributions	2	137	(107)	–	–
Total special purpose grants and non-developer contributions – cash		6,900	17,801	25,351	39,060
Total special purpose grants and non-developer contributions (tied)		6,900	17,801	25,351	39,060
Total grants and non-developer contributions		16,057	31,106	25,351	39,060
Total Grants revenue is attributable to:					
– Commonwealth funding		10,824	1,410	513	–
– State funding		5,233	28,742	24,743	39,060
– Other funding		–	954	95	–
		16,057	31,106	25,351	39,060

(1) \$8.971m of the 2024-2025 Financial Assistance Grant from Commonwealth Government was received by Council in June 2024 and hence is reported as 2023-24 income although it relates to 2024-2025 financial year

Developer contributions

\$ '000	Notes	Timing	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	F4					
Cash contributions						
S 7.11 – contributions towards amenities/services		2	–	–	28,829	20,692
Developer Contributions (VPA)		2	–	–	3,272	2,945
Total developer contributions – cash			–	–	32,101	23,637
Total developer contributions			–	–	32,101	23,637
Total contributions			–	–	32,101	23,637
Total grants and contributions			16,057	31,106	57,452	62,697
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			–	942	24,186	–
Grants and contributions recognised at a point in time (2)			16,057	30,164	33,266	62,697
Total grants and contributions			16,057	31,106	57,452	62,697

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

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

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

\$ '000	Operating 2024	Operating 2023	Capital 2024	Capital 2023
Unspent grants				
Unspent funds at 1 July	10,115	2,326	38,980	30,293
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	361	8,590	26,954	52,277
Add: Funds received and not recognised as revenue in the current year	–	–	35,326	–
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(546)	(801)	(15,337)	(43,590)
Unspent grants at 30 June	9,930	10,115	85,923	38,980
Unspent contributions				
Unspent funds at 1 July	(172)	–	141,943	138,773
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	172	(172)	39,287	27,986
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	–	–	(16,742)	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	–	(24,816)
Unspent contributions at 30 June	–	(172)	164,488	141,943

Material accounting policy information**Grants and contributions – enforceable agreement with sufficiently specific performance obligations**

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

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

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

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

Capital grants

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

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

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

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B2-4 Grants and contributions (continued)

Developer contributions

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

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

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

Other grants and contributions

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

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

B2-5 Interest and investment income

\$ '000	2024	2023
Interest on financial assets measured at amortised cost		
– Cash and investments	18,615	11,552
– Interest received from sale of Horwood Place site ¹	10,655	–
– Overdue rates and annual charges (incl. special purpose rates)	1,628	1,031
Total interest and investment income	30,898	12,583

(1) See Note B2-6 Other Income for more details on the compensation received for Horwood Place acquisition.

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B2-6 Other income

\$ '000	Notes	2024	2023
Rental income			
Other lease income			
Property lease income		417	512
Room/Facility Hire		2,266	2,004
Leaseback fees - council vehicles		1,080	944
Lease income (excluding variable lease payments not dependent on an index or rate)		5,795	6,926
Total other lease income		9,558	10,386
Total rental income	C2-2	9,558	10,386
Fair value increment on investments			
Fair value increment on investments through profit and loss		4,809	3,959
Interest in Civic Risk Mutual		1,131	656
Total Fair value increment on investments		5,940	4,615
Other			
Compensation awarded for the compulsory acquisition of Horwood Place		74,670	–
Works in kind		1,281	–
Other income		204	2
Value of assets received from Parramatta Light Rail project		–	37,145
Total other		76,155	37,147
Total other income		91,653	52,148

Description

In August 2020, Council derecognised the site known as Horwood Place as part of the compulsory sale to Sydney Metro and recognised the offer received of \$87m. Council disputed the offer price and in January 2021, lodged the request to Valuer General NSW for the review of compensation in accordance with the *Land Acquisition (Just Terms Compensation) Act 1991*. In November 2021, the Valuer General issued their final offer of compensation and uplifted the offer price to \$123m. In considering the development potential of the Acquired Land, Council commenced a Class 3 proceeding in the Land & Environment Court objecting to the amount of compensation offered. In March 2024, the Land & Environment Court awarded Council to compensation of \$201m. As a result of the Court ruling, Council recognised \$75m as part of Other Income plus \$11m interest income received from Sydney Metro.

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B3 Costs of providing services**B3-1 Employee benefits and on-costs**

\$ '000	2024	2023
Salaries and wages	116,808	102,028
Employee leave entitlements (ELE)	20,417	16,841
Superannuation	14,527	12,071
Other	10,953	10,709
Total employee costs	162,705	141,649
Less: capitalised costs	(3,175)	(3,577)
Total employee costs expensed	159,530	138,072

B3-2 Materials and services

\$ '000	Notes	2024	2023
Contractors		27,399	16,528
Tipping fees		20,357	18,352
ICT costs		10,817	5,858
Consultancies		7,808	7,855
Raw materials and consumables		7,553	7,313
Multi-level car parks, signs and levy		4,378	3,760
Cleaning, waste removal and recycling		4,264	3,631
Utilities		4,231	3,259
Plant and Equipment hire and repair costs		3,551	3,113
Insurance		3,484	3,079
Advertising, promotion, publicity		2,996	2,551
Artists in mall and other artists		2,913	3,065
Security services		1,941	2,172
Street lighting		1,408	1,752
Councillor and Mayoral fees and associated expenses	E1-2	814	863
Telephone and communications		660	631
Memberships and subscriptions		587	406
Auditors Remuneration	E2-1	410	242
Restoration costs		188	191
Consultancy costs		75	–
Other expenses		5,315	5,367
Variable lease expense relating to usage		16,708	16,944
Legal expenses: other		938	2,681
Legal expenses: planning and development		733	762
Expenses from leases of low value assets		357	2
Expenses from short-term leases		40	54
Total materials and services		129,925	110,431

B3-3 Borrowing costs

Interest on loans		71	413
Interest on leases	C2-1	64	117
Total interest bearing liability costs		135	530
Total borrowing costs expensed		135	530

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

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

\$ '000	Notes	2024	2023
Depreciation and amortisation			
Plant and equipment		2,096	2,564
Office equipment		2,621	2,704
Furniture and fittings		1,966	2,160
Land improvements (depreciable)		1,092	1,337
Infrastructure:	C1-5		
– Buildings – non-specialised		5,504	4,414
– Buildings – specialised		4,360	3,611
– Other structures		1,544	1,230
– Roads		19,005	17,548
– Bridges		1,694	1,481
– Footpaths		4,326	3,673
– Stormwater drainage		7,244	6,509
– Swimming pools		249	15
– Other open space/recreational assets		4,294	3,975
Right of use assets	C2-1	3,578	4,054
Other assets:			
– Heritage collections		176	73
– Library books		763	826
– Other		167	195
Intangible assets	C1-6	1,197	992
Total gross depreciation and amortisation costs		61,876	57,361
Total depreciation and amortisation costs		61,876	57,361
Impairment / revaluation decrement of IPPE			
Infrastructure:	C1-5		
– Footpaths		–	3,547
Total gross IPPE impairment / revaluation decrement costs		–	3,547
Total IPPE impairment / revaluation decrement costs charged to Income Statement		–	3,547
Total depreciation, amortisation and impairment for non-financial assets		61,876	60,908

Material accounting policy information**Depreciation and amortisation**

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

Impairment of non-financial assets

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

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

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

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

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

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

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

B3-5 Other expenses

\$ '000	2024	2023
Contributions/levies to other levels of government		
– NSW Emergency Services Levy	4,979	3,847
– Department of Planning, Housing and Infrastructure levy	413	399
Donations, contributions and assistance to other organisations (Section 356)	1,096	1,177
Total other expenses	6,488	5,423

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

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

\$ '000	Notes	2024	2023
Gain (or loss) on disposal of property (excl. investment property)	C1-5		
Proceeds from disposal – property		9	5,271
Less: carrying amount of property assets sold/written off		(17,145)	(1,268)
Gain (or loss) on disposal		(17,136)	4,003
Gain (or loss) on disposal of plant and equipment & intangible assets	C1-5, C1-6		
Proceeds from disposal – plant and equipment & intangible assets		2,182	632
Less: carrying amount of plant and equipment & intangible assets sold/written off		(2,250)	(306)
Gain (or loss) on disposal		(68)	326
Gain (or loss) on disposal of infrastructure assets	C1-5		
Less: carrying amount of infrastructure assets sold/written off		(8,455)	(8,543)
Gain (or loss) on disposal		(8,455)	(8,543)
Gain (or loss) on disposal of investments			
Proceeds from disposal/redemptions/maturities – investments		1,097,365	884,281
Less: carrying amount of investments sold/redeemed/matured		(1,097,365)	(884,281)
Gain (or loss) on disposal		–	–
Net gain (or loss) from disposal of assets		(25,659)	(4,214)

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B5 Performance against budget**B5-1 Material budget variations**

Council's original budget was adopted by the Council on 26 June 2023 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Revenues				
Rates and annual charges	220,613	221,620	1,007	0% F
User charges and fees	42,962	41,788	(1,174)	(3)% U
Other revenues	21,890	12,358	(9,532)	(44)% U
Subdued parking fines revenue (\$5m), reduction in lease rental income from 9 Wentworth St (\$2m) due to movement of admin block from Church St.				
Operating grants and contributions	24,412	16,057	(8,355)	(34)% U
Mainly due to non receipt of grants due to delay in projects and unsuccessful application outcome (\$5.5m), timing of LGA Recovery Grants (\$1m) received in late FY23, instead of FY24.				
Capital grants and contributions	125,346	57,452	(67,894)	(54)% U
Mainly due to delay in receipt of Western Sydney Infrastructure Grants due to delay in signing of grant funding agreements (\$38m), delay in completion of projects such as Norwest T-Way Shared Path (\$9m), Alfred Street Cycleway Stage Two (\$9m) & George Street East Cycleway (\$3m).				
Interest and investment revenue	19,910	30,898	10,988	55% F
Receipt of Interest compensation from Horwood Place Litigation \$10.7m, and stronger returns from financial market \$4.4m.				
Net gains/(losses) from disposal of assets	500	–	(500)	(100)% U
Nil actuals in FY24				
Other income	–	91,653	91,653	∞ F
Additional compensation received from Land Environment Court for compulsory acquisition of Horwood Place by Sydney Metro in FY20.				
Expenses				
Employee benefits and on-costs	147,487	159,530	(12,043)	(8)% U
Materials and services	71,242	129,925	(58,683)	(82)% U
Mainly due to classification of partial budget as Other expenses. The increase to the overall Material & Services and Other expenses were mainly due to : Regional Local Road Grant (\$7m) expense for which income was received in FY23, higher volumes for domestic waste services (\$2.4m), increase in energy consumption at Parramatta Aquatic Centre (\$2m) and general CPI increase for all goods & services.				
Borrowing costs	109	135	(26)	(24)% U
Mainly due to slower repayment of loans & borrowings, than budgeted.				

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

B5-1 Material budget variations (continued)

\$ '000	2024 Budget	2024 Actual	2024 ----- Variance -----	
Depreciation, amortisation and impairment of non-financial assets	58,497	61,876	(3,379)	(6)% U
Other expenses	49,974	6,488	43,486	87% F
Mainly due to reclassification of Other expenses to Material and Services. Pls refer line above.				
Net losses from disposal of assets	–	25,659	(25,659)	∞ U
Mainly due to disposal of written down value of the old building at 9WS St (\$16.5m), Roads (\$2.6m) & expired IT software (\$1.6m).				

Statement of cash flows

Cash flows from operating activities	204,260	192,742	(11,518)	(6)% U
Cash flows from investing activities	(198,848)	(208,114)	(9,266)	5% U
Cash flows from financing activities	(5,412)	(5,434)	(22)	0% U

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

C Financial position**C1 Assets we manage****C1-1 Cash and cash equivalents**

\$ '000	2024	2023
Cash on hand and at bank ¹	387	160
Deposits at call	42,008	63,041
Total cash and cash equivalents	42,395	63,201

(1) Cash at bank balances are automatically transferred to the professional funds cash at call account at the end of each day. This account currently attracts a higher rate of interest. The funds can be accessed and drawn on a daily basis.

Reconciliation of cash and cash equivalents

\$ '000	Notes	2024	2023
Total cash and cash equivalents per Statement of Financial Position	C1-1	42,395	63,201
Balance as per the Statement of Cash Flows		42,395	63,201

C1-2 Investments and other financial assets

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Financial assets at fair value through the profit and loss				
Managed funds	54,342	–	44,941	–
Negotiable Certificates of Deposit (NCD)				
Floating Rate Notes (FRN) and Bonds	16,802	100,010	5,012	68,043
Total	71,144	100,010	49,953	68,043
Debt securities at amortised cost				
Term deposits	255,650	115,000	259,900	64,550
Total	255,650	115,000	259,900	64,550
Other financial assets				
Interest in Civic Risk Mutual	–	7,887	–	6,756
Total	–	7,887	–	6,756
Total financial investments	326,794	222,897	309,853	139,349

Material accounting policy information

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

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

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

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

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

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C1-2 Investments and other financial assets (continued)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at FVTPL.

Council's interest in Civic Risk Mutual is measured at fair value through profit or loss.

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

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

\$ '000	2024	2023
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	592,086	512,403
Less: Externally restricted cash, cash equivalents and investments	(349,940)	(285,731)
Cash, cash equivalents and investments not subject to external restrictions ¹	242,146	226,672

(1) Includes Investment to Civic Risk

External restrictions

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

Specific purpose unexpended grants	39,905	7,785
External restrictions – included in liabilities	39,905	7,785

External restrictions

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

Developer contributions – general	164,533	141,940
Domestic waste management	48,959	45,581
Specific purpose unexpended grants (recognised as revenue)	55,948	48,804
Museum of Applied Arts & Sciences Agreement	33,899	34,054
Special Rates	6,250	6,432
Stormwater levy	446	1,135
External restrictions - others	310,035	277,946
Total external restrictions	349,940	285,731

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

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

\$ '000	2024	2023
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(b) Internal allocations

Cash, cash equivalents and investments not subject to external restrictions

2024	2023
242,146	226,672

Less: Internal allocations of cash, cash equivalents and investments

(180,029)	(101,569)
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Unrestricted and unallocated cash, cash equivalents and investments

62,117	125,103
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Internal allocations

At 30 June, Council has internally allocated funds to the following:

Property and significant assets reserve	171,782	94,397
Employees leave entitlement	6,763	6,400
Parking Meters	1,299	521
Urgent ward works	180	219
CBD Infrastructure	5	32
Total internal allocations	180,029	101,569

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

C1-4 Receivables

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Rates and annual charges	23,349	–	14,372	2,643
User charges and fees	1,041	–	715	–
Capital debtors (being sale of assets)				
- Sale of land (6 & 8 Parramatta Square)	–	98,399	98,399	–
- Sale of land (Compulsory sale of Horwood place site)	–	–	15,672	–
Accrued revenues				
- Interest on investments	5,494	–	3,057	–
- Project costs reimbursement from grants	–	–	119	–
Net GST receivable	3,176	–	3,369	–
Works in kind receivable from developers	1,667	–	1,667	–
Government grants and subsidies	6,549	–	1,057	–
Licencing receivables	1,167	–	845	–
Environmental upgrade agreements	–	–	176	–
Other debtors	1,364	203	3,321	203
Total	43,807	98,602	142,769	2,846
Less: provision for impairment				
Rates and annual charges	–	–	(79)	–
User charges and fees	(1,674)	–	(1,363)	–
Total provision for impairment – receivables	(1,674)	–	(1,442)	–
Net receivables	42,133	98,602	141,327	2,846

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C1-4 Receivables (continued)

\$ '000	2024	2023
Movement in provision for impairment of receivables		
Balance at the beginning of the year	1,442	902
- amounts written off	(57)	-
+ new provisions recognised during the year	359	594
- amounts provided for but recovered during the year	(70)	(54)
Balance at the end of the year	1,674	1,442

Material accounting policy information

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

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

Impairment

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

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

Sale of land (6 & 8 Parramatta Square)

Council has reclassified the receivable for the Sale of land (6 & 8 Parramatta Square) from Current in 2022-23 to Non-Current in 2023-24 due to the increased likelihood of receiving practical completion on the project beyond 12 months.

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2023			Asset movements during the reporting period							At 30 June 2024		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Work In Progress capitalised	Reclassification of Net Carrying Amount (in Income Statement) ²	Revaluation increment/(decrement) to equity (Asset Revaluation Reserve)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	200,749	–	200,749	14,573	117,085	–	–	(233,809)	–	–	98,598	–	98,598
Plant and equipment	20,403	(16,264)	4,139	–	2,370	(118)	(2,096)	–	(21)	–	21,040	(16,766)	4,274
Office equipment	18,141	(10,603)	7,538	1,104	11	(1,644)	(2,621)	–	–	–	16,984	(12,596)	4,388
Furniture and fittings	24,632	(17,455)	7,177	–	2,863	–	(1,966)	–	8	–	27,495	(19,413)	8,082
Land:													
– Operational land	393,333	–	393,333	–	13,941	(180)	–	–	–	53,486	460,580	–	460,580
– Community land	353,068	–	353,068	–	–	(93)	–	–	–	(19,016)	333,959	–	333,959
– Crown land	69,760	–	69,760	–	–	–	–	–	–	(3,403)	66,357	–	66,357
– Land under roads (post 30/6/08)	3,366	–	3,366	–	–	–	–	–	(1)	(189)	3,176	–	3,176
Land improvements – depreciable	71,917	(12,289)	59,628	1,582	2,485	(11)	(1,092)	–	(32,111)	–	36,133	(5,652)	30,481
Infrastructure:													
– Buildings – non-specialised	302,411	(63,945)	238,466	38,358	80,420	(16,496)	(5,504)	–	(6,277)	15,433	441,485	(97,085)	344,400
– Buildings – specialised	177,987	(16,045)	161,942	5,343	1,495	(365)	(4,360)	–	374	7,451	190,791	(18,911)	171,880
– Other structures	41,428	(5,860)	35,568	2,017	9,409	(18)	(1,544)	–	9,286	–	62,545	(7,827)	54,718
– Roads	1,358,496	(358,004)	1,000,492	19,374	1,283	(7,308)	(19,005)	–	19,826	(50,320)	1,416,124	(451,782)	964,342
– Bridges	152,829	(23,889)	128,940	–	16,558	–	(1,694)	–	152	20,917	193,998	(29,125)	164,873
– Footpaths	232,642	(75,970)	156,672	5,404	6,036	(75)	(4,326)	–	15,985	5,732	268,750	(83,322)	185,428
– Bulk earthworks (non-depreciable)	112,967	–	112,967	–	–	–	–	–	–	1,151	114,118	–	114,118
– Stormwater drainage	783,666	(231,895)	551,771	1,118	2,156	–	(7,244)	–	3,020	68,302	888,440	(269,317)	619,123
– Swimming pools	1,776	(620)	1,156	–	13,009	–	(249)	–	(1)	109	14,728	(704)	14,024
– Other open space/recreational assets	104,380	(38,981)	65,399	169	7,043	(1,054)	(4,294)	–	(9,053)	435	101,586	(42,941)	58,645
Other assets:													
– Heritage collections	8,736	(855)	7,881	46	571	–	(176)	–	1	–	9,353	(1,030)	8,323
– Library books	9,095	(6,912)	2,183	–	936	–	(763)	–	1	–	10,031	(7,674)	2,357
– Other	3,303	(1,023)	2,280	–	–	–	(167)	–	(1,228)	–	2,035	(1,150)	885
Total infrastructure, property, plant and equipment	4,445,085	(880,610)	3,564,475	89,088	277,671	(27,362)	(57,101)	(233,809)	(39)	100,088	4,778,306	(1,065,295)	3,713,011

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

(2) Reclassification of net carrying amount to Income Statement

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

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

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period								At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP capitalised	Reclassification of Net Carrying Amount	Revaluation increment/(decrement) to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	244,065	–	244,065	19,983	146,427	–	–	–	(209,726)	–	–	200,749	–	200,749
Plant and equipment	20,447	(14,720)	5,727	–	1,223	(247)	(2,564)	–	–	–	–	20,403	(16,264)	4,139
Office equipment	13,750	(7,899)	5,851	–	4,391	–	(2,704)	–	–	–	–	18,141	(10,603)	7,538
Furniture and fittings	22,550	(15,295)	7,255	–	2,082	–	(2,160)	–	–	–	–	24,632	(17,455)	7,177
Land:														
– Operational land	400,855	–	400,855	–	28	–	–	–	–	–	(7,550)	393,333	–	393,333
– Community land	327,748	–	327,748	–	–	–	–	–	–	(11)	25,331	353,068	–	353,068
– Land under roads (post 30/6/08)	2,625	–	2,625	–	–	–	–	–	–	11	730	3,366	–	3,366
– Crown land	60,451	–	60,451	–	–	–	–	–	–	–	9,309	69,760	–	69,760
Land improvements – depreciable	42,453	(10,230)	32,223	75	20,574	(2)	(1,337)	–	–	6,931	1,164	71,917	(12,289)	59,628
Infrastructure:														
– Buildings – non-specialised	286,113	(56,833)	229,280	2,038	552	(1,066)	(4,414)	–	–	–	12,076	302,411	(63,945)	238,466
– Buildings – specialised	39,630	(11,740)	27,890	180	129,415	(200)	(3,611)	–	–	–	8,268	177,987	(16,045)	161,942
– Other structures	26,897	(4,591)	22,306	1,078	12,650	(65)	(1,230)	–	–	829	–	41,428	(5,860)	35,568
– Roads	1,270,189	(323,695)	946,494	15,320	5,067	(4,722)	(17,548)	–	–	(47)	55,928	1,358,496	(358,004)	1,000,492
– Bridges	141,189	(20,918)	120,271	935	–	–	(1,481)	–	–	1,268	7,947	152,829	(23,889)	128,940
– Footpaths	237,685	(60,077)	177,608	7,114	9,015	(2,883)	(3,673)	(3,547)	–	(8,982)	(17,980)	232,642	(75,970)	156,672
– Bulk earthworks (non-depreciable)	107,266	–	107,266	–	338	(68)	–	–	–	–	5,431	112,967	–	112,967
– Stormwater drainage	697,540	(206,181)	491,359	1,253	20,091	(3)	(6,509)	–	–	–	45,580	783,666	(231,895)	551,771
– Swimming pools	1,628	(553)	1,075	–	–	–	(15)	–	–	–	96	1,776	(620)	1,156
– Other open space/recreational assets	86,655	(31,881)	54,774	759	7,442	(801)	(3,975)	–	–	–	7,200	104,380	(38,981)	65,399
Other assets:														
– Heritage collections	4,516	(782)	3,734	–	4,220	–	(73)	–	–	–	–	8,736	(855)	7,881
– Library books	8,191	(6,086)	2,105	–	904	–	(826)	–	–	–	–	9,095	(6,912)	2,183
– Other	3,270	(828)	2,442	2	31	–	(195)	–	–	–	–	3,303	(1,023)	2,280
Total infrastructure, property, plant and equipment	4,045,713	(772,309)	3,273,404	48,737	364,450	(10,057)	(52,315)	(3,547)	(209,726)	(1)	153,530	4,445,085	(880,610)	3,564,475

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

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

Material accounting policy information

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

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

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

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

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

Useful lives of IPPE

Land, bulk earthworks, trees, 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:

Buildings (by component type):	Years		Years
Superstructure	96 to 173	Other Infrastructure:	
Sub-structure	100 to 252	Stormwater Drainage	
Roof	25 to 153	Conduits - Pipes, Culverts & Natural Channels	80 to 300
Fitout	7 to 78	Structures - Pits, Headwalls & Converters	80 to 120
Floor Coverings	5 to 39	Other Drainage Assets	20 to 200
Electrical Services	20 to 99		
Mechanical Services	7 to 62	Bridges (by component type):	
Hydraulic Services	7 to 105	Abutments	110 to 117
Fire Services	20 to 37	Deck	40 to 117
Security Services	15 to 24	Guardrails	15 to 100
Lift/Transport	20 to 30	Sub-structure	20 to 117
Site Infrastructure	40 to 163	Superstructure	16 to 200
Site Services	30 to 163	Surface	20 to 40
Infrastructure		Open Space	5 to 100
Roads (by component type):		Swimming Pools	20 to 100
Surface	10 to 150	Bus Shelters	30 to 40
Pavement Base	80 to 150	Land Improvements and Other Structures	5 to 100
Pavement Sub Base	100 to 150		
Formation (Bulk Earthworks)	Infinite	Plant and equipment:	
Kerb & Gutter	100 to 110	Office equipment	5 to 10
Traffic Facilities	40 to 94	Office furniture	10
Footpaths	15 to 100	Computer equipment	5
Parking Areas	20 to 200	Vehicles	5 to 10
		Other plant and equipment	5 to 10
		Other Assets:	
		Library books	5
		Other Assets	5 to 10

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

Revaluation model

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

Increases in the carrying amounts arising on revaluation are credited to the IPPE revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation

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

reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Land under roads

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

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

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

Crown reserves

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

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

C1-6 Intangible assets

Intangible assets are as follows:

\$ '000	2024	2023
IT Development and Software		
Opening values at 1 July		
Gross book value	14,034	14,167
Accumulated amortisation	(12,188)	(11,360)
Net book value – opening balance	1,846	2,807
Movements for the year		
Purchases	–	90
Amortisation charges	(1,197)	(992)
Disposals	(486)	(59)
Closing values at 30 June		
Gross book value	10,007	14,034
Accumulated amortisation	(9,844)	(12,188)
Total intangible assets - net book value	163	1,846

Material accounting policy information

IT development and software

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years.

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Buildings

Council leases buildings for their corporate offices and other buildings; the leases are generally between 2 and 4 years and some of them include a renewal option to allow Council to renew for up to twice the non-cancellable lease term at their discretion.

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

Garbage trucks

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

Office and IT equipment

Leases for office and IT equipment are generally for low-value assets. The leases are for between 2 and 5 years with no renewal option, the payments are fixed, however, some of the leases include variable payments based on usage.

Extension options

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

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

(a) Right of use assets

\$ '000	Buildings	Office and IT Equipment	Total
2024			
Opening balance at 1 July	3,569	66	3,635
Additions/modification to right-of-use assets	1,817	44	1,861
Depreciation charge	(3,554)	(24)	(3,578)
Balance at 30 June	1,832	86	1,918
2023			
Opening balance at 1 July	8,150	—	8,150
Additions/modification to right-of-use assets	(543)	82	(461)
Depreciation charge	(4,038)	(16)	(4,054)
Balance at 30 June	3,569	66	3,635

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

C2-1 Council as a lessee (continued)**(b) Lease liabilities**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Lease liabilities	1,735	106	3,359	52
Total lease liabilities	1,735	106	3,359	52

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2024					
Cash flows	1,812	129	–	1,941	1,841
2023					
Cash flows	3,359	52	–	3,411	3,411

(d) Income Statement

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

\$ '000	2024	2023
Variable lease payments based on usage not included in the measurement of lease liabilities	16,708	16,890
Depreciation of right of use assets	3,578	4,054
Interest on lease liabilities	64	117
Expenses relating to short-term leases	40	108
Expenses relating to leases of low-value assets	357	2
	20,747	21,171

(e) Statement of Cash Flows

Total cash outflow for leases	20,600	21,123
	20,600	21,123

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

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

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

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

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C2-1 Council as a lessee (continued)

Material accounting policy information

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

Exceptions to lease accounting

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

Leases at significantly below market value / Concessionary leases

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

C2-2 Council as a lessor

Operating leases

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

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

\$ '000	2024	2023
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(i) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	8,255	8,574
Lease income relating to variable lease payments not dependent on an index or a rate	417	512
Total income relating to operating leases for Council assets	8,672	9,086

Other leased assets expenses

Direct operating expenses that generated rental income	886	1,300
Other	69	65
Total expenses relating to other leases assets	955	1,365

(ii) Amount of IPPE leased out by Council under operating leases

Property Leases	95,677	96,681
Total amount of IPPE leased out by Council under operating leases	95,677	96,681

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

C2-2 Council as a lessor (continued)

\$ '000	2024	2023
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(iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

< 1 year	2,169	2,890
1–2 years	1,971	2,787
2–3 years	1,733	1,593
3–4 years	1,557	1,295
4–5 years	930	1,141
> 5 years	19,435	17,237
Total undiscounted lease payments to be received	27,795	26,943

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

C3 Liabilities of Council**C3-1 Payables**

\$ '000	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Goods and services	12,499	–	14,947	–
Security bonds, deposits and retentions	19,635	72	16,097	69
Accrued expenses:				
– Materials and contracts	19,497	–	16,415	–
– Salaries and wages	919	–	2,879	–
– Accrued Interest	9	–	44	–
Environment upgrade agreement	–	–	176	–
Total payables	52,559	72	50,558	69

\$ '000	2024	2023
Current payables not anticipated to be settled within the next twelve months	16,180	12,777

Material accounting policy information

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

C3-2 Contract Liabilities

\$ '000	Notes	2024 Current	2024 Non-current	2023 Current	2023 Non-current
Grants and contributions:					
Capital Grants (to construct Council controlled assets)	(i)	25,704	25,827	16,928	–
Operating grants (received prior to performance obligation being satisfied)	(ii)	–	–	323	–
Total contract liabilities - Grants		25,704	25,827	17,251	–
User fees and charges:					
Funds received prior to the performance obligations being satisfied (upfront payments) - AASB 15	(iii)	6,341	–	5,988	–
Upfront fees – swimming pools, childcare, venue hire		788	–	332	–
Total contract liabilities - User charges and fees		7,129	–	6,320	–
Total contract liabilities		32,833	25,827	23,571	–

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C3-2 Contract Liabilities (continued)

Notes

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

(ii) Council has received funding to support the arts and entertainment sector and the CBD revitalisation program. The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

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

(i) Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2024	2023
Grants and contributions:		
Capital grants (to construct Council controlled assets)	4,795	3,400
Operating grants (received prior to performance obligation being satisfied)	323	590
User fees and charges:		
Funds received prior to the performance obligations being satisfied (upfront payments) - AASB 15	3,297	3,872
Total revenue recognised that was included in the contract liability balance at the beginning of the period	8,415	7,862

Significant changes in contract liabilities

Council's contract liability is largely comprised of the upfront payment of grants relating to the Parramatta Road Urban Amenities Improvement Project (PRUAIP), which involves the construction of streetscape and open space assets at Good and Bridge Street, and the upgrade of FS Garside Park.

C3-3 Borrowings

	2024 Current	2024 Non-current	2023 Current	2023 Non-current
\$ '000				
Loans – secured ¹	827	–	2,003	827
Total borrowings	827	–	2,003	827

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note D1-1.

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C3-3 Borrowings (continued)

(a) Changes in liabilities arising from financing activities

\$ '000	2023	Non-cash movements		2024
	Opening Balance	Cash flows	Acquisition	Closing Balance
Loans – secured	2,830	(2,003)	–	827
Lease liability (Note C2-1b)	3,411	(1,570)	–	1,841
Total liabilities from financing activities	6,241	(3,573)	–	2,668

\$ '000	2022	Non-cash movements		2023
	Opening Balance	Cash flows	Acquisition	Closing balance
Loans – secured	12,494	(9,664)	–	2,830
Lease liability (Note C2-1b)	7,694	(4,283)	–	3,411
Total liabilities from financing activities	20,188	(13,947)	–	6,241

(b) Financing arrangements

\$ '000	2024	2023
---------	------	------

Total facilities

Total financing facilities available to Council at the reporting date are:

Bank overdraft facilities ¹	1,000	1,000
Credit cards/purchase cards	328	328
Total financing arrangements	1,328	1,328

Drawn facilities

Financing facilities drawn down at the reporting date are:

– Credit cards/purchase cards	81	68
Total drawn financing arrangements	81	68

Undrawn facilities

Undrawn financing facilities available to Council at the reporting date are:

– Bank overdraft facilities	1,000	1,000
– Credit cards/purchase cards	247	260
Total undrawn financing arrangements	1,247	1,260

Breaches and defaults

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

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

C3-4 Employee benefit provisions

\$ '000	2024	2024	2023	2023
	Current	Non-current	Current	Non-current
Annual leave	13,056	–	12,186	–
Sick leave	567	–	621	–
Long service leave	17,367	2,352	16,232	1,605
Other employee provisions	480	–	895	–
Total employee benefit provisions	31,470	2,352	29,934	1,605

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C3-4 Employee benefit provisions (continued)

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

\$ '000	2024	2023
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	21,001	21,549
	<u>21,001</u>	<u>21,549</u>

Material accounting policy information

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

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

C3-5 Provisions

\$ '000	2024 Current	2024 Non-Current	2023 Current	2023 Non-Current
Other provisions				
Asbestos removal - Land	1,000	33,836	735	36,653
Asbestos removal - Buildings	589	–	561	–
Make good provisions	145	–	1,956	287
Legal expense	228	–	87	–
Sub-total – other provisions	<u>1,962</u>	<u>33,836</u>	<u>3,339</u>	<u>36,940</u>
Total provisions	<u>1,962</u>	<u>33,836</u>	<u>3,339</u>	<u>36,940</u>

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C3-5 Provisions (continued)

Movements in provisions

\$ '000	Other provisions				Total
	Asbestos removal Buildings	Legal expense	Asbestos removal Land	Make good provisions	
2024					
At beginning of year	561	87	37,388	2,243	40,279
Additional provisions	28	228	1,190	–	1,446
Amounts used (payments)	–	(87)	(3,741)	(2,098)	(5,926)
Total other provisions at end of year	589	228	34,837	145	35,799
2023					
At beginning of year	561	166	29,037	2,579	32,343
Additional provisions	–	87	10,372	325	10,784
Amounts used (payments)	–	(166)	(2,021)	(661)	(2,848)
Total other provisions at end of year	561	87	37,388	2,243	40,279

Nature and purpose of provisions

Make Good Provisions

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

Asbestos Removal

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

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

Material accounting policy information

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.

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Risks and accounting uncertainties

D1-1 Risks relating to financial instruments held

\$ '000	Carrying value 2024	Carrying value 2023	Fair value 2024	Fair value 2023
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	42,395	63,201	42,395	63,201
Receivables	140,735	144,173	140,735	144,173
Investments				
– Debt securities at amortised cost	370,650	324,450	370,650	324,450
– Other investments	7,887	6,756	7,887	6,756
Fair value through profit and loss				
Investments				
– Held for trading	171,154	117,996	171,154	117,996
Total financial assets	732,821	656,576	732,821	656,576
Financial liabilities				
Payables	52,631	50,627	52,631	50,627
Borrowings	827	2,830	815	2,791
Lease liabilities	1,841	3,411	1,841	3,411
Total financial liabilities	55,299	56,868	55,287	56,829

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

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

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

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

Financial risk management is carried out by the finance team under policies approved by the Councillors.

The fair value of financial assets and liabilities approximates the carrying amount.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether 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.
- **Market risk** – the risk that movements in interest rates could affect returns.
- **Liquidity risk** - the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council.

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

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

D1-1 Risks relating to financial instruments held (continued)

(a) Market risk – interest rate and price risk

\$ '000	2024	2023
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	4,130	3,877
Impact of a 10% movement in price of investments		
– Equity / Income Statement	17,904	12,501

(b) Credit risk

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

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

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

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

The receivable from Walker Corporation is secured by:

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

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

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

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

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

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

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

D1-1 Risks relating to financial instruments held (continued)**Credit risk profile****Receivables – rates and annual charges**

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

\$ '000	Not yet overdue	overdue rates and annual charges < 5 years	≥ 5 years	Total
2024				
Gross carrying amount	15,211	8,138	–	23,349
2023				
Gross carrying amount	–	16,648	367	17,015

Receivables other than rates and annual charges

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 90 days	
2024						
Gross carrying amount	116,614	2,022	53	21	350	119,060
Expected loss rate (%)	0.00%	62.00%	100.00%	100.00%	100.00%	1.41%
ECL provision	–	1,254	53	21	350	1,678
2023						
Gross carrying amount	125,733	2,280	75	12	500	128,600
Expected loss rate (%)	0.00%	34.05%	100.00%	100.00%	100.00%	1.06%
ECL provision	–	776	75	12	500	1,363

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D1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	Due within 1 year	Due between 1 & 5 years	Due after 5 Years	Total contractual cash flows	Carrying values
2024							
Payables	0.00%	12,271	40,360	–	–	52,631	52,631
Borrowings	0.00%	–	827	–	–	827	827
Total financial liabilities		12,271	41,187	–	–	53,458	53,458
2023							
Payables	0.00%	14,818	35,809	–	–	50,627	50,627
Borrowings	0.00%	–	2,003	827	–	2,830	2,830
Total financial liabilities		14,818	37,812	827	–	53,457	53,457

D2-1 Fair value measurement

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

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

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

Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability.

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D2-1 Fair value measurement (continued)

		Fair value measurement hierarchy							
		Level 1 Quoted prices in active mkts		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
\$ '000	Notes	2024	2023	2024	2023	2024	2023	2024	2023
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
At fair value through profit or loss		171,155	117,996	–	–	7,887	6,756	179,042	124,752
Total financial assets		171,155	117,996	–	–	7,887	6,756	179,042	124,752
Infrastructure, property, plant and equipment									
	C1-5								
Operational land		–	–	460,580	393,333	–	–	460,580	393,333
Community land		–	–	–	–	333,959	353,068	333,959	353,068
Crown Land		–	–	–	–	66,357	69,760	66,357	69,760
Land under roads		–	–	–	–	3,176	3,366	3,176	3,366
Buildings-non specialised		–	–	–	–	344,400	238,466	344,400	238,466
Buildings-specialised		–	–	–	–	171,880	161,942	171,880	161,942
Roads		–	–	–	–	964,342	1,000,492	964,342	1,000,492
Bridges		–	–	–	–	164,873	128,940	164,873	128,940
Footpaths		–	–	–	–	185,428	156,672	185,428	156,672
Bulk earthworks		–	–	–	–	114,118	112,967	114,118	112,967
Stormwater drainage		–	–	–	–	619,123	551,771	619,123	551,771
Swimming pools		–	–	–	–	14,024	1,156	14,024	1,156
Other open space/recreational assets		–	–	–	–	58,645	65,399	58,645	65,399
Total infrastructure, property, plant and equipment		–	–	460,580	393,333	3,040,325	2,843,999	3,500,905	3,237,332

Note:

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

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D2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Operational Land

This asset class is comprised of all Council's land classified as Operational Land under the *Local Government Act 1993*. The last comprehensive valuation was undertaken on 30 June 2024 by iinsights.

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

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

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

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

Community Land (including Crown Land)

Management performed an assessment of fair value as of 30 June 2024 based on the Valuer General's valuation. From the assessment, a movement from the last revaluation was recognised in the asset revaluation reserve.

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.

Land Under Roads

Land Under Roads identified as roads constructed post 01/07/2008 has been valued on 30/06/2024 based on Municipal Average Land Rate using the following methodology:

- Latest valuer general Valuation and Land Area (englobo method) to calculate a Land Unit Rate
- Land Rate x Total Land Area of Land under Roads post 01/07/2008
- Valuation Discounted by 90%

Carrying amount of Land Under Roads was assessed at this reporting date by management and a movement in fair value from the last revaluation was recognised in the asset revaluation reserve

Buildings

Council engaged iinsights to comprehensively value all buildings and to assess change in carrying amount as at 30 June 2024.

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 and net current 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.

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D2-1 Fair value measurement (continued)

Roads

Council engaged insights to comprehensively value all Road assets and to assess change in carrying amount as at 30 June 2024.

This asset class is comprised of the Road Carriageway, Kerb & Gutter, Traffic Facilities and At Grade Car Parking Areas. 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 of roads bulk earthworks is non-depreciable as it is not expected that the formation will need to be renewed during the normal operational use of the assets this financial year.

The comprehensive valuation completed on 30/06/2024 by insights adopted the cost approach 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 an external specialist Infrastructure Management Group Pty Ltd (IMG).

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

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

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

Bridges

Management performed an internal assessment of fair value with reference to indices at 30 June 2024. The primary source of the indices was the 2024 Rawlinson's Australian Construction Handbook. From the assessment, a movement from the last revaluation was recognised in the asset revaluation reserve.

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

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

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

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

Footpaths

Council engaged Marsh Valuers to provide a Desktop Assessment of all Footpath assets to assess change in Fair Value as at 30 June 2024. The assessment was based on Australian Bureau of Statistics indices for Civil Assets as at 30th June 2024. A movement based on this assessment was recognised in the asset revaluation reserve.

Marsh Pty Ltd performed a comprehensive valuation of Footpath assets as at 30th June 2023 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. Infrastructure Management Group Pty Ltd (IMG) carried out a condition assessment. 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 undertook digital imagery condition survey of all Council Footpath assets. Marsh used the condition data to value the footpath assets using the Cost Approach (Level 3).

D2-1 Fair value measurement (continued)

Stormwater Drainage

Management performed an internal assessment of fair value with reference to indices at 30 June 2024. The primary source of the indices was the 2024 Rawlinson's Australian Construction Handbook. From the assessment, a movement from the last revaluation was recognised in the asset revaluation reserve.

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

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

Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, pattern of consumption. Total Drain Cleaning carried out a condition assessment. 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 a Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgment and are therefore unobservable.

Swimming Pools

Council engaged insights to comprehensively value all Swimming Pools and to assess change in carrying amount as at 30 June 2024.

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

Significant unobservable inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and asset condition.

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

Open Space Assets

Council engaged insights to comprehensively value all Open Space Assets and to assess change in carrying amount as at 30 June 2024.

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

All Other open space and recreational assets within this asset portfolio were valued using Level 3 valuation inputs using the cost approach.

The approach estimated the replacement cost for each asset by componentising each asset into significant parts with different useful lives and considering a range of factors, where appropriate.

While the unit rates are based on quantitative dimensional units such as square metres and can be supported from market evidence (level 2) other inputs (such as estimates of useful lives, remaining life profiles, and asset conditions) required extensive professional judgement which impacts significantly on the final determination of the assets Fair Value.

D2-1 Fair value measurement (continued)

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

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

\$ '000	Fair value 2024	Valuation technique(s)	Unobservable inputs (including ranges used) ¹
Infrastructure, property, plant and equipment			
Community Land	333,959	Land Values obtained from the NSW Valuer-General	Adjustments are made to observable inputs for zoning restrictions, topography, land shape and size
Crown Land	66,357	Land Values obtained from the NSW Valuer-General	Adjustments are made to observable inputs for zoning restrictions, topography, land shape and size
Land Under Roads	3,176	Englobo methodology	Land size
Buildings (Specialised and Non-Specialised)	516,280	Market-based direct comparison/cost approach	Market value if available. Otherwise, current replacement cost Rates per m2 used were between \$705 to \$16,500.
Roads including bulk earthworks	1,078,460	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. Unit rates per m2 varied from \$19 to \$1,840.
Bridges	164,873	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. Unit rates per m2 varied from \$252 to \$12,186,816.
Footpaths	185,428	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. Unit rates per m2 varied from \$55 to \$1,592.
Stormwater Drainage	619,123	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. Unit rates per m2 between \$307 to \$1,869,148.
Swimming Pools	14,024	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition. Rates per m2 used were between \$1,650 to \$3,250.
Open Space/Recreational Assets	58,645	Cost Approach	Current replacement cost of modern equivalent asset, useful life, pattern of consumption and asset condition.

(1) Unit rates ranges disclosed are based on the last comprehensive valuation data

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D2-1 Fair value measurement (continued)

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

\$ '000	Total IPPE	
	2024	2023
Balance at 1 July	2,843,999	2,546,841
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	46,602	159,916
Other movements		
Purchases (gross book value)	197,766	199,519
Disposals (written down value)	(25,391)	(9,743)
Depreciation and impairment	(46,676)	(44,773)
Transfers into /(out) of level 3	24,025	(7,761)
Balance at 30 June	3,040,325	2,843,999

Highest and best use

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

D3-1 Contingencies

LIABILITIES NOT RECOGNISED

(i) Defined benefit superannuation contribution plans

Defined Benefit Plan: Multi-Employer Pooled Fund

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

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

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

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

*For 180 Point Members, Employers are required to contribute 8.5% of salaries for the year ending 30 June 2024 (increasing to 9.0% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$20.0 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2023. These lump sum contributions are used to maintain the adequacy of the funding position for the accrued liabilities as at 30 June 2024.

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 Council.

(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.

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

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

Council confirms that the plan is a defined benefit plan.

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

(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 and have not varied for each employer according to the experience relating to the employees of that employer;

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D3-1 Contingencies (continued)

(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 the members). As such there is insufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, subgroup assets and costs associated with the sub-group in the same way as it would be for a single employer sponsored defined benefit plan. Paragraph 34 of AASB 119 therefore applies, within the disclosures herein reflecting the requirements of paragraph 148.

(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 \$251,998.93.

(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 2024 is:

Employer reserves only*	\$millions	Asset Coverage
Assets	2,237.5	
Past Service Liabilities	2,141.9	104.5%
Vested Benefits	2,159.8	103.6%

*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	3.5% per annum
Increase in CPI	3.5% for FY 2023/24, 2.5% per annum thereafter

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.

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

The past service contributions of \$40M per annum until 31 December 2021 followed by \$20M per annum thereafter remain in place and will continue to be reviewed on an annual basis or as required. Council advises that it is estimated that there are \$89,737.09 past service contributions remaining.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2024 was \$331,318.50. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA as at 30 June 2023.

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

Based on a Past Service Liabilities methodology, the share of the surplus attributed to Council is 0.90%.

(ii) Hazardous Materials Management

Council engaged with the independent expert (JMB Environmental Consulting Pty Ltd - JMBE) in 2018-19 to conduct a Hazardous Materials Management register. JMBE performed the risk assessment and assigned a risk score to each of the Council's buildings. Council has classified the cost of removal of hazardous material for low and very low rated risk items as a contingent liability totalling \$4.9m (\$4.3m in 2018-19 was indexed by CPI Inflation).

E People and relationships

E1 Related party disclosures

E1-1 Key management personnel (KMP)

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

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

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

\$ '000	2024	2023
Compensation:		
Short-term benefits	4,100	3,389
Other long-term benefits	237	289
Termination benefits	—	—
Total	4,337	3,678

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

Short-term Benefits

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

E1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2024	2023
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Councillors' fees	517	531
Councillors' expenses (including Mayor)	184	242
Mayoral fee	113	90
Total	814	863

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

E2 Other relationships

E2-1 Audit fees

\$ '000	2024	2023
Auditors of the Council - NSW Auditor-General:		
Audit and review of current year's financial statements ¹	410	238
NSW Auditor-General Remuneration for audit and assurance services	410	238
Non NSW Auditor-General audit firms		
CBD Recovery Grant Audit	–	4
Non NSW Auditor-General Remuneration for audit and assurance services	–	4
Total fees paid or payable to Auditors	410	242

(1) 2024 Audit Fees include \$80k which relates to 2023 overrun fees

F Other matters

F1-1 Statement of Cash Flows information

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

\$ '000	2024	2023
Net operating result from Income Statement	88,213	96,428
Add / (less) non-cash items:		
Depreciation and amortisation	61,876	57,361
(Gain) / loss on disposal of assets	25,659	4,214
Other income	(1,485)	(37,147)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(5,940)	(4,615)
– Revaluation decrements / impairments of IPP&E direct to P&L	–	3,547
Changes in assets and liabilities:		
(Increase) / decrease of receivables	(12,466)	7,530
Increase / (decrease) in provision for impairment of receivables	232	540
(Increase) / decrease of inventories	13	(15)
(Increase) / decrease of other current assets	(806)	(10)
Increase / (decrease) in payables	(2,448)	1,301
Increase / (decrease) in accrued interest payable	(35)	(43)
Increase / (decrease) in other accrued expenses payable	1,122	(6,453)
Increase / (decrease) in other liabilities	3,365	(140)
Increase / (decrease) in contract liabilities	35,089	7,148
Increase / (decrease) in employee benefit provision	2,283	1,559
Increase / (decrease) in other provisions	(1,930)	(418)
Net cash flows from operating activities	192,742	130,787

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

F2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2024	2023
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Bridges	14,266	882
Buildings	13,986	21,645
Roads, kerb and gutter	11,238	16,589
Footpaths	10,840	14,953
Open Space	4,220	6,510
IT and web assets	1,319	1,441
Stormwater Drainage	1,166	1,279
Other	4,484	7,045
Total commitments	61,519	70,344

Details of capital commitments

Capital Commitments relate to ongoing capital projects, such as F.S Garside Park upgrade, Hunts Creek Bridge Construction, Alfred St Cycleways construction, Roads, Kerbs and gutter maintenance, etc.

F3-1 Events occurring after the reporting date

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

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

F4 Statement of developer contributions

F4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2023	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings and transfers between plans	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
Open space	762	1,408	—	—	70	—	—	2,240	—
Community facilities	11,098	2,361	—	—	545	(1,765)	—	12,239	1,203
Traffic and parking	2,934	—	—	—	102	(1,614)	—	1,423	—
Traffic and transport	271	501	—	—	25	—	—	797	—
Public domain projects	11,555	2,009	—	—	598	(135)	—	14,027	—
River foreshore park	1,141	200	—	—	59	(2)	—	1,399	—
Arts and cultural facility	7,095	400	—	—	349	(27)	—	7,817	—
Recreation Facilities	823	334	—	—	33	(583)	—	607	—
Historic buildings	1,631	67	—	—	45	(1,443)	—	300	—
Car park enhancements	359	67	—	—	17	(59)	—	384	—
Access and transport	11,731	400	—	—	531	(1,696)	—	10,966	—
Community facilities (A)	514	146	—	—	22	(257)	—	425	—
Drainage, water quality and laneway infrastructure	2,028	84	—	—	89	(383)	—	1,818	—
Natural environment	80	28	—	—	4	(1)	—	111	—
Open space and recreation	685	248	—	—	39	—	—	972	—
Public domain	632	56	—	—	30	(71)	—	647	—
Roads and shared paths	923	128	—	—	47	(28)	—	1,070	—
Parramatta Square	12,476	—	—	—	536	(2,574)	—	10,438	—
Open Space Land - Former Hills	4,885	1,194	—	—	262	—	—	6,341	—
Open Space Capital - Former Hills	520	150	—	—	30	(1)	—	699	—
Transport Facilities Capital - Former Hills	2,692	702	—	—	146	—	—	3,540	—
Administration - Former Hills	1,152	92	—	—	56	(71)	—	1,229	—
Stormwater Management - Former Hills	2,140	840	—	—	122	—	—	3,102	—
Community Facilities - Former Hills	2,364	329	—	—	121	—	—	2,814	—
Open Space and Recreation -Former Hills	1,711	(31)	—	—	81	—	—	1,761	—
Roads and Natural Paths -Former Hills	1,541	(34)	—	—	72	(46)	—	1,533	—
Natural Environment -Former Hills	90	(4)	—	—	4	(1)	—	90	—
Public Domain -Former Hills	132	(4)	—	—	6	—	—	134	—
Drainage and Water Quality -Former Hills	148	(3)	—	—	7	—	—	152	—
Drainage & Water Quality (Former Hornsby)	317	21	—	—	16	—	—	354	—
Public Domain - Former Hornsby	2,456	182	—	—	121	(34)	—	2,725	—
Roads - Former Hornsby	1,910	134	—	—	85	(393)	—	1,736	—
Open Space - Former Hornsby	13,541	842	—	—	648	(886)	—	14,145	—

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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

F4-1 Summary of developer contributions (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings and transfers between plans	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
Community Facilities - Former Hornsby	2,413	100	-	-	118	-	-	2,631	-
Plan Administration - Former Hornsby	72	104	-	-	4	(65)	-	115	-
Other - Former Hornsby	4,359	1,935	-	-	231	(810)	-	5,716	-
Community Facilities - Former Auburn	262	218	-	-	18	-	-	498	-
Public Domain - Former Auburn	770	928	-	-	59	-	-	1,758	-
Accessibility and Traffic - Former Auburn	358	700	-	-	34	1	-	1,092	-
Plan Administration - Former Auburn	1	-	-	-	-	(1)	-	-	-
Open Space (HBW)	11,718	8,228	-	-	758	(14)	-	20,689	(1,203)
Community Facilities (HBW)	513	428	-	-	35	-	-	976	-
Traffic Management (HBW)	1,878	318	-	-	55	(1,945)	-	306	-
Plan Administration (HBW)	124	86	-	-	7	(40)	-	177	-
Community Facilities (Carter Street)	482	211	-	-	27	(63)	-	657	-
Local Open Space (Carter Street)	1,272	556	-	-	74	-	-	1,902	-
District Recreation (Carter Street)	2,893	1,263	-	-	169	-	-	4,325	-
Active Transport (Carter Street)	962	421	-	-	56	-	-	1,440	-
Traffic Management (Carter Street)	1,069	421	-	-	61	-	-	1,551	-
Plan Administration (Carter Street)	-	17	-	-	-	-	-	17	-
Parks and Recreation (former Holroyd)	153	20	-	-	8	-	-	180	-
Sporting Fields (former Holroyd)	153	20	-	-	8	-	-	180	-
Community Facilities (former Holroyd)	64	8	-	-	3	-	-	76	-
Total S7.11 and S7.12 revenue under plans	131,853	28,829	-	-	6,643	(15,007)	-	152,321	-
S7.4 planning agreements	10,082	3,272	-	-	520	(1,662)	-	12,212	-
Total contributions	141,935	32,101	-	-	7,163	(16,669)	-	164,533	-

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.

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

F4-2 S7.11 and S7.12 Contributions – under a plan

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings and transfers between plans	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Section 94 Contribution Plan Number 1									
Traffic and parking (CP1)	2,934	—	—	—	102	(1,614)	—	1,423	—
Total	2,934	—	—	—	102	(1,614)	—	1,423	—
Parramatta Section 94A Contribution Plan (Non-City Centre)									
Community facilities	514	146	—	—	22	(257)	—	425	—
Drainage, water quality and laneway infrastructure	2,028	84	—	—	89	(383)	—	1,818	—
Natural environment	80	28	—	—	4	(1)	—	111	—
Open space and recreation	685	248	—	—	39	—	—	972	—
Public domain	632	56	—	—	30	(71)	—	647	—
Roads and shared paths	923	128	—	—	47	(28)	—	1,070	—
Total	4,862	690	—	—	231	(740)	—	5,043	—
Parramatta City Centre Section 94A Contribution Plan (Civic Improvement Plan)									
Community Facilities - CIP 3.3	9,965	267	—	—	441	(1,765)	—	8,908	1,203
Public Domain Projects - CIP 2.0	10,674	379	—	—	517	(135)	—	11,435	—
River Foreshore Park - CIP 3.1	1,141	200	—	—	59	(2)	—	1,399	—
Arts and Cultural Facility - CIP 3.2	7,095	400	—	—	349	(27)	—	7,817	—
Recreation Facilities - CIP 3.4	823	334	—	—	33	(583)	—	607	—
Historical Buildings - CIP 3.5	1,631	67	—	—	45	(1,443)	—	300	—
Car Park Enhancements - CIP 3.6	359	67	—	—	17	(59)	—	384	—
Parramatta Square - CIP 4.0	12,476	—	—	—	536	(2,574)	—	10,438	—
Access and Transport - CIP 3.7	11,729	400	—	—	531	(1,696)	—	10,964	—
Total	55,893	2,114	—	—	2,528	(8,284)	—	52,252	1,203
Section 94 Development Contribution Plan - Carlingford Precinct (CP14)									
Open Space Land – Former Hills	4,885	1,194	—	—	262	—	—	6,341	—
Open Space Capital – Former Hills	520	150	—	—	30	(1)	—	699	—
Transport Facilities Capital – Former Hills	2,692	702	—	—	146	—	—	3,540	—
Administration – Former Hills	1,152	92	—	—	56	(71)	—	1,229	—
Stormwater Management – Former Hills	2,140	840	—	—	122	—	—	3,102	—
Community Facilities – Former Hills	2,107	343	—	—	109	—	—	2,559	—
Total	13,496	3,321	—	—	725	(72)	—	17,470	—
SECTION 94A DEVELOPMENT CONTRIBUTION PLAN-FORMER HILLS LGA LAND									
Community Facilities – Former Hills	258	(14)	—	—	12	—	—	256	—
Open Space and Recreation – Former Hills	1,711	(31)	—	—	81	—	—	1,761	—

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F4-2 S7.11 and S7.12 Contributions – under a plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings and transfers between plans	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Roads and Natural Paths – Former Hills	1,541	(34)	–	–	72	(46)	–	1,533	–
Natural Environment – Former Hills	91	(4)	–	–	4	(1)	–	91	–
Public Domain – Former Hills	133	(4)	–	–	6	–	–	135	–
Drainage and Water Quality – Former Hills	148	(3)	–	–	7	–	–	152	–
Total	3,882	(90)	–	–	182	(47)	–	3,928	–
Section 94 Development Contribution Plan-Former Hornsby and Epping TC									
Plan Administration – Former Hornsby	53	2	–	–	1	(55)	–	1	–
Community Facilities – Former Hornsby	2,413	100	–	–	118	–	–	2,631	–
Drainage & Water Quality (Former Hornsby)	317	21	–	–	16	–	–	354	–
Open Space – Former Hornsby	13,541	842	–	–	648	(886)	–	14,145	–
Public Domain – Former Hornsby	2,457	182	–	–	121	(34)	–	2,726	–
Roads – Former Hornsby	1,910	134	–	–	85	(393)	–	1,736	–
Total	20,691	1,281	–	–	989	(1,368)	–	21,593	–
AUBURN DEVELOPMENT CONTRIBUTIONS PLAN 2007 - PART B RESIDENTIAL AND PART F EMPLOYMENT									
Community Facilities – Former Auburn	173	2	–	–	8	–	–	184	–
Public Domain – Former Auburn	380	4	–	–	18	–	–	403	–
Accessibility and Traffic – Former Auburn	58	1	–	–	3	1	–	62	–
Plan Administration – Former Auburn	1	–	–	–	–	(1)	–	–	–
Total	612	7	–	–	29	–	–	649	–
AUBURN DEVELOPMENT CONTRIBUTIONS PLAN 2007 - PART C HOMEBUSH BAY WEST									
Open Space (HBW)	11,073	764	–	–	548	(12)	–	12,373	1,062
Community Facilities (HBW)	513	428	–	–	35	–	–	976	–
Traffic Management (HBW)	1,878	318	–	–	55	(1,945)	–	306	–
Plan Administration (HBW)	124	86	–	–	7	(40)	–	177	–
Total	13,588	1,596	–	–	645	(1,997)	–	13,832	1,062
CARTER STREET PRECINCT DEVELOPMENT CONTRIBUTION PLAN 2016									
Community Facilities (Carter Street)	482	211	–	–	27	(63)	–	657	–
Local Open Space (Carter Street)	1,272	556	–	–	74	–	–	1,902	–
District Recreation (Carter Street)	2,892	1,263	–	–	169	–	–	4,324	–
Active Transport (Carter Street)	962	421	–	–	56	–	–	1,440	–
Traffic Management (Carter Street)	1,069	421	–	–	61	–	–	1,551	–

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F4-2 S7.11 and S7.12 Contributions – under a plan (continued)

\$ '000	Opening balance at 1 July 2023	Contributions received during the year		Non-cash Other	Interest and investment income earned	Amounts expended	Internal borrowings and transfers between plans	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land						
Plan Administration (Carter Street)	–	17	–	–	–	–	–	17	–
Total	6,677	2,889	–	–	387	(63)	–	9,891	–
HOLROYD SECTION 94 DEVELOPMENT CONTRIBUTIONS PLAN 2013									
Community Facilities (former Holroyd)	64	8	–	–	3	–	–	76	–
Parks and Recreation (former Holroyd)	153	20	–	–	8	–	–	180	–
Sporting Fields (former Holroyd)	153	20	–	–	8	–	–	180	–
Total	370	48	–	–	19	–	–	436	–
Section 94A Development Contribution Plan- Former Hornsby and Epping TC									
Other – Former Hornsby and Epping	3,464	1	–	–	163	(124)	–	3,505	–
Total	3,464	1	–	–	163	(124)	–	3,505	–
S7.11 New Outside CBD plan (effective September 2021)									
Plan Administration	19	102	–	–	3	(10)	–	114	–
Traffic and transport	896	1,934	–	–	68	(686)	–	2,212	–
Aquatic facilities	90	216	–	–	10	–	–	315	–
Community facilities	390	924	–	–	41	–	–	1,355	–
Indoor sports courts	300	699	–	–	31	–	–	1,030	–
Open space and outdoor recreation	645	7,464	–	–	210	(2)	–	8,316	(2,265)
Total	2,340	11,339	–	–	363	(698)	–	13,342	(2,265)
Parramatta CBD Local Infrastructure Contribution Plan (effective October 2022)									
Community and Cultural facilities	1,133	2,094	–	–	104	–	–	3,331	–
Open space and Recreation	762	1,408	–	–	70	–	–	2,240	–
Public Domain Works	882	1,630	–	–	81	–	–	2,593	–
Traffic and transport	271	501	–	–	25	–	–	797	–
Total	3,048	5,633	–	–	280	–	–	8,961	–

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

F4-3 S7.4 planning agreements

	Opening balance at 1 July 2023	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings and transfers between plans	Held as restricted asset at 30 June 2024	Cumulative balance of internal borrowings (to)/from
\$ '000		Cash	Non-cash Land	Non-cash Other					
S7.4 planning agreements									
Lennox Bridge Portals	1,332	—	—	—	63	(28)	—	1,367	—
Parramatta River Pedestrian Crossing	879	—	—	—	19	(898)	—	—	—
Local Road Works River Road West	30	—	—	—	5	154	—	189	—
Local road works Ermington	3	—	—	—	—	14	—	17	—
Robin Thomas Reserve									
Masterplan Park Improvement	241	—	—	—	10	(51)	—	200	—
Bushland Regeneration Ponds Creek Reserve	25	—	—	—	1	—	—	26	—
21 Hassall St, Parramatta	98	—	—	—	5	—	—	103	—
258-262 Pennant Hills Road and 17-20 Azile Court, Carlingford	373	—	—	—	18	—	—	391	—
Parramatta River Foreshore Revitalisation (180 George street, Parramatta)	1,962	—	—	—	74	(854)	—	1,182	—
1-7 Thallon Street	403	—	—	—	19	—	—	422	—
Parramatta CBD Public Domain Improvements	1,746	876	—	—	106	—	—	2,728	—
CBD Community Infrastructure	2,453	314	—	—	125	—	—	2,892	—
1 Windsor Road, North Rocks	537	—	—	—	26	—	—	563	—
VPA – Melrose Park	—	2,082	—	—	50	—	—	2,132	—
Total	10,082	3,272	—	—	521	(1,663)	—	12,212	—

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

F5 Statement of performance measures**F5-1 Statement of performance measures – consolidated results**

\$ '000	Amounts 2024	Indicators 2024	Indicators 2023	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	49,199	12.08%	(0.09)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	407,153			
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	391,096	84.18%	74.94%	> 60.00%
Total continuing operating revenue inclusive of all grants and contributions ¹	464,605			
3. Unrestricted current ratio				
Current assets less all external restrictions	286,921	6.48x	5.16x	> 1.50x
Current liabilities less specific purpose liabilities	44,300			
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	112,491	20.20x	6.76x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	5,569			
5. Rates and annual charges outstanding percentage				
Rates and annual charges outstanding	23,349	9.71%	7.22%	< 5.00%
Rates and annual charges collectable	240,355			
The ratio is outside the benchmark and deteriorated this year due to the impact of COVID-19 where Council did not actively pursue the collection of overdue rates and charges				
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	413,045	15.10 months	15.19 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	27,358			

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

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

End of the audited financial statements

City of Parramatta Council | Notes to the Financial Statements 30 June 2024

G Additional Council disclosures (unaudited)**G1-1 Statement of performance measures – consolidated results (graphs)****1. Operating performance ratio****Purpose of operating performance ratio**

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

Commentary on 2023/24 result

2023/24 ratio 12.08%

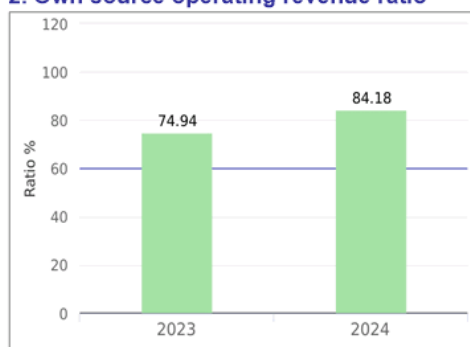
The ratio is above the benchmark in 2024 mainly due to the one-off additional compensation received from Horwood Place litigation settlement.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio**Purpose of own source operating revenue ratio**

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

Commentary on 2023/24 result

2023/24 ratio 84.18%

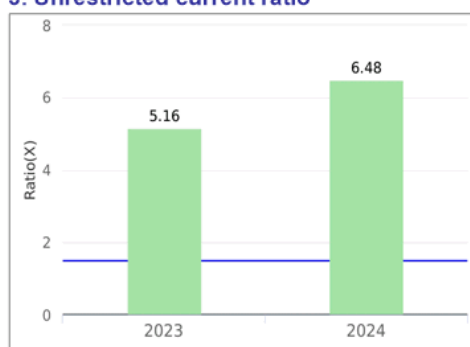
The ratio is above the benchmark and an increase on prior year as 2024 includes a one off compensation for Horwood Place litigation settlement, partly offset by deferred recognition of WestInvest and Parramatta Light Rail grants.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio**Purpose of unrestricted current ratio**

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

Commentary on 2023/24 result

2023/24 ratio 6.48x

The ratio remains above the benchmark with a slight increase from prior year mainly due to a decrease in current liabilities.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

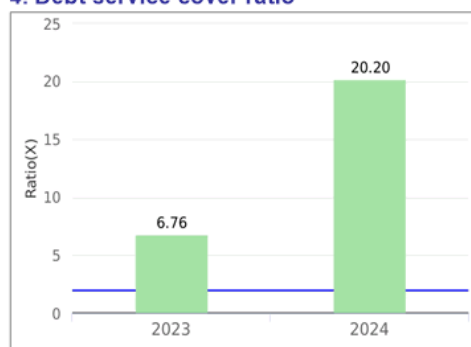
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City of Parramatta Council | Notes to the Financial Statements 30 June 2024

G1-1 Statement of performance measures – consolidated results (graphs) (continued)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 20.20x

The ratio is well above the benchmark with the improvement due to the reduction in repayments of borrowings.

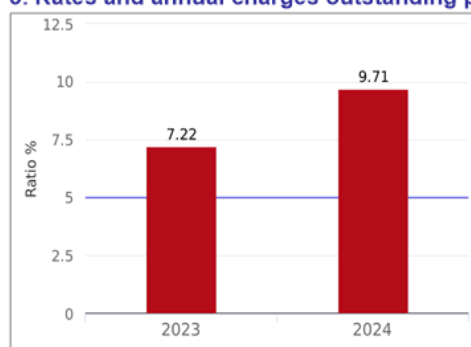
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2023/24 result

2023/24 ratio 9.71%

As part of relief measures for the ongoing cost of living crisis, Council had refrained from aggressive debt collection processes due to the impact of COVID and the recent hyper-inflationary macroeconomic conditions. With inflation now finally softening, the debt recovery efforts will increase to bring down the outstanding levels.

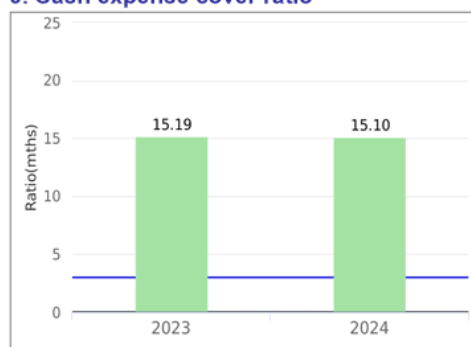
Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2023/24 result

2023/24 ratio 15.10 months

The ratio continues to be well above the benchmark. The slight decrease compared to prior year was primarily driven by increase in payments for operating purposes.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

G1-2 Council information and contact details

Principal place of business:

9 Wentworth Street
Parramatta NSW 2150

Contact details**Mailing Address:**

PO BOX 32
Parramatta NSW 2124

Telephone: (02) 9806 5050

Facsimile: (02) 9806 5917

Opening hours:

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

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

Email: council@cityofparramatta.nsw.gov.au

Officers**Chief Executive Officer**

Gail Connolly PSM

Responsible Accounting Officer

John Angilley

Auditors

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

Elected members**Lord Mayor**

Martin Zaiter

Councillors

Cameron Maclean (Deputy Lord Mayor)
Anthony Ellard
Tanya Raffoul
Kellie Darley
Sreeni Pillamarri
Charles Chen
Hayley French
Georgina Valjak
Manning Jeffrey
Sameer Pandey
Judy Greenwood
Patricia Prociw
Steven Issa
Michael Ng

Other information

ABN: 49 907 174 773

Financial Statements

For the year ended
30 June 2024



cityofparramatta.nsw.gov.au



Special Purpose Financial Statements



**CITY OF
PARRAMATTA**

For the year ended
30 June 2024

City of Parramatta Council

Special Purpose Financial Statements

for the year ended 30 June 2024

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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), and **(c)** those activities with a turnover of less than \$2 million that Council has formally declared as a business activity (defined as Category 2 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1, Category 2 business and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

City of Parramatta Council

Special Purpose Financial Statements

for the year ended 30 June 2024

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

Signed in accordance with a resolution of Council made on 23 October 2024.

Martin Zaiter
Lord Mayor
28 October 2024

Cameron MacLean
Deputy Lord Mayor
28 October 2024

Gail Connolly PSM
Chief Executive Officer
28 October 2024

John Angilley
Responsible Accounting Officer
28 October 2024

City of Parramatta Council | Income Statement of Car park operations | for the year ended 30 June 2024

City of Parramatta Council

Income Statement of Car park operations

for the year ended 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
Income from continuing operations		
User charges	8,194	7,879
Total income from continuing operations	8,194	7,879
Expenses from continuing operations		
Employee benefits and on-costs	496	403
Materials and services	1,554	1,927
Depreciation, amortisation and impairment	694	651
Calculated taxation equivalents	1,628	1,441
Other expenses	2,082	1,220
Total expenses from continuing operations	6,454	5,642
Surplus (deficit) from continuing operations before capital amounts	1,740	2,237
Less: corporate taxation equivalent (25%) [based on result before capital]	(435)	(559)
Surplus (deficit) after tax	1,305	1,678
Plus accumulated surplus	154,805	151,127
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	1,628	1,441
– Corporate taxation equivalent	435	559
Closing accumulated surplus	158,173	154,805
Return on capital %	1.3%	1.9%
Subsidy from Council	3,931	2,569

City of Parramatta Council | Income Statement of Leasing of Council property | for the year ended 30 June 2024

City of Parramatta Council

Income Statement of Leasing of Council property

for the year ended 30 June 2024

\$ '000	2024 Category 2	2023 Category 1
Income from continuing operations		
Rental revenue	1,714	5,743
Total income from continuing operations	1,714	5,743
Expenses from continuing operations		
Employee benefits and on-costs	427	403
Materials and services	462	586
Depreciation, amortisation and impairment	320	1,126
Calculated taxation equivalents	360	590
Other expenses	339	325
Total expenses from continuing operations	1,908	3,030
Surplus (deficit) from continuing operations before capital amounts	(194)	2,713
Less: corporate taxation equivalent (25%) [based on result before capital]	—	(678)
Surplus (deficit) after tax	(194)	2,035
Plus accumulated surplus	10,208	6,905
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	360	590
– Corporate taxation equivalent	—	678
Closing accumulated surplus	10,374	10,208
Return on capital %	(0.8)%	3.6%
Subsidy from Council	1,215	301

City of Parramatta Council | Statement of Financial Position of Car park operations | as at 30 June 2024

City of Parramatta Council

Statement of Financial Position of Car park operations

as at 30 June 2024

\$ '000	2024 Category 1	2023 Category 1
ASSETS		
Non-current assets		
Receivables - Due from General Fund	2,154	111
Infrastructure, property, plant and equipment	130,367	119,846
Total non-current assets	132,521	119,957
Total assets	132,521	119,957
LIABILITIES		
Current liabilities		
Employee benefit provisions	44	25
Total current liabilities	44	25
Non-current liabilities		
Employee benefit provisions	96	69
Total non-current liabilities	96	69
Total liabilities	140	94
Net assets	132,381	119,863
EQUITY		
Accumulated surplus	97,603	96,300
Distribution to Council (equity)	(5,188)	(5,247)
Revaluation reserve	39,966	28,810
Total equity	132,381	119,863

City of Parramatta Council | Statement of Financial Position of Leasing of Council property | as at 30 June 2024

City of Parramatta Council

Statement of Financial Position of Leasing of Council property

as at 30 June 2024

\$ '000	2024 Category 2	2023 Category 1
ASSETS		
Non-current assets		
Receivables	73	92
Receivables – due from general fund	6,502	6,326
Infrastructure, property, plant and equipment	23,466	75,162
Total non-current assets	30,041	81,580
Total assets	30,041	81,580
LIABILITIES		
Current liabilities		
Employee benefit provisions	87	69
Total current liabilities	87	69
Non-current liabilities		
Employee benefit provisions	71	59
Total non-current liabilities	71	59
Total liabilities	158	128
Net assets	29,883	81,452
EQUITY		
Accumulated surplus	5,150	5,344
Distribution to Council (equity)	14,834	68,730
Revaluation reserves	9,899	7,378
Total equity	29,883	81,452

Note – Material accounting policy information

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 2021*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

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

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

Declared business activities

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

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

Car Park Operations

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

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

Leasing Operations

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

Council's Leasing Operations has changed from Category 1 to Category 2 due to significant decrease in Rental Revenue of 7-9 Wentworth Street, Parramatta. The building was refurbished for the relocation of Council's workplace from 126 Church Street.

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.

continued on next page ...

Page 8 of 10

Note – Material accounting policy information (continued)

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 – 25%

Land tax – the first \$1,075,000 of combined land values attracts 0%. For the combined land values in excess of \$1,075,000.01 up to \$6,571,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$6,571,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$1,200,000

Income tax

An income tax equivalent has been applied on the profits of the business activities.

While 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 25%.

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

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 25% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

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

Note – Material accounting policy information (continued)

The rate of return is disclosed for each of Council's business activities on the Income Statement.

The rate of return is calculated as follows:

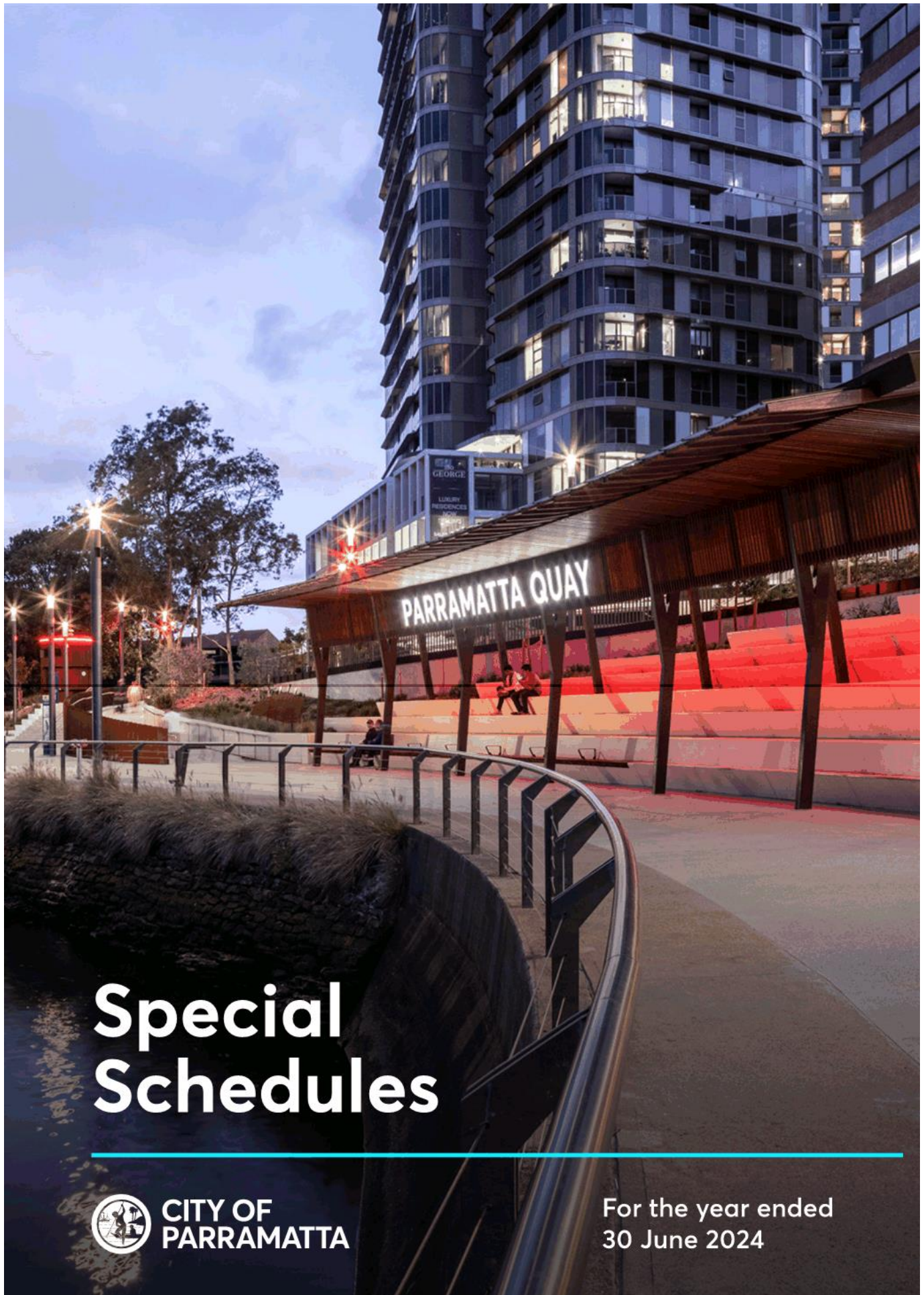
Operating result before capital income + interest expense

Written down value of IPPE as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 4.354 % at 30 June 2024.

(iii) Dividends

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



City of Parramatta Council

Special Schedules

for the year ended 30 June 2024

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City of Parramatta Council | Permissible income for general rates | for the year ended 30 June 2024

City of Parramatta Council

Permissible income for general rates

\$ '000	Calculation 2023/24	Calculation 2024/25
Notional general income calculation ¹		
Last year notional general income yield	162,912	171,176
Plus or minus adjustments ²	1,520	442
Notional general income	164,432	171,618
Permissible income calculation		
Percentage increase	3.70%	5.10%
Plus percentage increase amount ³	6,084	8,753
Sub-total	170,516	180,371
Plus (or minus) last year's carry forward total	1,075	469
Less valuation objections claimed in the previous year	—	(54)
Sub-total	1,075	415
Total permissible income	171,591	180,786
Less notional general income yield	171,176	180,735
Catch-up or (excess) result	415	51
Plus income lost due to valuation objections claimed ⁴	54	245
Carry forward to next year ⁵	469	296

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (3) The 'percentage increase' is inclusive of the rate-peg percentage, and/or special variation and/or Crown land adjustment (where applicable).
- (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) 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 Act. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Permissible income for general rates

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City of Parramatta Council | Report on infrastructure assets as at 30 June 2024

City of Parramatta Council

Report on infrastructure assets as at 30 June 2024

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	3,161	12,646	5,750	4,862	516,280	632,276	56.0%	20.0%	22.0%	2.0%	0.0%
	Sub-total	3,161	12,646	5,750	4,862	516,280	632,276	56.0%	20.0%	22.0%	2.0%	0.0%
Other structures	Other structures	538	1,359	337	–	54,718	62,545	64.0%	21.0%	12.0%	1.0%	2.0%
	Sub-total	538	1,359	337	–	54,718	62,545	64.0%	21.0%	12.0%	1.0%	2.0%
Roads	Roads (including kerb and gutter and traffic management devices)	74,347	269,064	20,853	17,331	964,342	1,416,124	9.0%	39.0%	33.0%	17.0%	2.0%
	Bridges	–	–	500	265	164,873	193,998	28.0%	66.0%	6.0%	0.0%	0.0%
	Footpaths	806	3,225	6,906	3,954	185,428	268,750	23.0%	45.0%	31.0%	1.0%	0.0%
	Bulk earthworks	–	–	–	–	114,118	114,118	0.0%	0.0%	100.0%	0.0%	0.0%
	Sub-total	75,153	272,289	28,259	21,550	1,428,761	1,992,990	12.2%	40.2%	33.9%	12.2%	1.5%

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City of Parramatta Council | Report on infrastructure assets as at 30 June 2024

City of Parramatta Council

Report on infrastructure assets as at 30 June 2024 (continued)

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2023/24 Required maintenance ^a	2023/24 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Stormwater drainage	Stormwater drainage	20,212	60,414	6,483	3,956	619,123	888,440	13.0%	25.0%	55.0%	5.0%	2.0%
	Sub-total	20,212	60,414	6,483	3,956	619,123	888,440	13.0%	25.0%	55.0%	5.0%	2.0%
Open space / recreational assets	Swimming pools	—	—	—	399	14,024	14,728	88.0%	11.0%	1.0%	0.0%	0.0%
	Other open space assets	7,188	22,970	12,479	9,163	58,645	101,586	14.0%	34.0%	29.0%	17.0%	6.0%
	Sub-total	7,188	22,970	12,479	9,562	72,669	116,314	23.4%	31.1%	25.5%	14.8%	5.2%
Total – all assets		106,252	369,678	53,308	39,930	2,691,551	3,692,565	21.1%	32.5%	36.3%	8.6%	1.5%

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

Infrastructure asset condition assessment 'key'

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

City of Parramatta Council | Report on infrastructure assets as at 30 June 2024

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Report on infrastructure assets as at 30 June 2024

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2024	Indicators 2024	Indicators 2023	Benchmark
Buildings and infrastructure renewals ratio				
Asset renewals ¹	52,681	109.25%	105.78%	> 100.00%
Depreciation, amortisation and impairment	48,220			
Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	106,252	3.81%	0.75%	< 2.00%
Net carrying amount of infrastructure assets	2,790,149			
Asset maintenance ratio				
Actual asset maintenance	39,930	74.90%	94.61%	> 100.00%
Required asset maintenance	53,308			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	369,678	10.01%	1.96%	
Gross replacement cost	3,692,565			

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

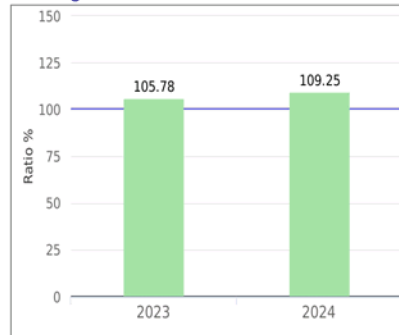
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

City of Parramatta Council | Report on infrastructure assets as at 30 June 2024

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Report on infrastructure assets as at 30 June 2024

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result

23/24 ratio 109.25%

The ratio achieves the benchmark in 2023/24 indicating that Council has improved from prior year and is renewing assets in line with their depreciation rate.

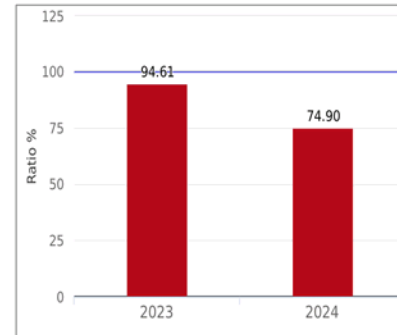
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result

23/24 ratio 74.90%

Council's maintenance ratio is below benchmark as a result of high capital expenditure in 2023/24 with a focus of delivering new major assets for the community.

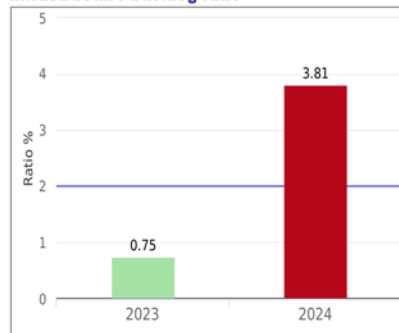
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result

23/24 ratio 3.81%

During 2023/24, Council updated the condition assessment of key asset classes such as Roads, Buildings and Open Space, which resulted in higher estimated costs to bring those asset classes to a satisfactory standard.

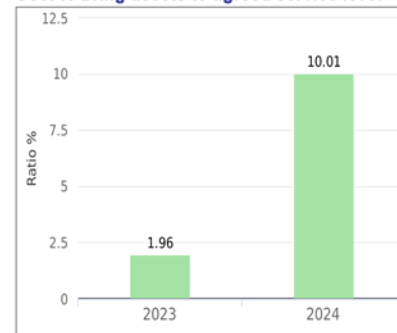
Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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 result

23/24 ratio 10.01%

During 2023/24, Council updated the condition assessment of key asset classes such as Roads, Buildings and Open Space, which resulted in higher estimated costs to bring those asset classes to agreed service level set by Council.

QUESTIONS WITH NOTICE

ITEM NUMBER	15.1
SUBJECT	LATE REPORT - Questions taken on Notice at the 9 September 2024 Council Meeting
REFERENCE	F2024/00282 - D09519727
REPORT OF	Coordinator Secretariat Services

QUESTIONS TAKEN ON NOTICE

Councillor Noack asked a question in relation to Item 15.2 within the Confirmation of Minutes of the Council Meeting held on 26 August 2024

- Has Council received a reply to the second letter sent to Minister Scully on the Little India matter? If not has anyone picked up the phone to contact the Minister?

Manager, Office of the Lord Mayor response:

Council is yet to receive a reply – the Office of the Lord Mayor has followed up with the Minister’s Office but is yet to receive a response.

Councillor Noack asked a question regarding his previous urgency motion on the Success of Greater Western Sydney Giants AFL Team in the Minutes of the 26 August 2024 Council Meeting.

- What days and how often will the Giants colours be lit up on the PHIVE building?

Executive Director Community and Culture Response:

The roof lighting of PHIVE to mark the successful season of the GWS Giants occurred from 1-8 September 2024 (rotating nightly with the Paralympics green and gold) and exclusively for GWS Giants from 9 to 28 September 2024.

ATTACHMENTS:

There are no attachments for this report.

REFERENCE MATERIAL