



Photograph from Sydney Life, Art & About – part of the City's annual visual art festival. Photographer Tim Barker – Donald, Taylor Square.

# Statutory Returns

for the year ended 30 June 2005

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## Statutory Returns 2004/05

### The Local Government Act 1993 – Section 428 (2)

#### Financial Statements – Section 428 (2) (a)

The City of Sydney's audited financial reports for the 2004/05 financial year are presented on pages 83 -139.

#### Performance of principal activities – Section 428 (2) (b)

In 2004/05, the City of Sydney's principal activities comprised the following programs:

- City Environment
- City Infrastructure
- City Facilities
- City Community
- City Services
- City Organisation.

An assessment of Council's performance with respect to these programs is presented in the Appendix on pages 141-159. More information about the programs is presented in the Review of Operations on pages 12-55.

#### State of environment report – Section 428 (2) (c)

The City of Sydney State of Environment Report is published as a separate document, which is available to view at the City's website: [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au) For a summary of the City of Sydney's environmental management activities see Environmental Leadership on page 32.

#### Condition of public works – Section 428 (2) (d)

The City of Sydney property portfolio has an estimated reproduction value of \$1.6 billion. It includes properties that support the City's business operations and community services, as well as commercial properties that provide an opportunity for investment and revenue. The portfolio includes notable heritage buildings such as Sydney Town Hall and Haymarket Library. A portion of the portfolio is managed under head lease arrangements, including the Queen Victoria Building and the Capitol Theatre. The balance of the portfolio, valued at \$850 million, is directly managed by the City of Sydney.

The following table lists the City of Sydney Property Portfolio, along with the reproduction value and the current and target condition of each property. The condition is rated as follows: New, As new, Good, Average, Partly worn, Worn, Poor or N/A.

#### City of Sydney Property Portfolio 2004/05

Property	Address	Reproduction value	Current condition	Target condition
101-111 William Street, Darlinghurst – commercial	101-111 William Street, Darlinghurst	\$5,600,000	Average	Good
110-122 Oxford Street, Darlinghurst – commercial	110-122 Oxford Street, Darlinghurst	\$1,800,000	Average	Good
112-126 Broadway, Chippendale – commercial	112-126 Broadway, Chippendale	\$400,000	Average	Average
113-115 William Street, Darlinghurst – commercial, residential	113-115 William Street, Darlinghurst	Included in 101-111 William Street	Partly worn	Good
60 William Street	Community strata	\$150,000	New	New
132-138 Joynton Avenue, Zetland – commercial, vacant	132-138 Joynton Avenue, Zetland	\$0	N/A	N/A
137-155 Palmer Street, Darlinghurst – commercial	137 Palmer Street, Darlinghurst	\$3,100,000	Average	Average
140 Joynton Avenue, Zetland – commercial, part vacant	140 Joynton Avenue, Zetland	\$0	N/A	N/A
218-222 King Street, (Harry Burland Hall) – commercial	218-222 King Street, Newtown	\$1,705,000	Average	Average
307 Pitt Street – commercial	307 Pitt Street, Sydney	\$20,000,000	Partly worn	Average
4 Doody Street, Alexandria – commercial	4 Doody Street, Alexandria	\$3,000,000	Average	Average
4 Huntley Street, Alexandria – commercial	4 Huntley Street, Alexandria	\$4,000,000	Average	Average

Property	Address	Reproduction value	Current condition	Target condition
46-52 Mountain Street, Ultimo – commercial	46-52 Mountain Street, Ultimo	\$23,900,000	Good	Good
56-76 Oxford Street, Darlinghurst – commercial	56-76 Oxford Street, Darlinghurst	\$9,425,000	Average	Good
7/12, 8/12 Springfield Avenue, Potts Point – residential	7/12, 8/12 Springfield Avenue, Potts Point	\$600,000	Average	Average
82-106 Oxford Street, Darlinghurst – commercial	82-106 Oxford Street, Darlinghurst	\$8,650,000	Average	Good
9 The Crescent, Annandale – commercial	9 The Crescent, Annandale	\$300,000	Partly worn	Average
Abraham Mott Gymnasium	2 Watson Road, Millers Point	\$590,000	Average	Average
Abraham Mott Hall	2 Watson Road, Millers Point	\$600,000	Average	Average
Albert Street Residence	17 Albert Street, St Peters	\$140,000	Average	Average
Albert Street Storage Yard	Albert Street, St Peters	Included	Average	Average
Alexandria Women's Centre	12a Dadley Street, Alexandria	\$350,000	Average	Average
Alexandria Child Care Centre	41 Henderson Road, Alexandria	\$1,050,000	Good	Good
Alexandria Town Hall	73 Garden Street, Alexandria	\$2,235,000	Average	Average
Andrew 'Boy' Charlton Pool	Mrs Macquarie's Road, Sydney	\$9,700,000	New	New
Beaconsfield Community Centre	169 Victoria Street, Beaconsfield	\$231,000	Average	Average
Bellevue House – vacant	Blackwattle Bay Park, Leichhardt Street, Glebe	\$860,000	Worn	As new
Belmore Park Rotunda	Belmore Park, Surry Hills	\$200,000	Partly worn	Good
Bicentennial Shelter	Bicentennial Park, Glebe	\$340,000	Good	Good
Booler Community Centre	25-27 Lambert Street, Camperdown	\$120,000	Average	Average
Boys Brigade (building only)	402 Riley Street, Surry Hills	N/A	Average	Average
Broughton Street Kindergarten	80 Broughton Street, Glebe	\$240,000	Average	Good
Bullecourt lift	Harris Street, Pyrmont	\$200,000	New	New
Capitol Square	730-742 George Street, Sydney	Included below	As new	As new
Capitol Theatre	3-15 Campbell Street, Sydney	\$79,000,000	As new	As new
CARES Facility	Sydney Park	\$760,000	As new	Good
Chifley Square Café	Chifley Square, Hunter Street, Sydney	\$570,000	Good	Good
City Recital Hall	Angel Place, Sydney	\$5,000,000	As new	As new
Cliff Noble Activity Centre	24 Suttor Street, Alexandria	\$420,000	Average	Average
Club Room	Jubilee Park, Glebe	\$60,000	Average	Average
Cook + Phillip Park Aquatic Centre (including restaurant and café)	College Street, Sydney	\$44,400,000	As new	As new
Coronation Hotel	5-7 Park Street, Sydney	\$3,260,000	As new	As new
Coronation Recreation Centre	Prince Alfred Park, Chalmers Street, Surry Hills	\$350,000	Average	Average
Corporation Building	181-183 Hay Street, Sydney	\$2,540,000	Good	Good

## Statutory Returns 2004/05

### City of Sydney Property Portfolio 2004/05 (continued)

Property	Address	Reproduction value	Current condition	Target condition
Customs House	31 Alfred Street, Sydney	\$55,800,000	As new	As new
Depot, 10a Wattle Street	10a Wattle Street, Sydney	\$325,000	Average	Average
Depot, Alexandria	36 Gerrard Street, Alexandria	Included in Alexandria Town Hall	Average	Average
Depot, Bay Street	Bay Street, Ultimo		Partly worn	Average
Depot, Bourke Street	75 Bourke, Street, Woolloomooloo	\$2,200,000	Average	Average
Depot, Cleansing	5-7 Marian Street, Redfern	\$650,000	Average	Average
Depot, Cleansing	303-307 Riley Street, Surry Hills	\$91,000	Average	Average
Depot, Cumberland Street	Cumberland Street, The Rocks	\$140,000	Average	Average
Depot, Epsom Road	94 Epsom Road, Zetland	\$10,820,250	Average	Average
Depot, Fig and Wattle Streets	Fig and Wattle Streets, Ultimo	\$3,150,000	N/A	N/A
Depot, Longdown Street	Longdown Street, Newtown	\$141,750	Average	Average
Depot, McElhone Reserve	McElhone Reserve	\$30,000	Average	Average
Depot, Mower Workshop	11 Gibbons Street, Redfern	\$0	Average	Average
Depot, Nursery	51 Barwon Road, St Peters	\$1,394,400	Average	Average
Depot, Oatley Road	4 Oatley Road, Paddington	\$93,000	Average	Average
Depot, Prince Alfred Park	Prince Alfred Park, Chalmers Street, Surry Hills	\$190,000	Average	Average
Depot, Recycling	Burrows Road, St Peters	\$85,000	Average	Average
Depot, Riley Street	13-17 Riley Street, Sydney	\$540,000	Average	Average
Depot, Stoneyard	197 Euston Road, St Peters	\$262,500	Average	Average
Depot, Turrawul Park	Cnr Hayes and Rothschild Streets, Rosebery	\$365,000	Average	Average
Depot, Waterloo	960 Bourke Street, Waterloo	\$1,693,650	Average	Average
Depot, Wentworth Park	Within viaduct, Wentworth Park, Ultimo	\$31,000	Average	Average
Domain Parking Station	Sir John Young Crescent East Sydney	\$21,819,000	Partly worn	Average
Elizabeth Street Bus Shelter and Café	Elizabeth and Park Street, Sydney	\$230,000	Good	Good
Erskineville Oval Grandstand	Fox Avenue, Erskineville	\$1,932,000	Average	Average
Erskineville Retail Shops	106, 108, 110, 112 Erskineville Road, Erskineville	\$186,900	Average	Average
Erskineville Town Hall	104 Erskineville Road, Erskineville	\$989,600	Average	Good
Frances Newton Kindergarten	222 Palmer Street, Darlinghurst	\$600,000	Average	Good
Giba Park Lift	Giba Park, Pirrama Road, Pyrmont	\$200,000	New	New
Glebe Early Childhood Centre	Dr Foley Park, Glebe Point Road, Glebe	\$320,000	Average	Good
Glebe Library and Benledi House	186-194 Glebe Point Road, Glebe	\$4,540,000	Good	Good

Property	Address	Reproduction value	Current condition	Target condition
Glebe Town Hall	160 St Johns Road, Glebe	\$6,900,000	Average	Good
Glebe Town Hall Attached Residences	160 St Johns Road, Glebe, fronting Lodge Street	Included above	Worn	Good
Gordon Ibbett Activity Club	75 Kellick Street, Waterloo	\$400,000	Average	Average
Goulburn Street Parking Station	101 Goulburn Street, Sydney	\$21,800,000	Partly worn	Good
Grandstand	Jubilee Park, Glebe	\$130,000	Worn	Good
Green Park Bandstand Kiosk	Darlinghurst Road, Darlinghurst	\$350,000	Average	Average
Harry Burland Activity Centre	132 Sheppard Street, Darlington	\$390,000	Average	Good
Haymarket Library	744 George Street, Sydney	\$3,930,000	Good	Good
Heffron Hall	34-40 Burton Street, Darlinghurst	\$1,100,000	Average	Average
Hilda Booler Child Care Centre	Jubilee Park, Glebe	\$540,000	Good	Good
Incinerator – Heritage Item	53 Forsythe Street, Glebe	\$950,000	Average	Good
International Grammar School	4-8 Kelly Street, Ultimo	\$16,300,000	Good	Good
James Cahill Kindergarten	1-7 Raglan Street, Waterloo	\$360,150	Average	Good
Jane Evans Day Care Centre	8-10 Victoria Street, Newtown	\$399,000	Average	Good
John J Carrol Kindergarten and Playground	2-14 Phelps Street, Surry Hills	\$277,725	Average	Good
Joseph Sargent Centre	60 Prospect Street, Erskineville	\$580,000	Average	Good
Juanita Neilson Community Centre	31 Nicholson Street, Woolloomooloo	\$1,800,000	Good	Good
Kent Street, Tennis Centre	Kent Street, Miller Point	\$100,000	Good	Good
King George V Recreation Centre	Cumberland Street, The Rocks	\$4,580,000	Good	Good
Kings Cross Carpark	9a Elizabeth Bay Road, Elizabeth Bay	\$13,900,000	Average	Average
Kings Cross Neighbourhood Service Centre	50-52 Darlinghurst Road, Kings Cross	\$12,000,000	New	New
Kings Cross Police Station	Elizabeth Bay Road, Kings Cross	\$3,300,000	Good	Good
Lance Kindergarten	37 High Street, Millers Point	\$600,000	Good	Good
Lawson Square	Regent Street, Lawson Square Redfern	N/A	N/A	N/A
Lois Barker Child Care Centre	102 Wellington Street, Waterloo	\$464,100	Average	Good
Manning Building	Pitt and Campbell Street, Sydney	\$26,100,000	Good	Good
Martin Place Café	Martin Place, Sydney	\$1,140,000	Good	Good
Martin Place Stage and Service Rooms	Martin Place, Sydney	Included in Martin Place	Good	Good
Mary McDonald Activity Centre	82 Bourke Street, Woolloomooloo	\$600,000	Good	Good
Maybanke Kindergarten	99 Harris Street, Ultimo	\$820,000	Average	Average
Maybanke Recreation Centre (including adjacent park)	87-97 Harris Street, Pyrmont	\$560,000	Average	Average

## Statutory Returns 2004/05

### City of Sydney Property Portfolio 2004/05 (continued)

Property	Address	Reproduction value	Current condition	Target condition
McKee Street, Centre	1-15 McKee Street, Ultimo	\$1,040,000	Average	Good
Meals on Wheels Centre	Unit 7, 8-10 Burrows Road, St Peters	\$293,000	Good	Good
Millers Point Activity Centre	2 Watson Road, Millers Point	\$800,000	Good	Good
Millers Point Older Women's Network (Baby Health Centre)	87 Lower Fort Street, Millers Point	\$140,000	Average	Average
Mudgin-gal, Aboriginal Women's Centre	231 Abercrombie Street, Redfern	\$185,411	Average	Good
Newtown Town Hall, Library, including Women's Library, Community Centre	8-10 Brown Street, Newtown	\$520,000	Average	Good
Nurses Quarters	Rear 184 Glebe Point Road, Glebe	\$490,000	Average	Average
Observatory Hill Rotunda	Observatory Hill, Millers Point	\$170,000	Good	Good
PACT Theatre	107-125 Railway Parade Erskineville	Included in 107-125 Erskineville Road	Average	Average
Paddington Town Hall	247-249 Oxford Street, Paddington	\$12,719,000	Average	Good
Park House	295-301 Pitt Street, Sydney	\$5,200,000	Average	Average
Peter Forsythe Auditorium	Frances Street, Glebe	N/A	Good	Good
Phillip Park Children's Centre	Yurong Parkway, Cook + Phillip Park, Sydney	\$1,270,000	Good	Good
Pine Street Creative Arts Centre	60-64 Pine Street, Chippendale	\$400,000	Average	Good
Prince Alfred Park Pool	Prince Alfred Park, Chalmers Street, Surry Hills	\$2,290,000	Average	Good
Prince Alfred Park Tennis Centre	Prince Alfred Park, Chalmers Street, Surry Hills	\$300,000	Average	Average
Public toilet, Alexandria Park	Alexandria Park	\$50,000	Average	Average
Public toilet and depot	Dr Foley Park, Glebe Point Road, Glebe	\$300,000	Average	Average
Public toilet (East)	Jubilee Park, Glebe	\$110,000	Average	Average
Public toilet (West)	Jubilee Park, Glebe	\$90,000	Average	Average
Public toilet within Viaduct	Federal Park, Glebe	\$90,000	Average	Average
Public toilet, Beaconsfield Park	54 Queen Street, Beaconsfield	\$290,000	Average	Average
Public toilet, Beare Park	Ithaca Road, Elizabeth Bay	\$100,000	Average	Average
Public toilet, Belmore Park – Closed	Belmore Park, Sydney	\$200,000	Average	Average
Public toilet, George Street North	George Street North, The Rocks	\$450,000	Average	Average
Public toilet, Hickson Road, – Closed	Hickson Road, Sydney	\$90,000	Average	Average
Public toilet, Hyde Park North – Former	Cnr Elizabeth and William Street, Sydney	\$140,000	Average	Average
Public toilet, Macquarie Place – Former	Macquarie Place Park, Sydney	\$140,000	Average	Average
Public toilet, Martin Place	Martin Place, Sydney	Included in Martin Place	Average	Average
Public toilet, Perry Park	Corner Maddox and Bourke Streets, Alexandria	\$240,000	Average	Average



Property	Address	Reproduction value	Current condition	Target condition
Public toilet, Pissoir	George Street North, The Rocks	\$33,000	Average	Average
Public toilet, Prince Alfred Park – Closed	Prince Alfred Park, Chalmers Street, Surry Hills	\$170,000	Average	Average
Public toilet, Pyrmont Point Park	Pyrmont Point Park	\$100,000	Average	Average
Public toilet, Redfern Park, Exeloo	Redfern Park	\$42,000	Average	Average
Public toilet, Sussex Street – Closed	Sussex Street, Sydney	\$42,000	Average	Average
Public toilet, Watson Road	Watson Road, Millers Point	\$90,000	Average	Average
Public toilet, Wattle Street – Closed	Wattle Street and Broadway, Ultimo	\$80,000	Average	Average
Public toilet, Wynyard Park – Former	Wynyard Park, Sydney	\$140,000	Average	Average
Pump House and public toilet – Closed	136 Oxford Street, Darlinghurst	\$270,000	Average	Average
Pumping facility	Alan Davidson Oval Sydney Park	\$52,500	Average	Average
Pyrmont Community Centre	79a John Street, Pyrmont	\$4,990,000	Average	Average
Queen Victoria Building (QVB)	429-481 George Street, Sydney	\$514,400,000	As new	As new
QVB Carpark	York Street, Sydney	\$38,100,000	Good	Good
QVB Pedestrian Tunnels (2)	Underground links to Town Hall Station	\$15,300,000	As new	As new
Railway Square Interchange (including retail tenancies)	Lee Street, Haymarket	\$12,000,000	Good	Good
Redfern Community Centre	27a Hugo Street, Redfern	\$3,500,000	New	New
Redfern Early Childhood Centre	51 Redfern Street, Redfern	\$265,650	Average	Good
Redfern Family Day Care Centre	55 Pitt Street, Redfern	\$648,900	Good	Good
Redfern Oval (including grandstand and amenities)	Redfern Street, Redfern	\$4,567,000	Partly worn	As new
Redfern Town Hall and Legal Centre	73 Pitt Street, Redfern	\$2,170,000	Good	Good
Refreshment Café	Hyde Park South, Elizabeth, Liverpool Street, Sydney	\$230,000	Average	Average
Reg Bartley Oval Grandstand	Waratah Road, Rushcutters Bay	\$1,420,000	Average	Good
Reginald Murphy Activity Centre	19 Greenknowe Street, Elizabeth Bay	\$1,800,000	Good	Good
Residence	234 Dowling Street, Woolloomooloo	\$400,000	Average	Average
Residence	5b Waratah Road, Rushcutters Bay	\$100,000	Average	Average
Residences (7)	5-17 Norman Street, Darlinghurst	\$1,200,000	Average	Average
Rex Centre	50-58 Macleay Street, Elizabeth Bay	\$1,000,000	Good	Good
Ron Williams Activity Centre	5-11 Kepos Street, Redfern	\$550,000	Average	Good
Roper Activity Club	545-549 South Dowling Street, Surry Hills	\$845,000	Average	Good
Rosebery Child Care Centre	3a Harcourt Parade, Rosebery	\$600,000	Good	Good
Rosebery Community Centre	78 Harcourt Road, Rosebery	\$225,750	Average	Good



## Statutory Returns 2004/05

### City of Sydney Property Portfolio 2004/05 (continued)

Property	Address	Reproduction value	Current condition	Target condition
Royal South Sydney Hospital	3 Joynton Avenue, Zetland	\$8,795,000	Partly worn	Partly worn
Rushcutters Bay Preschool	Waratah Road, Rushcutters Bay	\$1,000,000	Average	Good
Rushcutters Bay Tennis Courts and Kiosk	16b Waratah Road, Rushcutters Bay	\$160,000	Average	Average
Small building	Dr Foley Park, Glebe Point Road, Glebe	\$11,000	Average	Average
Small building	Jubilee Park, Glebe	\$22,000	Average	Average
South Sydney Youth Centre	1b Elizabeth Street, Waterloo	\$0	Average	Good
St Helens Community Centre	184 Glebe Point Road, Glebe	\$2,030,000	Good	Good
St James Café	Hyde Park North, Elizabeth Street, Sydney	\$460,000	Good	Good
St James Park Tennis Courts and Clubhouse	Woolley Street, Glebe	\$280,000	Good	Good
State Emergency Service Facility	107-125 Railway Parade, Erskineville	\$2,370,000	Average	Average
Sunbeam Kindergarten	8 Lyne Street, Alexandria	\$273,165	Average	Good
Surry Hills Child Care Centre	443 Riley Street, Surry Hills	\$926,100	Average	Good
Surry Hills Community Centre (including occasional child care)	28 Norton Street, Surry Hills	\$1,265,250	Average	Good
Surry Hills Library	405 Crown Street, Surry Hills	\$1,050,000	Average	New
Sydney Park Changeroom Building	Alan Davidson Oval, Sydney Park	\$57,304	Average	Average
Sydney Park Pavilion	Alan Davidson Oval, Sydney Park	\$1,700,000	As new	As new
Sydney Square	George Street, Sydney	\$1,360,000	Good	Good
Sydney Town Hall	483 George Street, Sydney	\$307,700,000	Good	Good
Sydney Town Hall Grand Organ	484 George Street, Sydney	\$8,400,000	Good	Good
Tabernacle	249 Palmer Street, Darlinghurst	\$3,000,000	Worn	Good
Thom's Pottery	1a Clara Street, Erskineville	\$294,000	Average	Average
Thrifty Car Rental	73-75 William Street, Darlinghurst	\$1,100,000	Partly worn	Good
Town Hall Arcade	Sydney Square, under	\$2,020,000	Good	Good
Town Hall House	452-462 Kent Street, Sydney	\$105,800,000	Good	Good
Turrawul Park (including tennis courts, shed and public toilets)	Hayes and Rothschild Streets, Rosebery	\$0	Average	Average
Ultimo Child Care Centre	247-257 Bulwarra Road, Ultimo	\$2,880,000	Good	Good
Ultimo Community Centre	525 Harris Street, Ultimo	\$13,600,000	Good	Good
Unit 1, 3-7 The Crescent, Annandale – commercial	Unit 1, 3-7 The Crescent, Annandale	\$2,400,000	Average	Average
Unit 4, 5, 3-7 The Crescent, Annandale – commercial	Unit 4, 5, 3-7 The Crescent, Annandale	\$210,000	Average	Average
Viaduct Rooms	Jubilee Park, Glebe	\$460,000	Average	Average
Victoria Park Kiosk	City Road, Camperdown	\$0	Good	Good

Property	Address	Reproduction value	Current condition	Target condition
Victoria Park Pool	City Road, Camperdown	\$6,300,000	Good	Good
Water Police Site	Harris and Pirrama Street, Pyrmont	\$300,000	Average	Average
Waterloo Oval (including grandstand, depot, public toilet)	Waterloo Oval, Elizabeth and Allen Streets Waterloo	\$475,650	Average	Average
Waterloo Town Hall (including library and caretaker's flat)	770 Elizabeth Street, Waterloo	\$2,667,000	Good	Good
Wattle Street, Lift	Wattle Street, Ultimo	\$170,000	Good	Good
Woolworths Building	532-540 George Street, Sydney	\$48,600,000	Average	Average
York Lane Subway	Off Kent Street, Sydney	\$1,770,000	Average	Average

NB: Values for maintenance and works are included in Special Schedule 7

## Statutory Returns 2004/05

### Special Schedule 7 – Condition of public works (continued)

#### City of Sydney Special Schedule 7 – Condition of public works as at 30 June 2005

Asset class	Asset category	Depreciation rate	Depreciation expense	Cost	Valuation	Accumulated depreciation	Carrying value	Asset condition	Estimated cost to bring to a satisfactory standard	Estimated annual maintenance expense	Program maintenance works for current year
		(%)	'000	'000	'000	'000	'000	'000	'000	'000	'000
	References	Note 9	Note 3	Note 9	Note 9	Note 9	Note 9	The Local Government Act 1993, Section 428 (2) (d)			
Public buildings	Commercial	1.33 to 4.00	1,861	153,490		42,919	110,571	Average	10,911	1,537	2,236
	Operational	1.00 to 1.33	1,381	114,418		33,717	80,701	Average	1,796	1,281	1,690
	Community	1.33 to 4.00	5,461	350,581		35,027	315,554	Average	11,099	3,940	5,178
	<b>Subtotal</b>		<b>8,703</b>	<b>618,489</b>	<b>–</b>	<b>111,663</b>	<b>506,826</b>		<b>23,806</b>	<b>6,758</b>	<b>9,104</b>
Public roads	Sealed roads	4.00	3,739	139,260		46,138	93,122	Good	8,020	4,879	5,980
	Sealed roads structure	1.25	4,616	400,054		133,808	266,246	Good	1,000	867	1,075
	Footpaths	2.00	3,192	159,634		75,166	84,468	Good	9,400	8,897	9,287
	Kerb and gutter	0.67 to 1.00	540	63,451		12,451	51,000	Good/average	638	862	602
	<b>Subtotal</b>		<b>12,087</b>	<b>762,399</b>	<b>–</b>	<b>267,563</b>	<b>494,836</b>		<b>19,058</b>	<b>15,505</b>	<b>16,944</b>
Drainage works	Conduits	1.00	509	50,873		25,329	25,544	Good	1,014	1,389	1,315
	<b>Subtotal</b>		<b>509</b>	<b>50,873</b>	<b>–</b>	<b>25,329</b>	<b>25,544</b>		<b>1,014</b>	<b>1,389</b>	<b>1,315</b>
<b>Total classes – all assets</b>			<b>21,299</b>	<b>1,431,761</b>	<b>–</b>	<b>404,555</b>	<b>1,027,206</b>		<b>43,878</b>	<b>23,652</b>	<b>27,363</b>

#### 'Satisfactory' condition of public assets

In assessing the condition of Public Assets Council has had regard to the condition, function and location of each asset, based on the original design standard. Changes in standards or proposed or potential enhancements to the existing asset design standard have been ignored (Code p A702). Assets within each Asset Category have been assessed on an overall basis, recognising that an average standard of 'satisfactory' may be achieved even though certain assets may be above or below that standard on an individual basis.

Council recognises that the standard that it considers to be 'satisfactory' may be different from that adopted by other Councils.

The information contained in this Schedule comprises accounting estimates formulated in accordance with the NSW Local Government Code of Accounting Practice and Financial Reporting.

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

#### Asset condition

The following schedule rates the condition of each asset as follows: New, As new, Good, Average, Partly worn, Worn, Poor or N/A.

## Legal proceedings: expenses and progress – Section 428 (2) (e)

### Expenses incurred

During 2004/05, expenses incurred by the City of Sydney in relation to legal proceedings were as follows:

proceedings against City of Sydney:	\$1,349,188.28
proceedings by City of Sydney:	\$104,190.79
amounts paid in out-of-court settlements:	Nil
amounts received in out-of-court settlements:	Nil

### Proceedings favourably finalised

Council ats 2U Enterprise Pty Ltd  
Council ats Alan James Rodd  
Council ats Anerys Brotherton  
Council ats Back & Riggs Architects  
Council ats Bakara Development Pty Ltd  
Council ats Baker Kavanagh Architects  
Council ats Balero Enterprises Pty. Ltd.  
Council ats Burrell Threlfo Pagan Pty Ltd  
Council ats Cai Sheng  
Council ats Carlode Nominees Pty Limited  
Council ats Complete Constructions Pty Ltd  
Council ats Coordinated Construction Co Pty Ltd  
Council ats Crone Nation Pty Ltd  
Council ats Cyril Smith & Associates  
(Trading as CSA Architects)  
Council ats De Martin  
Council ats Dominic Sharpe  
Council ats Elizabeth Gee  
Council ats Excelsior Hospitality Pty Ltd  
Council ats F Lin & J Wong  
Council ats First Neon A/Asia Pty Limited

Council ats Frank Camer  
Council ats Godsmark Goodies Pty Ltd  
Council ats Hemmes Hermitage Pty Ltd  
Council ats Henry Piha  
Council ats Hojj Pty Ltd  
Council ats Ipoh Pty Ltd  
Council ats James Moses & Dean Dinov  
Council ats JLZ Pty Ltd  
Council ats John Li  
Council ats Keyweal Pty Ltd  
Council ats Kuru Kuru Sushi Aust Pty Ltd  
Council ats Margaret Souied  
Council ats Mark Graham Young  
Council ats Masoud Azimi  
Council ats Maya Catering Pty Ltd  
Council ats Oafete Pty Ltd  
Council ats Orient House Pty Ltd  
Council ats Owners of Strata Plan 53456  
Council ats PDP  
(Darlinghurst Apartments Pty Ltd)  
Council ats Peter Anderson  
Council ats Quing Hong Ho  
Council ats Rachael Grieves  
Council ats RJ & JT Halpin  
Council ats Roger Wiley  
Council ats Rory Development Pty Ltd  
Council ats Shamsul Kazi Islam  
Council ats Smartcom Solutions Pty Ltd  
Council ats South Sydney Leagues Club Ltd  
Council ats Spincast Pty Ltd  
Council ats Tamas Real Estate Pty Ltd

### Discontinued

Council ats Chris McAuliffe  
Council ats 19 Lyons Road, Camperdown  
Council ats Adrian Francis Arnaudon  
Council ats Angelike & John Francis Doran  
Council ats Beatrice Marguerite Bagijn

Council ats Crow Investments Pty Ltd  
Council ats Estate Project Developments Pty Ltd  
Council ats Giacomina Candaten  
Council ats Glish Holdings Pty Ltd  
Council ats GMD NSW Pty Ltd & GHD NSW Pty Ltd  
Council ats Hanave Pty Limited  
Council ats Hosking Munro Pty Ltd  
Council ats Karim Candaten  
Council ats Kingvest Pty Ltd  
Council ats KJD York Management Pty Ltd  
Council ats Meriton Apartments Pty Ltd  
Council ats Ruschutters Bay Pty Ltd  
Council ats Scott Whitehouse  
Council ats Stanchoc Development Construction Pty. Ltd  
Council ats Stanisic Associates  
Council ats Vendomatic Pty Ltd  
Council ats William O'Brien

### Adverse

Council ats Big Beat (Australia) Pty Ltd  
Council ats East No.3 Pty Ltd  
Council ats G Baker & K Baker  
Council ats Lindsay Jones-Evans Royal  
Council ats Solotel Pty Ltd  
Council ats Stansic Associates  
Council ats William Georgas  
Council v Royal Botanic Gardens and Domain Trust and Minister for the Environment

### Proceedings not finalised

Council ats Adrian Jon Healey  
Council ats Alexander Catania  
Council ats Alexandria Landfill Pty Ltd  
Council ats Café Pacific Partners NZ Pty Ltd  
Council ats Denesi  
Council ats Dimeo Cleaning Services  
Council ats Dusking Pty Ltd

Council ats Eddy Lau Constructions Pty Ltd  
Council ats Goldspar Pty Ltd  
Council ats Gordon Lindsay  
Council ats Gravity Corporation Pty Ltd  
Council ats Hojj Pty Ltd  
Council ats Ian Koln  
Council ats Impact Outdoor Advertising  
Council ats Jamal Younis Elayan  
Council ats James Nazmi  
Council ats John Mantas  
Council ats John Muscat  
Council ats Kingsmede & Pamiers  
Council ats Leaderman (Aust)  
Investments Pty Ltd  
Council ats Leduva Pty Ltd  
Council ats Leyla Guven  
Council ats Michael Saroukas  
Council ats Nizam Uddin Hayder  
Council ats Oafete Pty Ltd  
Council ats Orient House Pty Ltd  
Council ats Owners Strata Plan 46092  
Council ats Perpetual Trustee Company Limited  
Council ats Registered Owners of Strata Plan 610952  
Council ats Registered Owners of Strata Plan 63380  
Council ats Rosawan Pty Ltd  
Council ats Rosenmaini Nazmi  
Council ats Skirza Pty Ltd  
Council ats Solowave Pty Ltd  
Council ats Tallina Pty Ltd  
Council ats Weber  
Council ats Willis & Tosich  
Council ats Wonarla Pty Ltd  
Perpetual Trustee Company Limited and Council ats Westfield Management Limited as responsible entity for Westfield Trust

## Statutory Returns 2004/05

### Legal proceedings: expenses and progress – Section 428 (2) (e) (continued)

The summary of cases does not include cases relating to workers compensation, public liability and professional indemnity. There were 33 workers compensation matters during the period; 25 cases have been settled and 4 are continuing as at 30 June 2005. There were 113 new public liability and professional indemnity claims during the period; 146 claims were finalised and there were 59 cases continuing as at 30 June 2005.

### Mayoral and councillor fees, expenses, provision of facilities – Section 428 (2) (f)

The City of Sydney has in place a Civic Office, Expenses and Facilities Policy that governs the expenses payable and facilities provided to the Lord Mayor, Deputy Lord Mayor and Councillors in the discharge of their civic duties.

In 2004/05, the cost of expenses incurred by and facilities provided to City Councillors was \$166,942.31. This includes domestic travel expenses such as accommodation and registration fees for seminars and conferences, as well as office administration, such as telephones, faxes, postage, meals and refreshments. It does not include salaries and salary on costs for Councillors' secretaries, nor agency temporary staff.

Annual fees were paid to the Lord Mayor and Councillors as required by the *Local Government Act 1993* and in accordance with the determination of the Local Government Remuneration Tribunal. A fee also was paid to the Deputy Lord Mayor. The Lord Mayor's annual fee (\$129,000 not including the amount paid to the Deputy Lord Mayor) was paid into the Lord Mayor's Salary Trust which will issue grants to charitable organisations as approved by the Trust.

In 2004/05, the total amount paid in respect of Councillors' fees and the Deputy Lord Mayor's fee was \$271,400.

### Senior staff remuneration packages – Section 428 (2) (g)

The following table presents City of Sydney senior staff remuneration package payments, including superannuation, for the 2004/05 financial year:

#### City of Sydney senior staff remuneration 2004/05

Position	Remuneration package
Chief Executive Officer (commenced 21/2/05)	\$105,646
General Counsel <sup>1</sup>	\$215,553
Director Corporate Services	\$210,164
Director City Services	\$199,386
Director City Planning	\$199,386
Director Community Living <sup>1</sup>	\$199,386
Director Strategic Planning and Project Development <sup>1</sup> (appointed 19/5/05)	\$20,919
Director City Projects (commenced 22/6/05)	\$2,307
General Manager (1/7/04 to 1/10/04) <sup>2</sup>	\$291,991
Director City Works (1/7/04 to 2/7/04) <sup>2,3</sup>	\$252,175
Executive Director City Development (1/7/04 to 3/9/04) <sup>2,3</sup>	\$424,008
Director City Planning Southern Zone (1/7/04 to 1/4/05) <sup>1,2,3</sup>	\$308,763

<sup>1</sup> acting allowances not included

<sup>2</sup> includes contract termination payments other than accrued leave

<sup>3</sup> ex South Sydney senior staff

# **Contracts awarded by council – Section 428 (2) (h)**

*Contracts exceeding \$100,000, not including employment contracts*

Project	Successful contractor	Value (including GST)
Asphalt profiling	Pavement Salvage	Schedule of rates
Asphalt spray seal	Sami	Schedule of rates
Asphalt supply	Pioneer Road Services	Schedule of rates
Asphalt supply	Boral Asphalt	Schedule of rates
Asphalt supply, deliver, lay, mill and fill	Emoleum	Schedule of rates
Business continuity plan	Risktek	\$130,000.00
Construction of boardwalk and viewing platform at wetlands	Carfax Commercial Construction	\$556,255.00
Data centre refurbishment	Fredon	\$574,250.00
Foam stabilisation	Stabilised Pavements	Schedule of rates
Laneway sweepers x 2	Schwartz Industries	\$212,940.20
Linemarking services	Menai Linemarking	Schedule of rates
Linemarking services	Avante Linemarking	Schedule of rates
Living Colour floral display	Citywide Services	\$407,877.00
Management of Prince Alfred Park Pool	Leisure Co Pty Ltd	Schedule of rates
Office refurbishment level 11	Interco	\$752,580.00
Pavement patching	Tropic Asphalts	Schedule of rates
Property valuation services	Phil Bennett and Associates	Schedule of rates
Recycled concrete supply	Breen Holdings	Schedule of rates
Recycled concrete supply	Metropolitan Demolition	Schedule of rates
Recycled concrete supply and delivery	Concrete Recyclers	Schedule of rates
Recycling services – city south	United Risk Management	\$1,391,025.00
Repairs to heritage stairs and fences	Stonemason & Artists	Schedule of rates
Signposting services	Gribble and Brennan	Schedule of rates
Small parks playground stage 1	Nick Johnston Landscapes	\$150,741.38
Supply and delivery of backhoe	Case Equipment	\$135,000.00
Supply and delivery of educator	McDonald Johnston Engineering Pty Ltd	\$267,970.00
Supply and delivery of two rear loading compactors	Best Heino	\$420,000.00
Supply and shelf ready processing of library materials	Peter Pal Library Supplier	\$161,327.50
Supply of barges and tugs for New Year's Eve	Polaris Marines	\$170,000.00
Supply of copy paper	Fuji Xerox	Schedule of rates

## Statutory Returns 2004/05

### *Contracts exceeding \$100,000, not including employment contracts (continued)*

Project	Successful contractor	Value (including GST)
Supply of copy paper	Michael May	Schedule of rates
Sydney Town Hall phase A completion works	Interco	\$1,624,567.00
Sydney Town Hall power upgrade	Sydney Electric	\$188,490.00
Theatrical lighting 2004-2005	Bytecraft Entertainment	\$220,000.00
Trees for a Living City	Citywide Services	\$850,000.00

### *Organisations providing goods and services exceeding \$100,000*

Company name	Goods and services type	Value (including GST)	Number of purchase orders/invoices
Alexandria Collision Centre	Vehicle maintenance	\$227,693.86	110
AHA Project Management	Design services	\$144,518.55	15
Alexandria Land Fill	Tipping fees	\$287,916.72	56
Alliance SI	Data network services	\$261,301.35	89
Allcom Networks Pty Ltd	Network services	\$121,196.70	11
American Express	Purchase card payments	\$178,502.97	100
Andreasen Green	Nursery supplies	\$100,320.55	15
Anew-Tec Pty Ltd	Footway maintenance	\$449,041.75	18
Assista Group Pty Ltd	Contract cleaning	\$193,820.05	20
Ask Equipment	Supply and repair of mobile garbage bins	\$130,988.70	13
ATC IT Supplies*	Toner cartridges supply	\$122,111.35	182
Ayres Management	Agency staff	\$322,988.44	29
Bibby Financial Services Aust Pty Ltd	Agency staff	\$1,447,309.76	617
BSB Brushes	Mechanical brushes and spare parts	\$140,605.30	66
BSC Enterprises	Tenancy fitout works	\$104,853.65	8
Building Code of Aust Consultants	Project management	\$124,207.75	81
Cabcharge Aust Pty Ltd	Transport costs	\$175,306.06	31
Caine da Fonseca	Systems and network planning consultant	\$183,174.88	42
Canon Australia*	Office machines supply and maintenance	\$228,451.81	74
Cell Industries	Photographic and presentation services	\$118,865.00	15
Child Care Crew	Agency staff	\$231,842.10	174
CIC Allianz Insurance Limited	CTP insurance	\$216,553.41	31



*Organisations providing goods and services exceeding \$100,000 (continued)*

Company name	Goods and services type	Value (including GST)	Number of purchase orders/invoices
City Ford*	Vehicle supply and maintenance	\$272,944.72	17
Corporate Express*	Stationary supplies	\$375,292.33	813
Craftsmen Office Interiors	Tenancy fit out	\$165,231.00	7
CTI Consultants Pty Ltd	Engineering consultant	\$118,893.54	2
Davenport Campbell & Partners	Architectural services	\$159,329.94	14
Dell Australia Pty Ltd*	Computer equipment	\$760,296.17	66
Drumelsia Pty Ltd	Agency staff	\$104,758.00	24
Dynix Pty Ltd	Computer software	\$140,404.92	10
Durbach Block architects	Architectural services	\$156,983.93	8
Durham Foundry Sales Pty Ltd	Bike safety grates and survey boxes	\$256,071.80	7
Electromaster Holdings	Electrical works	\$133,895.73	2
Emerdyn Pty Ltd	Parks furniture	\$247,605.40	12
Energy Aust*	Electricity supply and maintenance services	\$3,989,867.10	1217
Enerserve	Electrical maintenance	\$681,909.89	91
Esri Australia	Graphic information system services	\$232,581.00	10
First 5 Minutes Pty Ltd	Fire and emergency response training	\$143,697.09	11
FPC Couriers	Advertising	\$345,653.53	114
Fyvie Electrical Pty Ltd	Lighting repairs and installation	\$108,128.27	34
Garlet Pty Ltd	Lift and escalator maintenance	\$175,697.50	11
Gems Proprietary Ltd	Environmental audits and consultation	\$230,957.26	17
GHD Pty Ltd	Building structural consultation	\$140,509.20	13
Good Health Solutions	Health program	\$128,644.65	1
Government Records Repository	Archive storage	\$241,848.56	16
Hassell Pty Ltd	Design services	\$201,008.61	9
Hays Personnel Services	Agency staff	\$283,890.59	63
Hewlett Packard Aust Ltd*	Office equipment and maintenance	\$575,277.28	52
H & H Security Guard Patrol	Security services	\$140,256.36	31
Inchbold Nettleton	Design and artwork	\$107,266.30	45
International Lighting Pty Ltd	Lighting equipment	\$230,336.28	49
J Blackwoods & Son	Hardware	\$136,064.70	22
Jaguar Investments	Fitout of community space	\$270,514.20	1

## Statutory Returns 2004/05

### Organisations providing goods and services exceeding \$100,000 (continued)

Company name	Goods and services type	Value (including GST)	Number of purchase orders/invoices
Jobwire	Agency staff	\$146,857.50	27
John Fairfax Publications	Advertising	\$413,443.84	60
Jones & Koller	Agency staff	\$209,703.77	69
Julia Ross Recruitment	Agency staff	\$167,671.73	154
Kronos Australia	Software maintenance	\$102,377.94	31
Lane Safety Systems Pty Ltd	Consultancy OH&S	\$149,435.00	11
L & Co Pty Ltd	General maintenance work	\$122,733.60	18
LCR Lindores Group Pty Ltd	Crane and forklift services	\$345,113.04	2
Legal Force	Legal fees	\$298,414.40	115
Lumley General Insurance Ltd	Insurance	\$227,452.14	12
Maintenix Pty Ltd	Property maintenance	\$133,392.29	45
Marcom Projects Pty Ltd	Library books	\$168,707.33	34
Metropolitan Restorations Pty Ltd	Restoration services	\$138,740.80	3
Metro Graphics Group Pty Ltd	Printing and design	\$142,465.40	33
Michael Wynn-Jones & Assoc	Building rectification consultancy	\$152,844.00	13
Michael Page International	Agency staff	\$449,859.33	42
Nationwide News Accounts Receivables	Advertising	\$126,207.80	3
Northern Contract Cleaning Pty Ltd	Cleaning services	\$391,597.23	11
Neat N Trim Uniforms Pty Ltd	Staff uniforms	\$114,190.11	184
Page Kirkland Group	Quantity surveying	\$276,201.57	19
Peddle Thorp & Walker Pty Ltd	Masterplan services	\$327,770.71	4
P F Brady	Cleaning equipment	\$109,497.72	41
Piper Alderman	Legal fees	\$148,017.82	13
Port Botany Transfer Station	Tipping fees	\$114,961.34	70
Print Perfect Pty Ltd	Printing	\$238,950.13	100
Queensland Library Supplies Pty Ltd	Library security equipment	\$111,790.00	4
Quick Corp Printing	Printing	\$154,258.90	78
Redfern Aboriginal Corporation Pty Ltd	Caretaking and security services	\$242,774.74	24
Regal Information Technology Pty Ltd	Systems integration services	\$127,230.24	11
Security Mailing	Mailing and print services for rates notices	\$161,909.46	19

*Organisations providing goods and services exceeding \$100,000 (continued)*

Company name	Goods and services type	Value (including GST)	Number of purchase orders/invoices
Selby's Pty Ltd	Manufacture banners	\$176,971.20	20
Select Appointments Pty Ltd	Agency staff	\$108,217.57	63
Sinclair Knight Merz Pty Ltd	Environmental consultancy	\$299,198.40	10
Solomon Bros Apparel	Staff uniforms	\$138,212.16	140
Spackman & Mossop	Design consultancy	\$178,946.11	8
Suttons Motor Arncliffe*	Vehicle supply and maintenance	\$564,100.97	46
Sydney City Toyota*	Vehicle supply and maintenance	\$502,577.36	69
Synthetic Grass People	Playground repairs and softfall	\$170,471.90	20
Telecnics Pty Ltd	Radio supply and maintenance	\$170,941.96	91
Telstra*	Telephone services	\$1,874,748.53	13
The Shell Company of Aust*	Fuel	\$1,191,298.65	64
TMP Worldwide	Advertising	\$900,411.41	693
Toshiba Aust Pty Ltd*	Office machines supply and maintenance	\$254,557.87	23
Tracey Brunstrom & Hammond Pty Ltd	Project management services	\$442,448.38	22
Traditional Stonemasonry Company Pty Ltd	Stonemasonry services	\$179,871.08	5
TSG Australia Pty Ltd*	NAMS core professional NSW agreement	\$259,980.72	1
Turning Point	Sound systems maintenance and hire	\$285,818.79	63
Uecomm Operations Pty Ltd	Communication maintenance	\$430,260.50	29
Votar Partners Pty Ltd	Customer information services	\$183,822.92	10
Waste Services NSW	Waste tipping fees	\$2,923,524.48	54
Watermark Search International	Employment services	\$214,877.45	16
White Space Consulting Group Pty Ltd	Event management and agency staff	\$139,273.57	32
WSN Environmental Solutions	Waste tipping fees	\$1,521,747.72	22
Yakka NSW Pty Ltd*	Staff uniforms	\$130,210.06	39
Zenith Management Services Group	Agency staff	\$307,971.41	122

\*Jobs awarded through State Government contract.

NB: The value of goods and services is based on purchase orders/invoices listed for the 2004/2005 financial year. The number of purchase orders/invoices indicates the number of jobs.

## Statutory Returns 2004/05

### Bushfire hazard reduction – Section 428 (2) (i1)

The City of Sydney is an urban environment. There are no large areas of virgin bush within the LGA and while there are large areas of parkland, these areas are maintained either by the City or the relevant Trust. Since bushfire hazards are minimal, the City does not undertake bushfire hazard reduction activities. The City would respond to emergency situations through the Disaster Plan.

### Accessible services for people with diverse cultural and linguistic backgrounds – Section 428 (2) (j)

For a summary of Council's multicultural services in 2004/05 see Community and Social Equity on page 36.

### Work on private land – Section 428 (2) (k)

In September 2004, the City of Sydney Health Unit conducted a clean up at 78 Thompson Street, Darlinghurst due to the owner's failure to comply with an Order. The clean up removed 23.28 tonnes of waste from the premises at a total cost to the Health Unit of \$10,386.70.

### Contributions/grants to organisations and individuals – Section 428 (2) (l)

#### City of Sydney Grants/Sponsorships Summary 2004/05

Cultural Sponsorships	\$2,367,936
Local Community Grants	\$415,643
Value in Kind Contributions	\$346,097
Donations	\$54,335

#### City of Sydney Cultural Sponsorships 2004/05

Recipient	Excluding GST
Asian Women at Work – Fair Wear	\$2,700
Ausdance Dance Awards	\$30,000
Ausdance Metro Moves	\$8,000
Australian Institute Landscape Architects – YBE 2004 Future Gardens Design Exhibit	\$10,000
Australia Day Council	\$60,000
Australian Business Arts Foundation Award	\$25,000

Biennale of Sydney	\$176,060
Carshare Australia – Seminar (unallocated)	\$5,000
Centipede	\$10,000
City of Sydney Business Awards	\$15,000
David Jones Xmas Concert	\$30,000
Department Ageing, Disability and Home Care – Don't Dis My Disability	\$2,500
Discovery After Dark	\$10,000
Earthdance	\$5,000
Gadigal Information Service – Yabun Concert	\$10,000
Glebe Street Fair	\$7,168
Greek Festival	\$5,500
Griffin Theatre	\$15,000
Harris Community Centre – Second Hand Saturday	\$1,950
Hephzibah Tintner Foundation	\$10,000
Historic Houses	\$20,000
Kings Cross Arts Festival – John Moyle Company	\$15,000
Kings Cross Arts Guild – Kings Cross NOW Festival	\$15,000
Kings Cross Arts Guild – Kings Cross NOW Festival	
Public Liability Insurance (unallocated)	\$2,279
Kings Cross Bikers Banner – Payment to Selbys (unallocated)	\$1,430
Kings Cross Food and Wine Fair	\$26,740
Leichhardt Council – Refugee Support	\$15,000
Melbourne City Council – City Talks (unallocated)	\$11,000
NAIDOC Week	\$5,000
Newtown Festival	\$5,000
Pinchgut Opera	\$20,000
Powerhouse Museum – Sydney Design Week	\$3,900

### City of Sydney Cultural Sponsorships 2004/05 (continued)

Recipient	Excluding GST
SH Ervin Gallery	\$10,000
Singing for that Country – Marguerite Pepper Production	\$30,000
Song Company – Tenebrae	\$10,000
Surry Hills Community Festival	\$15,000
Sydney Cancer Centre – Sydney National Cancer Foundation	\$150,000
Sydney Convention and Visitors Bureau	\$22,000
Sydney Dance Company	\$75,000
Sydney Festival	\$1,000,000
Sydney Film Festival	\$70,000
Sydney Food and Wine Fair (including VIK)	\$30,000
Sydney Gay and Lesbian Mardi Gras	\$78,800
Sydney in Bloom	\$17,909
Sydney Peace Foundation	\$30,000
Sydney Writers' Festival	\$230,000
Ultimo Pyrmont Festival	\$10,000
Woolloomooloo Festival	\$10,000
<b>Total</b>	<b>\$2,367,936</b>

### City of Sydney Local Community Grants 2004/05

Recipient	Excluding GST
AIDS Council of NSW	\$3,000
Angel Street Permaculture Garden Inc	\$1,000
Asylum Seekers Centre Inc	\$1,800
Aunties and Uncles Co-operative Family	\$3,000
Australia China Exchange Association (ACEA)	\$1,500
Australian Breastfeeding Association	\$1,800
Australian Chinese Community Association of NSW – Healthy Aging Program	\$3,000

Australian Chinese Community Association of NSW – Research Into Elderly Chinese Service Needs	\$4,000
Australian Institute of Eastern Music	\$3,000
Australian Red Cross	\$2,000
Betty Makin Scholarship Youth Week	\$2,000
Botany Migrant Resource Centre	\$4,500
Brackets & Jam Inc	\$2,500
Cana Communities – Mattresses for Shelter for Homeless	\$1,300
Cana Communities – Weekend Camp for Marginalised People	\$3,000
Chinese Heritage Association	\$1,200
Clean Up Australia Ltd	\$4,000
Club Amigos	\$3,000
Club Wild – Auspiced by St Laurence's Community Services Inc	\$4,000
Eastern Respite and Recreation – Disabled Children's Parents Support Group	\$3,000
Eastern Respite and Recreation – Disabled Children's Siblings Support Camp	\$5,000
ECHO Neighbourhood Centre	\$3,500
Environmental Defender's Office NSW	\$3,000
Erskineville Kids Organisation Inc	\$3,000
Fireart Fanatics Inc	\$2,000
Firstdraft Gallery	\$2,000
Foley House Inc	\$1,000
Forest Lodge Public School P&C Association	\$2,000
Free Broadcast Inc	\$2,500
Girl Goss – Auspiced by Glebe Youth Service	\$4,931
Girl Guides Association NSW – East Metropolitan Region	\$3,000
Glebe Art Show	\$3,000
Glebe Leichhardt Police Community Youth Club	\$2,500

## Statutory Returns 2004/05

### City of Sydney Local Community Grants 2004/05 (continued)

Recipient	Excluding GST		
Glebe Urban Research Association Inc	\$1,000	ReconciliAction Network –	
Glebe Youth Services	\$75,000	Auspiced by Australians for Native Title and Reconciliation	\$2,000
Grants – Advertising Costs	\$5,882	Redfern and Waterloo Neighbourhood Advisory Boards –	
Greek Orthodox Community of NSW	\$2,000	Inner Sydney Regional Council for Social Development Co-op	\$1,000
Greek Welfare Centre	\$3,000	Redfern/Waterloo Arts and Craft Exhibition	\$1,000
Harris Community Centre Scholarship Fund Association Inc	\$3,000	REM Theatre Company Ltd	\$4,813
Holy Trinity Anglican Church	\$1,000	Rowe Street History Group Inc	\$1,000
ICLEI Local Governments for Sustainability	\$2,500	South East Neighbourhood Centre – English Outreach Class	\$2,000
Inner Sydney Regional Council for Social Development Co-op	\$2,500	South East Neighbourhood Centre – Multicultural Sewing Classes	\$2,000
Inner West Cultural Services	\$5,000	South East Neighbourhood Centre –	
Jessie Street National Women's Library	\$2,500	Spanish Choir and Social Group	\$1,000
Jewish Care	\$2,500	South Sydney Aboriginal Corporation Resource Centre	\$2,500
Kathleen York House – Alcohol and Drug Foundation NSW	\$5,000	South Sydney Callisthenic Club	\$2,500
Life for Kids – Auspiced by St Canice's Church	\$2,500	South Sydney Community Aid Co-op Ltd	\$2,500
Luncheon Club AIDS Support Group Inc	\$5,000	South Sydney PCYC – Learn to Swim	\$2,500
Mathew Talbot Hostel	\$2,000	South Sydney PCYC –	
Middle Aged Dames Group –		Little Athletic Coach Training and Equipment	\$2,500
Auspiced by Salvation Army Oasis Youth Support Network	\$4,972	St Barnabas Anglican Church, Broadway	\$2,000
Millers Point Youth and Employment Taskforce	\$4,000	St Johns Anglican Church, Darlinghurst –	
Museums and Galleries Foundation NSW	\$3,000	Community Training Program	\$2,500
Newtown Junior Australian Football Club –		St Johns Anglican Church, Darlinghurst – Rough Edges Club	\$2,500
Aboriginal Junior Football Scholarships	\$3,000	St Johns Anglican Church, Glebe	\$2,500
Newtown Junior Australian Football Club – Signage and Amenities	\$1,550	St Vincent de Paul Society – Family and Welfare Centre	\$5,000
Newtown Main Street (Marrickville Council) Feastability	\$5,000	Sugar Pig Productions – Auspiced by Kings Cross Arts Guild	\$2,000
Our Lady of Mt Carmel Primary School	\$1,000	Surry Hills CDAT – Auspiced by ACON ***	\$2,500
Poet's Corner Pre-School	\$2,500	Surry Hills Neighbourhood Centre	\$2,000
RecLink Inc	\$3,500	Sydney Australian Chinese Children's Art Theatre Inc	\$1,000
		Sydney Community Foundation	\$50,000
		Sydney Youth Orchestra Association	\$2,000
		Sydneysiders Against Polluting Stacks –	
		Auspiced by Harris Community Centre	\$2,500

# City of Sydney Local Community Grants 2004/05 (continued)

Recipient	Excluding GST
Teekee Media Inc	\$2,000
The Devonshire Garden Group – Auspiced by Surry Hills Neighbourhood Centre	\$1,750
The Eddie Dixon Centre – Paddington Uniting Church	\$4,920
The Glebe Society Inc	\$2,500
The Lions Club of Sydney Inc	\$2,000
The Mercy Arms	\$1,000
The Mustard Seed Uniting Church Ultimo	\$2,500
The Play Society	\$4,000
The Salvation Army Oasis Youth Support Network	\$2,500
The Shop Women and Children's Centre Inc – Migration Agent Registration	\$1,400
The Shop Women and Children's Centre Inc – Multicultural Cooking and Exercise Class	\$1,000
The Shop Women and Children's Centre Inc – Playgroup in the Park	\$3,000
The Women's Library Association Inc	\$3,500
University of NSW Community Development Project – Redfern/Waterloo Community Gardens	\$2,500
University of NSW Community Development Project – South Sydney Volunteer Project	\$5,000
VIM Inc	\$5,000
Vincentian Village	\$2,500
Walla Mulla Family and Community Support Ltd	\$2,500
Waterloo Multicultural Cooking Group – Auspiced by Centacare	\$3,500
Waverley Action Youth Services	\$2,500
Wayside Chapel	\$2,500
Wesley Mission Sydney – Uniting Church Australia Property Trust NSW	\$3,000

Windgap Foundation Ltd	\$3,000
Women in Film and Television NSW Inc	\$1,000
Wyanga Aboriginal Aged Care Program	\$5,000
Youth Off the Streets Ltd	\$2,825

**Total** **\$415,643**

# City of Sydney Value in Kind 2004/05

Recipient	Ex GST
Art Gallery of NSW	\$14,520
Australia Day	\$83,920
Biennale of Sydney	\$3,940
Cancer Council – Daffodil Day	\$2,650
Challis Consulting – Towards a Zero Waste Society	\$738
David Jones Christmas Concert	\$1,100
East Sydney Festival	\$1,924
International Piano Competition – Winner's Recital	\$1,440
Kings Cross Food and Wine Fair	\$3,280
Mercedes Australian Fashion Week	\$840
Motor Neurone Disease	\$8,880
Multiple Sclerosis Week	\$2,680
National Art School – The Degree Show	\$800
National Breast Cancer Foundation	\$800
National Naval Reunion	\$7,500
NSW Major Events Board – Australian Open Golf	\$1,820
NSW Major Events Board – Edinburgh Military Tattoo	\$1,920
NSW Police – National Police Remembrance Day	\$680
Powerhouse Museum	\$16,340
Red Cross – Energy Australia Contract	\$3,860
Royal Easter Show	\$15,080
RSL Remembrance Day	\$500



## Statutory Returns 2004/05

### City of Sydney Value in Kind 2004/05 (continued)

Recipient	Ex GST
Seniors' Week – Department of Ageing	\$3,000
Song Company – Tenebrae	\$13,500
South East Area Health – World AIDS Day	\$100
Sydney Equisse – Art and Design	\$2,000
Sydney Festival	\$20,060
Sydney Food and Wine Fair – AIDS Trust	\$35,030
Sydney Gay and Lesbian Mardi Gras	\$50,055
Sydney in Bloom	\$14,650
Sydney Symphony Orchestra	\$15,770
Sydney Writers' Festival	\$10,870
The Children's Hospital Westmead – Bandaged Bear Day	\$980
The Spastic Centre – National Cerebral Palsy Awareness Week	\$1,270
Tourism NSW – Easter in Sydney	\$3,600
<b>Total</b>	<b>\$346,097</b>

### City of Sydney Donations 2004/05

Recipient	No GST
Oxfam – Matching Staff Donations	\$4,335
Oxfam Community Aid Abroad – Earthquake Tsunami Emergency	\$50,000
<b>Total</b>	<b>\$54,335</b>

### Human Resource activities – Section 428 (2) (m)

For a summary of the City of Sydney's human resource activities in 2004/05, see Human Resources on pages 50-53.

### Equal Employment Opportunity (EEO) activities – Section 428 (2) (n)

For a summary of the City of Sydney's EEO activities in 2004/05, see Human Resources on pages 50-53.

### External bodies exercising delegated functions – Section 428 (2) (o)

Nil return.

### Controlling interest in companies – Section 428 (2) (p)

Nil return.

### Partnerships, cooperatives and other joint ventures – Section 428 (2) (q)

#### Southern Sydney Regional Organisation of Councils

The City of Sydney is a member of the Southern Sydney Regional Organisation of Councils (SSROC). The other member Councils are:

- Botany Bay City
- Canterbury City
- Hurstville City
- Kogarah
- Marrickville
- Randwick City
- Rockdale City
- Sutherland Shire
- Waverley
- Woollahra.

SSROC has the following mission statement:

'To improve the social, environmental and other quality of life opportunities for all the communities in the southern Sydney region, through positive local government leadership, based on inter-council cooperation and action and by providing a forum for developing common approaches to issues of regional significance.'

#### NSW Government Partnerships

- Redfern – Waterloo Partnership Project.
- Home and Community Care (HACC) facility – building an Aboriginal care facility for the people of South Sydney.

## **The Local Government (General) Regulation 1999 – Clauses 31-40**

### **Clause 31 (1)**

#### **(a) Overseas visits undertaken by Councillors and others representing Council**

During 2004/05, the Lord Mayor and the Chief Executive Officer, accompanied by two staff members, travelled to Japan to attend the Aichi World Expo and the Nagoya Festival, commemorating 25 years of the City's Sister City relationship with Nagoya. All costs associated with the Lord Mayor's travel, including airfare and accommodation, were met by the

City of Nagoya. A stopover in Hong Kong on the return trip was arranged to study public transport in Hong Kong, particularly light rail, heavy rail and the Metro subway system.

#### **(b) Senior staff remuneration packages**

See Section 428 (2) (g) on page 68.

#### **(c) Activities to develop and promote services and programs that provide for the needs of children**

For a summary of City of Sydney children's services in 2004/05, see Community and Social Equity on page 36.

#### **(d)(i) Activities to promote services and access to services for residents and other service users**

For a summary of City of Sydney services for residents and other service users in 2004/05, see Community and Social Equity on page 36 and Public Domain and Facilities on page 46.

#### **(ii) Category 1 Business Activities**

As of July 1997, councils must apply a corporatisation model to businesses with annual gross operating incomes of more than \$2 million – known as Category 1 business activities. This involves the establishment of separate reporting frameworks for accounting and management purposes. Businesses with annual gross operating incomes of less than \$2 million will be subject to full cost attribution as far as practicable.

In 2004/05, the City of Sydney Category 1 Businesses were:

- Commercial Properties
- Parking Stations.

#### **(iii) Category 2 business activities**

In 2004/05, the City of Sydney Category 2 Business was:

- Town Hall Venue Management.

#### **(iv) Category 1 business activities – statement of expenses, revenues and assets**

See Special Purpose Financial Statements on page 131.

#### **(v) Implementing principles of competitive neutrality**

Since 1996, the City of Sydney has voluntarily implemented a Competitive Tendering Program consistent with the National Competitive Policy and the principles of competitive neutrality.

During 2002/03, the City completed the second round of its Competitive Tendering Program. Controls were implemented to ensure that in-house businesses operated on a level playing field when tendering for contracts to provide Council services. Those in-house businesses awarded contracts were audited to ensure that operating costs and overheads were kept within the bid price (apart from approved variations to levels and quality of services). Access to Council plant and assets were monitored to prevent free or subsidised asset usage and other costs incurred by business units outside of Council also were reviewed to ensure that Council did not enjoy unfair discounts due to its status as a public sector entity.

#### **(vi) Application of competitive neutrality pricing requirements to category 1 businesses**

In 2004/05, Council's Category 1 Business activities were audited in the normal manner.

#### **(vii) Competitive neutrality complaints mechanism**

Complaints in respect of competitive neutrality were managed by the Office of the Chief Executive Officer and other Council units as appropriate.

## Statutory Returns 2004/05

### (viii) Performance of category 1 businesses

Business activity	Key performance targets	Key results
Commercial properties	Meet property income budget of \$30.5 million	Achieved property income of \$33.8 million
Parking stations	Meet annual revenue budget of \$9.0 million	Achieved actual revenue of \$8.5 million

### (ix) Summary of competitive neutrality complaints made against Council

In 2004/05, there were no competitive neutrality complaints made against the City of Sydney.

#### Clause 32-40

The City of Sydney State of the Environment Report is published as a separate document, which is available to view at the City's website: [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

For a summary of the City of Sydney's environmental management activities see Environmental Leadership on page 32.

### The Local Government (Rates and Charges) Regulation 1999 – Clause 15

#### City of Sydney rates and charges written off 2004/05

Reason for abandonment	Amount
Eligible persons*	\$1,298,743
Small balances	\$8,583
Total	\$1,307,326

\*Eligible persons are City of Sydney pensioners who have been issued with a pensioner concession card by Centrelink or the Department of Veteran's Affairs. It is City of Sydney policy to provide eligible pensioners with a 100 per cent rebate on council rates.

### The Freedom of Information (FOI) Act 1989 – Section 68 (6) (a)

In 2004/05, the City of Sydney received 246 new FOI applications, compared to 184 in 2003/04. During the year, an increasing number of access to information inquiries were satisfied through the provision

of publicly available information. The number of withdrawn applications dropped to six in 2004/05, compared to 12 in 2003/04.

In 2004/05, the assessed FOI costs and fees received was \$21,935.00, compared to \$14,524.50 in 2003/04.

As in previous years, no appeals against FOI determinations were made to the Administrative Decisions Tribunal in 2004/05.

A breakdown of FOI applications and processing is provided below.

#### Section A. Number of FOI requests

FOI requests	Personal	Other	Total
A1 New (including transferred in)	10	229	239
A2 Brought forward	1	19	20
<b>A3 Total to be processed</b>	<b>11</b>	<b>248</b>	<b>259</b>
A4 Completed	11	241	252
A5 Transferred out	0	0	0
A6 Withdrawn	0	6	6
<b>A7 Total processed</b>	<b>11</b>	<b>235</b>	<b>246</b>
A8 Unfinished (carried forward)	0	3	3

#### Section B. Result of FOI requests

FOI requests	Personal	Other
B1 Granted in full	4	144
B2 Granted in part	4	70
B3 Refused	3	22
B4 Deferred	0	5
<b>B5 Completed</b>	<b>11</b>	<b>241</b>

#### Section C. Ministerial Certificates – N/A

#### Section D. Formal Consultations – N/A

#### Section E. Amendment of personal records – N/A

#### Section F. Notation of personal records – N/A

#### Section G. Requests granted in part or refused

Basis of Disallowing or Restricting Access	Personal	Other
G1 Section 19 – incomplete, wrongly directed	0	0
G2 Section 22 – deposit not paid	0	0
G3 Section 25(1)(a) – diversion of resources	0	2
G4 Section 25(1)(a) – exempt	0	0
G5 Section 25(1)(b),(c),(d) – otherwise available	0	0
G6 Section 28(1)(b) – documents not held – destroyed or missing	3	36
G7 Section 24(2) – deemed refused, over 21 days	0	0
G8 Section 31(4) – released to medical practitioner	0	0
<b>G9 Totals</b>	<b>3</b>	<b>38</b>

Other Reasons	Personal	Other
Schedule 1 Part 2 Section 6 (1) Personal Affairs	0	23
Schedule 1 Part 3 Section 10 (1) Legal Privilege	2	2
Schedule 1 Part 2 Section 7 (1c) Business Affairs	2	28
Schedule 1 Part 3 Section 7 (1a) Internal Working Documents	0	1

#### Section H. Costs and fees of requests processed

Assessed Cost	FOI Fees
H1. All completed requests	\$7,920 \$14,015

#### Section I. Discounts allowed

No discounts were requested. There were no applications for the correction of personal records.

#### Section J. Days to process

Elapsed Time	Personal	Other
J1 0-21 days	9	95
J2 22-35 days	1	72
J3 Over 35 days	1	68
<b>J4 Totals</b>	<b>11</b>	<b>235</b>

#### Section K. Processing Time

Processing Time	Personal	Other
K1 0-10 hours	2	239
K2 11-20 hours	0	5
K3 21-40 hours	0	0
K4 Over 40 hours	0	0
<b>K5 Totals</b>	<b>2</b>	<b>244</b>

#### Section L. Reviews and Appeals

Reviews finalised	Personal	Other
L1 Internal Reviews Finalised	2	1
L2 Ombudsman's Review Finalised	2	1
L3 ADT Appeals Finalised	0	0

Review results	Personal	Other
L4 Access Refused	0	0
L5 Deferred	0	0
L6 Exempt matter	1	1
L7 Unreasonable charges	0	0
L8 Charges unreasonably incurred	1	0
L9 Amendment Refused	0	0
<b>L10 Totals</b>	<b>2</b>	<b>1</b>

#### **The Privacy and Personal Information Protection Act 1998 and The Health Records and Information Privacy Act 2002**

In 2004/05, the City of Sydney received one privacy complaint. An investigation revealed that the complaint could not be proved.

#### **The City Of Sydney Act 1988 – Section 63 (3)**

In 2004/05, no contributions were made for public space improvement projects.



Photograph from Sydney Life, Art & About - part of the City's annual visual art festival. Photographer Wendy McDougall - Everyone loves a parade, Chinatown.



# General Purpose Financial Statements

for the year ended 30 June 2005

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

The following Annual General Purpose Financial Statements have been drawn up in accordance with:

- the *Local Government Act 1993* (as amended) and the Regulations made thereunder
- the Australian Accounting Standards and professional pronouncements
- the Local Government Code of Accounting Practice and Financial Reporting
- the Local Government Asset Accounting Manual.

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

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

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

Signed in accordance with a resolution of Council made on 31 October 2005.



**Clover Moore**  
*Lord Mayor*



**Peter Seamer**  
*Chief Executive Officer*



**Robyn Kemmis**  
*Councillor*



**Bill Carter**  
*Finance Manager*



Statement of Financial Performance  
for the year ended 30 June 2005

Original Budget* 2005 \$'000		Notes	Actual 2005 \$'000	Actual 2004 \$'000
	<b>EXPENSES FROM ORDINARY ACTIVITIES</b>			
111,528	Employee costs	3	106,032	109,365
48,331	Materials and contracts	3	52,829	51,665
–	Borrowing costs	3	–	9
47,000	Depreciation and amortisation	3	39,067	41,507
75,212	Other expenses	3	60,491	53,903
282,071	<b>Total expenses from ordinary activities</b>		<b>258,419</b>	<b>256,449</b>
	<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
192,031	Rates and annual charges	4	192,025	180,206
58,209	User charges and fees	4	59,631	56,915
11,595	Interest	4	19,954	14,584
10,045	Grants and contributions – operating	4	7,753	9,379
59,732	Other revenues	4	65,775	61,832
	Gain on disposal and recognition of assets	5	8,710	883
331,612	<b>Total revenues from ordinary activities before capital amounts</b>		<b>353,848</b>	<b>323,799</b>
49,541	<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES BEFORE CAPITAL AMOUNTS</b>		95,429	67,350
23,152	Grants and contributions – capital	4	14,176	21,854
72,693	<b>SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES AFTER CAPITAL AMOUNTS</b>		109,605	89,204
	Correction of P, P & E errors – prior year	20	–	3,492
<b>72,693</b>	<b>SURPLUS FROM ORDINARY ACTIVITIES</b>		109,605	92,696
	Boundary change – financial impact	21	–	(3,887)
<b>72,693</b>	<b>NET SURPLUS</b>	<b>2</b>	<b>109,605</b>	<b>88,809</b>

\*Original budget as approved by Council.

This statement is to be read in conjunction with the accompanying notes.

**Statement of Financial Position  
as at 30 June 2005**

	Notes	Actual 2005 \$'000	Actual 2004 \$'000
<b>CURRENT ASSETS</b>			
Cash assets	6	342,109	259,907
Investment securities	6	–	27,000
Receivables	7	23,330	22,374
Inventories	8	184	78
Other	8	3,378	2,713
<b>TOTAL CURRENT ASSETS</b>		<b>369,001</b>	<b>312,072</b>
<b>NON-CURRENT ASSETS</b>			
Investment securities	6	–	4,000
Receivables	7	253	258
Inventories	8	492	287
Property, plant and equipment	9	3,143,182	3,081,598
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,143,927</b>	<b>3,086,143</b>
<b>TOTAL ASSETS</b>		<b>3,512,928</b>	<b>3,398,215</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	54,126	43,882
Provisions	10	14,868	16,694
<b>TOTAL CURRENT LIABILITIES</b>		<b>68,994</b>	<b>60,576</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	10	–	3,445
Provisions	10	38,187	38,051
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>38,187</b>	<b>41,496</b>
<b>TOTAL LIABILITIES</b>		<b>107,181</b>	<b>102,072</b>
<b>NET ASSETS</b>		<b>3,405,747</b>	<b>3,296,142</b>
<b>EQUITY</b>			
Accumulated surplus		3,090,737	2,981,132
Asset revaluation reserve		315,010	315,010
<b>TOTAL EQUITY</b>		<b>3,405,747</b>	<b>3,296,142</b>

*This statement is to be read in conjunction with the accompanying notes.*

**Statement of Changes in Equity  
for the year ended 30 June 2005**

	Accum Surplus	2005 \$'000 Asset Reval Reserve	Total	Accum Surplus	2004 \$'000 Asset Reval Reserve	Total
Balance at beginning of the reporting period	2,981,132	315,010	3,296,142	2,892,323	315,010	3,207,333
Change in Net Assets recognised in the Statement of Financial Performance	109,605		109,605	88,809		88,809
<b>Balance at end of the reporting period</b>	<b>3,090,737</b>	<b>315,010</b>	<b>3,405,747</b>	2,981,132	315,010	3,296,142

*This statement is to be read in conjunction with the accompanying notes.*

**Statement of Cash Flows**  
for the year ended 30 June 2005

Budget* 2005 \$'000		Notes	Actual 2005 \$'000	Actual 2004 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
	<b>Receipts</b>			
192,031	Rates and annual charges		192,912	178,231
58,209	User charges and fees		49,822	66,976
11,595	Interest		17,865	14,784
33,197	Grants and contributions		22,552	30,196
59,732	Other operating receipts		80,587	73,703
	<b>Payments</b>			
(111,528)	Employee costs		(106,126)	(111,762)
(48,331)	Materials and contracts		(44,030)	(50,622)
(75,212)	Other operating payments		(67,245)	(67,498)
119,693	<b>Net cash provided by (or used in) operating activities</b>	11	<b>146,337</b>	<b>134,008</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
	<b>Receipts</b>			
	Proceeds from sale of property, plant and equipment	9	2,590	3,018
	Proceeds from sale of investment securities		31,000	1,500
	<b>Payments</b>			
(231,000)	Purchase of property, plant and equipment	9	(94,532)	(60,027)
(231,000)	<b>Net cash provided by (or used in) investing activities</b>		<b>(60,942)</b>	<b>(55,509)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
	<b>Receipts</b>			
	Deposits and retentions		346	749
	<b>Payments</b>			
	Sydney City Council settlement			(2,500)
	Section 94 land dedication		(3,539)	(141)
–	<b>Net cash provided by (or used in) financing activities</b>		<b>(3,193)</b>	<b>(1,892)</b>
(111,307)	<b>Net increase (decrease) in cash held</b>		82,202	76,607
259,907	Cash at beginning of reporting period	11	259,907	183,301
148,600	<b>Cash at end of reporting period</b>	11	<b>342,109</b>	<b>259,907</b>

*This statement is to be read in conjunction with the accompanying notes.*

Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005

Note 1 – Significant accounting policies

1. The Local Government reporting entity

The City of Sydney has its principal business office at Town Hall House, 456 Kent Street, Sydney, NSW 2000, Australia. City of Sydney (the Council) is empowered by the *NSW Local Government Act (LGA) 1993* and its Charter is specified in Section 8 of the Act.

A description of the nature of Council's operations and its principal activities are provided in Note 2 of this report.

The General Purpose Financial Statements incorporate the assets and liabilities of the Council for the financial period ended on 30 June 2005. In the process of reporting on the local government as a single unit, all transactions and balance between activities (for example, loans and transfers) have been eliminated.

1.1 The General Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993*, all money and property received by Council is held in Council's General Fund. The General Fund, through which Council controls resources to carry on our functions, has been included in the financial statements forming part of this report.

The total revenue and expenditure from ordinary activities and the net assets held are as follows:

	\$'000
Total revenue from ordinary activities including capital amounts	368,024
Total expenditure from ordinary activities	258,419
Total net assets (Equity) held	3,405,747

1.2 The Trust Fund

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

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

2. Basis of accounting

2.1 Compliance

This general purpose financial report has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the *Local Government Act 1993* and Regulations, the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

2.2 Reporting

This general purpose financial report encompasses all business and non-business operations which the City of Sydney controls and has been prepared on the accrual basis of accounting. Except for property, plant and equipment that have been deemed to be valued at cost (refer 5.5.2), investments valued at market value, and employee leave entitlements shown at the present value of future cash flows, and the report has been prepared in accordance with the historical cost convention.

The accounting policies adopted for the reporting period are consistent with those of the previous reporting period except where otherwise indicated.

3. Rates

The rating period and reporting period for the Council coincide; accordingly, all rates levied for the year are recognised as revenues. Uncollected rates are recognised as receivables after providing for amounts due from unknown owners and postponed rates in accordance with the requirements of the *Local Government Act 1993*.

4. Grants, contributions and donations

4.1 General

Grants, contributions and donations (in cash or in kind) are recognised as revenues when Council obtains control over the assets comprising the contributions. Control over granted assets is normally obtained upon their receipt. When notification has been received that a grant has been secured and Council acts in reliance of that notification, control is deemed at that time.

Yet to be received contributions over which Council has control are recognised as receivables.

Where grants, contributions and donations are recognised as revenues during the reporting period on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in these notes.

Also disclosed is the amount of grants and contributions recognised as revenues in a previous reporting period, which were obtained in respect of Council's operations for the current reporting period.

## Notes to and forming part of the Financial Statements for the year ending 30 June 2005

### Note 1 – Significant Accounting Policies (continued)

#### 4.2 Contributions under Section 94 of *The Environmental Planning and Assessment (EPA) Act 1991*

The Council has obligations to provide facilities from contributions required from developers under the provisions of Section 94 of *The EPA Act 1991*. These contributions may be expended only for the purposes for which the contributions were required, but the Council may, within each area of benefit, apply contributions according to the priorities established in the relevant contributions plans and accompanying works schedules.

Contributions plans adopted by Council are available for public inspection free of cost.

### 5. Property, plant and equipment

#### 5.1 Transitional provisions

Infrastructure assets (which were expensed prior to 1 January 1993) have been capitalised in the accounts on a 'staged' basis since June 1995. All assets, apart from land under roads (the transitional provisional applicable to land under roads have now extended pursuant to Australian Accounting Standards Board 1045, released in October 2002, until 31 December 2006), have now been brought to account. The initial recognition of existing non-current assets has resulted in an increase in the level of non-current assets and the accumulated surplus.

All non-current assets purchased or constructed are capitalised when the asset is held 'ready for use'.

#### 5.2 Capitalisation materiality

Assets with an economic life which is determined to be longer than one year are only capitalised where the cost of acquisition/construction exceeds materiality thresholds established by Council for each type of asset. In determining such thresholds regard is given to the nature of the asset and its estimated service life.

Council's current capitalisation policy is to expense any purchases less than \$5,000 that may be considered to be of a capital nature.

Examples of capitalisation thresholds applied during the year under review are provided below:

– Plant and equipment	Capitalise if value > \$5,000
– Office Equipment	Capitalise if value > \$5,000
– Furniture and Fittings	Capitalise if value > \$5,000
– Land – Council Land	Capitalise
– Open Space	Capitalise
– Roads, bridges, footpaths	
– Construction/Reconstruction	Capitalise
– Drainage	Capitalise if value > \$5,000

#### 5.3 Depreciation of non-current assets

All assets that have a limited useful life are systematically depreciated over their useful lives in a manner that reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis, using a standard range of rates, which are reviewed annually. The amalgamation of assets from the former Council of South Sydney required a comprehensive review of depreciation rates. The result of that review is reflected in the table of depreciation periods below. The Council does not depreciate Street Trees nor Heritage Assets, as these assets have been determined to be non-depreciating.

The reviewed major depreciation periods are:

Office equipment	5 years
Computer equipment	4 years
Plant and equipment	3 – 10 years
Parking meters	7 years
Vehicles and road-making equipment	7 years
Furniture and fittings	5 – 10 years
Parks and assets	25 – 50 years
Swimming pools	30 years
Street furniture	20 years
Roads – upper strata	25 years
Roads – lower strata	0 years
Other structures	25 – 50 years
Open museum	100 years
Library books	10 years
Kerbs and gutters	100 years
Kerbs and gutters – trachyte	150 years
Footpaths	50 years
Buildings – public conveniences	25 years
Buildings	75 years
Drainage	100 years
Depots	100 years
Bridges	100 years

## 5.4 Valuation of assets

### 5.4.1 Recoverable amounts test

Council is exempted from the 'recoverable amounts test' except in relation to recognised trading operations under the provision of paragraph 30 of AAS 10 (AASB 1010) 'Recoverable Amount of Non Current Assets'.

### 5.4.2 Valuation at cost

Council has deemed all of its property plant and equipment, with the exception of land under roads, to be 'at cost', being the carrying value of those assets as at 30 June 2000, in accordance with the transitional provisions of AAS 38 (AASB 1041) 'Revaluation of Non-Current Assets'. Land under roads has not been revalued and has been excluded from this report.

### 5.4.3 Land

#### 5.4.3.1 Operational land

Land classified by Council as Operational in accordance with Part 2 of Chapter 6 of the *Local Government Act 1993*, and buildings thereon, were valued by independent valuation (Valuer General) in the reporting period ended 30 June 1995. A valuation was undertaken in 1998/1999 to adjust for additional rateable properties. At 1 July 2000, Council elected to adopt its valuations and disclosed them on the cost basis in accordance with AAS38 (AASB 1041) paragraph 10.4(a) of the Standard.

Pursuant to clause 8.2.1 of AAS 36, Council has undertaken valuations of all land.

Current Valuation – Independent Valuations of operational land based on market value was undertaken as at 30 June 2003 by Mr Neil Hemmings of International Valuation Consultants and Mr Steve Eccleston of BEM Property Consultants. Operational Land from the former South Sydney City Council was valued by Council Officers as at 30 June 2003. The combined market valuation was \$555,445,000. The new valuation has not been brought to account as Council has continued to adopt the 'cost basis' for recording this asset.

#### 5.4.3.2 Community land

Land not classified by Council as operational land is deemed as community land and was valued by Council officers at adjoining land value during the reporting period ended 30 June 1995. The Adjoining Land Rate is calculated by dividing the land area (hectares) of all rateable land (excluding mining) into the dollar value of that rateable land as determined by the Valuer General and then applying that rate towards the non rateable property controlled by the Council.

At 1 July 2000, Council elected to adopt its valuations and disclosed them using the cost basis in accordance with AAS 30 (AASB 1041) paragraph 10.4(a) of the Standard.

Current Valuation – Independent valuations of community land based on adjacent land values was undertaken as at 30 June 2003 by Mr Geoff Roper of Australia Pacific P.C.S. Community Land from the former South Sydney City Council was valued by Council officers as at 30 June 2003. The combined market valuation was \$952,985,500. The new valuation has not been brought to account as Council has continued to adopt the 'cost basis' for recording this asset.

### 5.4.4 Land under roads

Land Under Roads has not been valued or recognised as an asset in the Statement of Financial Position (as allowed under transitional provisions for asset recognition contained in AAS 27A Amendments to the Transitional Provisions in AAS 27, paragraph 108). The transitional provisions applicable to land under roads have now been extended pursuant to AASB 1045, released in October 2002, until 31 December 2006.

### 5.4.5 Contributed buildings

When buildings are acquired through contributions, they are valued at 'fair value' in accordance with AAS 15 Revenue. Where an independent fair value cannot be determined as there is no market for the particular type of building contributed, as is the case for the Angel Place City Recital Hall, the value has been determined by indexing an independent cost estimate by the Producer Price Index (Construction) to the time of recognition. This valuation is considered to closely approximate fair value.

## 6. Receivables

Receivables are recognised and carried at the original invoice amount, less a provision for any doubtful debts.

The required provision is derived from the sum of all debts outstanding 90 days or more (unless Council believes collection is virtually certain), plus any other debts that Council believes it may not be able to collect. Bad debts are written off against the provision as incurred.

## 7. Investment securities

Investments are recognised at market value as at 30 June 2005. Interest revenues are recognised as they accrue.

It has been determined that all of Council's current investment securities satisfy the definition of cash equivalents per AAS28 (AASB 1026) 'Statement of Cash Flows'. In keeping with this determination Cash Assets for the purposes of the Statement of Cash Flows includes Cash Assets and Current Investment Securities as shown on the Statement of Financial Position.



## Notes to and forming part of the Financial Statements for the year ending 30 June 2005

### Note 1 – Significant Accounting Policies (continued)

#### 8. Employee leave benefits

##### 8.1 Salaries, wages and compensated absences

Employee benefits are accrued on a pro-rata basis for annual leave, sick leave, long service leave and gratuities, in respect of the service provided by employees up to the reporting date in accordance with AASB 1028 'Employee Benefits'. Accruals are assessed as at each reporting date, having regard to employee entitlements, departures, projected employee rates of pay and their periods of service.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows to be made in respect of service provided by employees up to the reporting date. Present values are calculated using government guaranteed security rates with similar maturity terms.

##### 8.2 Superannuation

The superannuation expense for the year is the amount of the statutory contribution Council makes to the superannuation plan that provides benefits to its employees. Council has not been required to make a full contribution to the Local Government Superannuation Scheme (LGSS) for the past five financial years, and no contribution at all since November 2000, as the Trustees of that fund have advised that the net assets are this time are sufficient to satisfy all anticipated liabilities. LGSS has two types of membership, each of which is funded differently.

##### Accumulation Fund Members

The accumulation fund receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9 per cent since 2002/03). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

##### Defined Benefit Members

Council makes employer contributions to the defined benefits categories of the LGSS at rates determined by the Scheme's Trustee. The rate is currently nil per cent (since 2000/01) of superannuation salary. Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the members' benefits, as defined in the Trust Deed, as they accrue.

The Local Government Superannuation Scheme reporting under AASB 1028 advises the following: The associated Rate of Investment Return is 12 per cent per annum from 1/7/2004 to 30/6/2005 and 7 per cent thereafter. Salary growth rate is assumed at 4 per cent per annum and inflation is assumed at 2.5 per cent per annum.

Employer assets	67,618,904
Employer liabilities	59,281,897
Surplus/(deficit)	8,337,007

As at balance date a number of Council staff were making contributions to a defined superannuation scheme referred to as the LGSS. That scheme was one of five superannuation schemes provided by State Superannuation which were incorporated, without change, into the LGSS from 1 July 1997. It is referred to in the Trust Deed as Division D. Two other staff members were also making contributions to two other defined superannuation schemes referred to as the State Authorities

Non-Contributory Superannuation Scheme (SANCS) and the State Authorities Superannuation Scheme (SASS).

Council is the sponsor of a defined benefit superannuation fund. Under existing Australian Generally Accepted Accounting Principles (GAAP), a liability or asset in respect of defined benefit superannuation does not need to be recognised in the provision for employee benefits. Under AASB 119 Employee Benefits, a liability or asset in respect of defined benefit superannuation is recognised and measured as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation fund's assets at that date.

As at 30 June 2005, Council had not received a response from the defined benefits superannuation fund in relation to the actuarial assessment of the funds assets and liabilities. Council has continued to disclose its requirements under Section 6.10 of AASB 1028.

The SANCS, SASS and the State Superannuation Scheme (SSS) reporting under AASB 1028 advise the following:

The associated Rate of Investment Return is 7 per cent. Salary growth rate is assumed at 4 per cent per annum and Inflation is assumed at 2.5 per cent per annum.

Employer assets	265,102
Employer liabilities	253,625
Surplus/(deficit)	11,477

## 9. Joint ventures

Council does not currently have an interest in any joint ventures.

## 10. Leases

Lease arrangements have been accounted for in accordance with AAS 17 (AASB 1008) 'Accounting for Leases'.

### 10.1 Queen Victoria Building

Council entered into a 99 year lease as lessor of the Queen Victoria Building (QVB) with Ipoh Garden Berhad (Aust) Pty Ltd (Ipoh) on 28 February 1984.

At the date of inception of the lease the QVB required extensive restoration work. This work was carried out by Ipoh at a cost of \$97.259 million. Under the terms of the lease, Ipoh is entitled to recover this cost plus interest (compounded). Ipoh is also entitled to retain \$9.7 million for each year of the agreement and a portion of net revenue is deposited annually into a fund for the specific purpose of Ipoh refurbishing or upgrading the building.

Following the above deductions from net revenue, any remaining profit is split 50/50 between Council and Ipoh. The rental revenue received by Council is recognised as income in the month it is earned.

At the end of the lease Ipoh is required to return the building to Council in good condition.

It has been determined that the QVB is not controlled by council under the definition of control per Statement of Accounting Concepts 4 (SAC4) and the asset is not included in Council's property, plant and equipment at balance date.

### 10.2 Capitol Theatre and associated properties

Council is lessor in a 99 year lease with Capitol Theatre Management Pty Ltd (formerly Ipoh Theatre Management Pty Ltd) for the Capitol Theatre. This lease also incorporates the Manning Building, Watkins Terraces and Parker Street.

Under this agreement, Council receives revenue based on a percentage of theatre revenue. The rental revenue is recognised as income in the month it is earned.

It has been determined that the Capitol Theatre and associated properties are not controlled by Council under the definition of control per statement of accounting concepts 4 (SAC4) and the asset is not included in Council's property plant and equipment at balance date.

### 10.3 Operating leases in which Council is lessee

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged as an expense over the lease term.

## 11. Inventories

Council holds inventories for consumption. AAS 2 (AASB 1019) 'Inventories' does not apply to consumable stores and materials held by Council for the purpose of providing works and services. As there is no objective of sale for such items, valuation at the lower of cost or net realisable value is not appropriate. Council therefore values these items at cost, assessed for loss of service potential, and where appropriate, writes the value down accordingly.

Council does not hold any land for re-sale.

## 12. Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

## 13. Budget information

The Statement of Financial Performance provides budget information on major income and expenditure items. Details of material budget variations are detailed in Note 16. Note 2 also provides budget information of revenues and expenses of each of Council's major activities. Budget figures represented are those approved by Council at the beginning of the financial year and do not reflect Council approved variations throughout the year.

Budget information in the financial report is not subject to audit.

## 14. Financial instruments

Council has adopted all of the disclosure requirements required by AAS 33 (AASB 1033) 'Presentation and Disclosure of Financial Instruments' as detailed in Note 15.

## 15. Interest bearing liabilities

The City of Sydney Council does not have any loans.

## 16. Payables and other current liabilities

Creditors and other current liabilities are amounts due to external parties for the purchase of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after initial recognition. Interest is not payable on these.

## 17. Provisions, contingent liabilities and contingent assets

In October 2001, the AASB issued a standard on 'Provisions, Contingent Liabilities and Contingent Assets', AASB 1044. The new standard applies to annual reporting periods beginning on or after 1 July 2002.

Council has recognised and disclosed all Provisions (Note 10(a), (b) and (c)), Contingencies and Other Assets and Liabilities Not Recognised (Note 18) as required by AASB 1044.

## Notes to and forming part of the Financial Statements for the year ending 30 June 2005

### 18. Comparative figures

Comparative figures included in the financial statements relate to the financial year ended 30 June 2004. These figures have been reclassified, where necessary, on a basis consistent with current disclosure for 2004/05.

### Note 1 – Significant Accounting Policies (continued)

#### 19. Policy on internal and external restrictions for cash

Cash is restricted for prudent financial management purposes as follows:

**Property reserve** – 20 per cent of rental income is set aside to fund refurbishment, major maintenance of Council's properties, and in some instances to purchase investment properties.

**Parking station reserve** – 5 per cent of income from parking stations is set aside to fund major maintenance and capital improvements.

**Parking meter reserve** – 10 per cent of income from parking meters is set aside to fund replacements.

**Plant and asset replacement reserve** – 2.5 per cent of operating income is set aside to fund purchases of Plant and Assets.

**Employee leave entitlements** – 10 per cent of the employee leave entitlement provision is set aside to fund extraordinary movements of staff. Normal annual payments of leave entitlements are funded from operating income.

**Public liability and workers compensation insurance** – Cash has been restricted for 100 per cent of both provisions.

**Domestic waste reserve** – Any cash surplus from operations is held as a restricted asset to fund capital expenditure or process improvements to the Domestic Waste collection business.

**Security deposits reserve** – All security deposits are held as restricted funds.

**Investment reserve** – Net cash amount realised from sale of income producing assets is restricted.

**Unexpended grants reserve** – 100 per cent of grants received not spent during the year are treated as restricted funds.

**Utzon Foundation reserve** – 100 per cent of the liability for John Upton Foundation, to celebrate and foster the creativity in the performing arts internationally, is restricted.

**Mode Group reserve** – 100 per cent of the Mode Bank Account, which is part of Council cash is restricted.

**Green Square Multi Purpose Civic Centre** – 100 per cent of monies to be set aside for the purpose of construction of this facility.

### 20. Work In Progress

Work in progress comprises the amount expended on the capital works projects which are incomplete at balance date.

### 21. Goods and Service Tax (GST)

In accordance with the provisions of *A New Tax System (Goods and Services Tax) Act 1999* legislation, Council is required to account for GST under the 'accruals' method, and submits monthly returns to the Australian Taxation Office.

Revenues, expenses and assets are recognised net of the amount of GST, except where:

The amount of GST incurred, as a purchaser, that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense;

Receivables and payables are stated with the amount of GST included.

The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

### 22. Insurance

Pursuant to Section 382 of the *Local Government Act 1993*, Council has primary and excess layer insurance cover against Public Liability and Professional Indemnity liability. Council carries a self-insured retention (deductible) on this policy and makes provision for its uninsured exposure in relation to claims outstanding.

The current Public Liability and Professional Indemnity Policy has been negotiated for a three year period with an annual reducing premium scale and an annual increasing deductible, over the period, reflecting a growing acceptance of risk by Council within reasonable commercial, financial and operational boundaries.

Council's other significant insurance cover is its Industrial Special Risks Insurance. This policy covers Council owned and leased properties, where required, together with contents and equipment in these properties. The deductible within this policy also reflects an acceptance of risk within reasonable commercial, financial and operational boundaries.

Council is a self-insurer, to a self-insured retention level, of its Workers' Compensation liability. To fulfil a condition of WorkCover's NSW Workers' Compensation Self-Insurance licence, Council has Excess Employers Indemnity Insurance cover, which is unlimited in excess of Council's self-insured retention.

In addition to the above insurance coverage, Council has other classes of insurance covering risks such as Councillors' and Officers' Liability, General Property, Contract Works, Fidelity Guarantee, Hirers' and Authorised Users Liability etc.

### 23. Significant change to accounting policy

There have been no significant changes to accounting policy during the current financial year. An operational review of depreciation rates for Property, Plant and Equipment took place as at 1 July 2004 (Refer 5.3 above)

### 24. Treatment of library book acquisitions

It was Council's policy to expense library books at the date of acquisition. Council has now adopted the policy of depreciating library books. The effect of this policy is that City of Sydney added \$1.245 million of new library assets and expensed \$0.158 million in Depreciation for the year.

### 25. Treatment of parking enforcement agreement with NSW Police

During 2001/02 Council commenced an agreement with NSW Police for the provision of parking enforcement services within the CBD. Under this agreement Council has agreed to pay NSW Police 50 per cent of profits generated from the provision of the service. This payment is recognised as an operating expense within the Annual Financial Report. Revenues from the issuing of infringement notices are shown as gross amounts.

Council does not recognise a receivable for all infringement notices at the time each notice is issued. The lack of certainty of collection precludes this accounting treatment. Council has applied a policy of recognising as a receivable that portion of infringement notices that are likely to be collected based on past experience in the collection of such notices.

### 26. First Time Adoption of International Accounting Standards

The AASB is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB has issued Australian equivalents to IFRS, and the Urgent Issues Group has issued interpretations corresponding to IASB interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. These Australian equivalents to IFRS are referred to hereafter as AIFRS. The adoption of AIFRS will be first reflected in the Council's financial statements for the year ending 30 June 2006.

Entities complying with AIFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of AIFRS to that comparative period. Most adjustments required on transition to AIFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The transition to international accounting standards is being managed on an industry-wide basis at both a national and state level. A national working party has been set up, and the NSW Department of Local Government and the Local Government Accounting Advisory Group will identify significant changes affecting the industry, and State authorities will liaise with councils regarding the training of Council staff.

The Council has established a project team to manage its own transition to AIFRS, including training of staff and system and internal control changes necessary to gather all the required financial information. The project team has prepared a detailed timetable for managing the transition and is currently on schedule.

The project team has analysed the AIFRS and has identified the accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. These choices have been analysed to determine the most appropriate accounting policy for the Council.

Although the adjustments disclosed in this note are based on management's best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until the Council prepares its first full AIFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

The assessment and planning phase is continuing at the date of preparation of these reports, although completion is anticipated in the near future. Council will apply the AIFRS from the reporting period beginning 1 July 2005 and is managing the transition to the new standards by allocating internal resources. Council is fully utilising training and information provided by auditors, the Department of Local Government in conjunction with the Finance Professional Groups of Regional Councils, and the updates to the Code of Accounting Practice.

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 2 – Functions**

Revenues, Expenses and Assets have been directly attributed to the following activities. Details are provided.

	Expenses from ordinary activities			Revenues from ordinary activities			Operating results from ordinary activities before share of outside profits and corrections			Grants included in revenues from ordinary activities		Total assets held (current and non-current)	
	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Actual 2005 \$'000	Actual 2004 \$'000
<b>City environment</b>													
Development	10,000	9,323	8,599	24,700	16,790	16,813	14,700	7,467	8,214		310	771	3,210
Environment			1,997			9,575		–	7,578		4	150	142
Regulatory compliance	7,400	6,541	11,184	5,600	6,008	12,154	(1,800)	(533)	970		–		641
Transport, traffic and access	29,300	24,524	17,965	57,000	59,174	43,527	27,700	34,650	25,562	148	72	13,390	21,712
<b>City environment total</b>	<b>46,700</b>	<b>40,388</b>	<b>39,745</b>	<b>87,300</b>	<b>81,972</b>	<b>82,069</b>	<b>40,600</b>	<b>41,584</b>	<b>42,324</b>	<b>148</b>	<b>386</b>	<b>14,311</b>	<b>25,705</b>
<b>City improvement/city works</b>													
City projects	8,800	6,446	8,199	2,000	380	442	(6,800)	(6,066)	(7,757)		850	928	32,110
Waste services			9,981			7,481		–	(2,500)		431		2,627
Service delivery			19,196			8,648		–	(10,548)		–		
Fleet services			3,730			210		–	(3,520)		–		598
Asset infrastructure			2,190			1,044		–	(1,146)		68		176
<b>City improvement/works total</b>	<b>8,800</b>	<b>6,446</b>	<b>43,296</b>	<b>2,000</b>	<b>380</b>	<b>17,825</b>	<b>(6,800)</b>	<b>(6,066)</b>	<b>(25,471)</b>	<b>–</b>	<b>1,349</b>	<b>928</b>	<b>35,511</b>
<b>City services</b>													
Asset management	41,800	44,782	43,859	9,800	12,657	10,052	(32,000)	(32,125)	(33,807)	3,228	1,379	2,010,033	2,322,880
Clean city	20,200	18,988	13,477	900	886	1,468	(19,300)	(18,102)	(12,009)			3,713	6,953
Customer service	3,900	3,895	2,438	1,500	1,544	1,170	(2,400)	(2,351)	(1,268)			54	101
Homeless persons	2,500	2,335	1,900	600	622	489	(1,900)	(1,713)	(1,411)	577	489	158	1,819
Safe city	2,000	2,098	1,819	100	212	3	(1,900)	(1,886)	(1,816)			266	200
Service support	7,000	10,801	6,920	–	61	24	(7,000)	(10,740)	(6,896)			4,869	157
<b>City services total</b>	<b>77,400</b>	<b>82,899</b>	<b>70,413</b>	<b>12,900</b>	<b>15,982</b>	<b>13,206</b>	<b>(64,500)</b>	<b>(66,917)</b>	<b>(57,207)</b>	<b>3,805</b>	<b>1,868</b>	<b>2,019,093</b>	<b>2,332,110</b>

**Note 2(a) – Functions (continued)**

	Expenses from ordinary activities			Revenues from ordinary activities			Operating results from ordinary activities before share of outside profits and corrections			Grants included in revenues from ordinary activities		Total assets held (current and non-current)	
	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Original Budget 2005 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Actual 2005 \$'000	Actual 2004 \$'000	Actual 2005 \$'000	Actual 2004 \$'000
<b>City facilities</b>													
Libraries	6,300	5,663	4,077	600	592	523	(5,700)	(5,071)	(3,554)	317	185	2,499	322
Pools	500	278	767	1,000	100	1,085	500	(178)	318			190,447	193,021
Recreation and community centres	12,000	11,344	6,883	4,700	5,001	2,350	(7,300)	(6,343)	(4,533)	1,467	362	878	471
Town Hall	3,700	3,268	2,256	3,300	2,290	1,756	(400)	(978)	(500)			2,994	5,135
<b>City facilities total</b>	<b>22,500</b>	<b>20,553</b>	<b>13,983</b>	<b>9,600</b>	<b>7,983</b>	<b>5,714</b>	<b>(12,900)</b>	<b>(12,570)</b>	<b>(8,269)</b>	<b>1,784</b>	<b>547</b>	<b>196,818</b>	<b>198,949</b>
<b>City life</b>													
Cultural affairs	6,600	6,517	5,243	400	431	407	(6,200)	(6,086)	(4,836)			123	242
Events	5,400	5,872	3,555	900	877	787	(4,500)	(4,995)	(2,768)			2	18
Public affairs/support services			1,156			144	–	–	(1,012)				
Retail strategies	1,400	1,087	1,304	600	490	608	(800)	(597)	(696)			(17)	
Leisure services			2,270			262	–	–	(2,008)		208		3,767
People services			4,668			2,068	–	–	(2,600)		1,106		13,337
Community relations			1,482			204	–	–	(1,278)				92
<b>City life total</b>	<b>13,400</b>	<b>13,476</b>	<b>19,678</b>	<b>1,900</b>	<b>1,798</b>	<b>4,480</b>	<b>(11,500)</b>	<b>(11,678)</b>	<b>(15,198)</b>	<b>–</b>	<b>1,314</b>	<b>108</b>	<b>17,456</b>
<b>City organisation</b>													
Corporate services	109,907	89,850	62,932	65,248	80,988	43,153	(44,659)	(9,205)	(19,779)			1,281,656	788,478
Governance	3,600	4,464	6,402			21	(3,600)	(4,464)	(6,381)			14	6
<b>City organisation total</b>	<b>113,507</b>	<b>94,314</b>	<b>69,334</b>	<b>65,248</b>	<b>80,988</b>	<b>43,174</b>	<b>(48,259)</b>	<b>(13,669)</b>	<b>(26,160)</b>	<b>–</b>	<b>–</b>	<b>1,281,670</b>	<b>788,484</b>
<b>Total functions</b>	<b>282,307</b>	<b>258,419</b>	<b>256,449</b>	<b>178,948</b>	<b>189,103</b>	<b>166,468</b>	<b>(103,359)</b>	<b>(69,316)</b>	<b>(89,981)</b>	<b>5,737</b>	<b>5,464</b>	<b>3,512,928</b>	<b>3,398,215</b>
Settlement with City of Sydney			3,887				–	–	(3,887)				
Correction of fundamental error						3,492	–	–	3,492				
General purpose revenue				176,052	178,921	179,185	176,052	178,921	179,185	3,122	3,703		
<b>Surplus/(deficit) from all activities</b>	<b>282,307</b>	<b>258,419</b>	<b>260,336</b>	<b>355,000</b>	<b>368,024</b>	<b>349,145</b>	<b>72,693</b>	<b>109,605</b>	<b>88,809</b>	<b>8,859</b>	<b>9,167</b>	<b>3,512,928</b>	<b>3,398,215</b>



## Notes to and forming part of the Financial Statements for the year ending 30 June 2005

### Note 2 – Functions (continued)

#### Component of functions

##### 1. City environment

Town Planning policy and regulations, processing of building and development applications. Provide advice to Council, residents, developers, Planning NSW and Central Sydney Planning Committee. Monitor and evaluate national and international trends and practices in urban design, heritage and strategic planning. Management of transport, traffic, pedestrians and access within the City's areas.

##### 2. City improvement

Develop and construct the City Improvement Program and establish Public Domain master plans and policy. Facilitate city improvements by developers and consult with the community and stakeholders. Project manage capital works projects, ensuring cost control. Provide advice to other parts of the city organisation.

##### 3. City services

Cleaning and maintenance of streets, parks, drainage and Council owned properties, including all their structures. Provision of a commercial waste collection service. Parking management and enforcement. Management of Council owned venues, including parking stations. Provide building certification and process all applications. Monitor and enforce public health regulations and local laws. Provide printed and oral information with regards to the City's services. Provide services and information with regards to safety of residents, workers and visitors to the city. Provide support and emergency accommodation for the homeless. Develop and enhance strategies in dealing with chronic homeless, including maintaining database of homelessness.

Provide services and information within the City organisation, including legal, financial, administrative, fleet management, human resources, property and asset management, security, information technology, competitive tendering, corporate planning and risk management and insurance services.

##### 4. City facilities

Provide services from and management of community facilities used for sport, aquatic, leisure and library activities. Provide information regarding local events, activities, services and facilities. Maintain demographic information on the City LGA residential population.

##### 5. City life

Staging of cultural events in the city such as New Year's Eve, Chinese New Year, Night Markets, Christmas Concert as well as sponsorship of major events such as the Sydney Festival. Consultation and communication with community groups. Tourism promotion and the Sydney City Marketing partnership with key retailers to increase visitation and spending in Sydney CBD.

##### 6. City organisation

Relates to the Council's role as a component of democratic government, including elections, members fees and expenses, subscriptions to local authority associations, meetings of Council and policy making committees, area representation and public disclosure and compliance.

### Note 3 – Expenses from ordinary activities

	2005 \$'000	2004 \$'000		2005 \$'000	2004 \$'000
<b>Employee costs</b>			<b>Depreciation and amortisation</b>		
Salaries and wages	83,623	88,122	Plant and equipment	5,400	5,737
Travelling	238	178	Office equipment	2,444	2,623
Employee leave entitlements	9,377	10,572	Furniture and fittings	5,383	4,033
Superannuation	4,704	4,627	Land improvements	4,278	660
Workers' Compensation Insurance	4,546	2,827	Buildings	8,703	9,708
Fringe Benefits Tax	512	658	Other structures	2,918	
Training costs (excluding Salaries)	1,445	1,728	Infrastructure		
Other	1,587	653	– roads, bridges and footpaths	12,087	14,985
<b>Total operating employee costs</b>	<b>106,032</b>	<b>109,365</b>	– stormwater drainage	508	568
			Other assets		
<b>Total number of employees</b> <i>(Full time equivalent at end of reporting period)</i>	<b>1,443</b>	<b>1,462</b>	– heritage collections	–	106
			– library books	158	169
<b>Borrowing costs</b>			– open museum	84	
Interest on other debts	–	9	Amortisation of investment premiums	22	
<b>Total interest charges</b>	<b>–</b>	<b>9</b>	<b>Total depreciation and amortisation</b>	<b>39,067</b>	<b>41,507</b>
<b>Materials and contracts</b>			<b>Other expenses</b>		
Stores and materials	6,008	7,973	Auditor's remuneration		
Contractors	40,612	39,312	– Audit services	177	259
Smartpole Agreement	1,084	728	Professional accounting services	465	400
Office and Other Equipment	3,002	896	Bad and doubtful debts	(136)	116
Other	2,123	2,756	Donations and contributions to local and regional bodies	2,779	2,632
	<b>52,829</b>	<b>51,665</b>	Insurances	4,686	5,106
			Legal expenses		
			– Planning and development	1,674	1,408
			– Other legal expenses	1,573	1,165
			Electricity and gas	2,019	1,953
			Mayoral fee	142	194
			Councillors' fees	259	228

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 3 – Expenses from ordinary activities (continued)**

	2005 \$'000	2004 \$'000
<b>Other expenses (continued)</b>		
Councillors' (incl Mayor) expenses	336	478
Operating lease rentals – non-cancellable		
– minimum lease payments	2,819	3,097
Street lighting	2,870	2,582
Telephone and communications	1,934	2,262
Other		
– Advertising	1,789	1,715
– Bank charges	584	559
– Computing costs	553	526
– Consultancies	1,379	1,209
– Event and project costs	8,745	6,385
– Fees paid to investment fund managers	627	461
– Land tax and water rates	1,132	1,165
– Other property related expenditure	252	399
– Parking enforcement profit share	5,512	4,230
– Payments to other government agencies	13,282	10,514
– Postage and couriers	550	665
– Printing and stationery	1,697	1,424
– Research and development	123	82
– Security	467	262
– Subscriptions	159	164
– Valuation fees	94	
– Other expenses	2,043	2,169
<b>Total other expenses</b>	<b>60,491</b>	<b>53,903</b>

#### Note 4 – Revenues from ordinary activities

	2005 \$'000	2004 \$'000
<b>Rates and annual charges</b>		
Ordinary rates		
– Residential	31,352	29,950
– Business	141,847	133,264
	<b>173,199</b>	<b>163,214</b>
Annual charges		
– Domestic waste management	18,826	16,911
– Other	81	
	<b>18,826</b>	<b>16,992</b>
<b>Total rates and annual charges</b>	<b>192,025</b>	<b>180,206</b>
User charges		
– Other waste management	4	659
	<b>4</b>	<b>659</b>
Fees		
– Building and development fees	14,388	12,283
– Recreation centre fees	2,499	3,503
– Private works	4,732	5,020
– Parking station income	8,899	8,836
– Parking meters income	16,506	16,152
– Venue hire	2,047	1,757
– Filming fees	609	504
– Street furniture advertising	4,352	2,646
– Advertising signs revenue	659	–
– Other fees	4,936	5,555
	<b>59,627</b>	<b>56,256</b>
<b>Total user charges and fees</b>	<b>59,631</b>	<b>56,915</b>

	2005 \$'000	2004 \$'000
<b>Investment revenues</b>		
Interest on overdue rates and charges	621	588
Interest on investments attributable to		
– Section 94 contributions	1,552	886
– Other investments	17,781	13,110
<b>Total investment revenues</b>	<b>19,954</b>	<b>14,584</b>
<b>Other revenues</b>		
Ex gratia payments in lieu of rates	562	554
Fines	29,049	26,853
Rental of commercial properties	33,817	29,700
Special signs	326	1,358
Sponsorship	1,017	1,124
Sydney City Marketing partners	490	540
Other	514	1,703
<b>Total other revenues</b>	<b>65,775</b>	<b>61,832</b>

Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005

Note 4 – Revenues from ordinary activities (continued)

	Operating		Capital	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Grants</b>				
General purpose (untied)				
– Financial assistance	2,772	3,446		
– Pensioner rates subsidies (general)	349	273		
– Pensioner rates subsidies (domestic waste management)	70			
Specific purpose	4,587	4,955	1,151	422
	<b>7,708</b>	<b>8,744</b>	<b>1,151</b>	<b>422</b>
<b>Contributions</b>				
Developer contributions				
– Developer contributions Section 61			6,215	10,027
– Contributions Section 94			4,490	10,064
– Other	45	635	1,668	8
Floor space contributions			487	1,333
Other			165	
	<b>45</b>	<b>635</b>	<b>13,025</b>	<b>21,432</b>
<b>Total grants and contributions</b>	<b>7,753</b>	<b>9,379</b>	<b>14,176</b>	<b>21,854</b>

Note 5 – Gain or loss on disposal of assets

	2005 \$'000	2004 \$'000
<b>Disposal of plant and equipment</b>		
Proceeds from disposals of assets	2,590	3,018
Less: carrying amount of assets sold	1,803	2,135
Add: consideration from unregistered assets	51	
<b>Gain on disposal</b>	<b>838</b>	<b>883</b>
<b>Stocktake</b>		
Stocktake additions	11,728	
Less: carrying amount of stocktake disposals	3,856	
<b>Recognition of stocktake effect.</b>	<b>7,872</b>	
<b>Gain/(loss) on disposal</b>	<b>8,710</b>	<b>883</b>
<b>Total gain/(loss) on disposal of assets</b>	<b>8,710</b>	<b>883</b>

#### Note 6 – Cash assets and investment securities

	Note	2005 \$'000		2004 \$'000	
		Current	Non-current	Current	Non-current
Cash assets					
Cash on hand and at bank		12,740		7,052	
Deposits at call		75		10,075	
Managed funds/cash Investments		329,294		242,780	
		342,109	–	259,907	–
Investment securities					
Term deposits				27,000	4,000
		–	–	27,000	4,000
Total cash assets and investment securities		342,109	–	286,907	4,000
Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash Assets subject to external restrictions that are not expected to be discharged during the next reporting period are classified as Non-current.					
External restrictions					
Included in liabilities					
– Developer contributions	17	28,003		26,170	
– Unexpended grants	14	66		565	
– Domestic waste management		6,196		5,177	
– Floor space bonus FSB/FSR		3,491		3,275	
– Mode Group (Westpac)		14		14	
		37,770	–	35,201	–
Total external restrictions		37,770	–	35,201	–
Total internal restrictions		25,589	64,993	56,959	51,529
Total unrestricted		278,750	(64,993)	194,747	(47,529)
Total cash assets and investment securities		342,109	–	286,907	4,000

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash Assets subject to external restrictions that are not expected to be discharged during the next reporting period are classified as Non-current.

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 6 – Cash assets and investment securities (continued)**

Details of movements and utilisation of restricted cash assets and investment securities

		Opening balance 1 July 2004	Movements		Closing balance 30 June 2005	Proposed utilisation of restriction		
	Notes	\$'000	Transfers to restriction	Transfers from restriction	\$'000	Less than 1 Year	Between 1 and 5 years	Greater than 5 years
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>External restrictions</b>								
– Developer contributions	17	26,170	6,043	4,210	28,003	5,601	22,402	–
– Unexpended grants	14	565	56	555	66	66	–	–
– Domestic waste management		5,177	15,818	14,799	6,196	6,196	–	–
– Floor Space Bonus FSB/FSR		3,275	487	271	3,491	698	2,793	–
– Mode Group (Westpac)	14	–	–	14	14	–	–	–
<b>Total external restrictions</b>		<b>35,201</b>	<b>22,404</b>	<b>19,835</b>	<b>37,770</b>	<b>6,379</b>	<b>31,391</b>	<b>–</b>

External restrictions arise pursuant to Section 409(3) of the *Local Government Act*, the Local Government (Financial Management) Regulation 1999 and other applicable legislation. Further information relating to Developer Contributions is provided in Note 17 and Unexpended Grants in Note 14. Amounts raised by special rates (eg. water and sewer) or for domestic waste management may only be used for those purposes.

<b>Internal restrictions</b>								
– Public Liability Insurance		669		215	454			454
– Employee leave entitlements		2,500	1,374		3,874			3,874
– Provision Workers' Compensation		8,440	4,640		13,080			13,080
– Utzon Foundation		100			100	100		–
– Asset replacement reserve		10,817	9,311	10,269	9,859	9,859		–
– Property reserve		8,257	4,677	1,770	11,164	11,164		–
– Investment reserve		34,677		19,155	15,522		15,522	–
– Security deposits		11,341	5,015	5,341	11,015	2,515	8,500	–
– Parking meters		4,879	1,651	4,724	1,806	1,806		–
– Parking station contribution		1,109	445	266	1,288	145	1,143	–
– Green Square – Multi Purpose Civic Centre		22,420	–	–	22,420		22,420	–
– Works program carried forward		3,279		3,279	–			–
<b>Total internal restrictions</b>		<b>108,488</b>	<b>27,113</b>	<b>45,019</b>	<b>90,582</b>	<b>25,589</b>	<b>47,585</b>	<b>17,408</b>

Internal restrictions arise pursuant to resolutions of Council to set aside reserves of cash resources either relating to liabilities recognised in these reports or to fund future expenditure for the stated purpose. Such reserves are not permitted to exceed the amounts of cash assets and cash investments not otherwise restricted.



## Note 7 – Receivables

	2005 \$'000		2004 \$'000	
	Current	Non-current	Current	Non-current
Rates and annual charges	8,662	190	7,374	1,172
Extra charges	908	63	1,643	407
Rental debtors	907		1,034	
User charges and fees	3,378		6,686	
Accrued revenues	9,565		6,615	
Australian Taxation Office (net receivable)	1,419		1,998	
Other				
<b>Total</b>	<b>24,839</b>	<b>253</b>	<b>25,350</b>	<b>1,579</b>
Less: Provision for doubtful debts				
Rates and annual charges	308		1,527	914
Trade waste	12		160	
Rental debtors	182		531	
Returned receipts	6		6	
Extra charges	198			407
User charges and fees			408	
Other	803		344	
	<b>23,330</b>	<b>253</b>	<b>22,374</b>	<b>258</b>

### Rates, annual charges, interest and extra charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the *Local Government Act*) are secured over the relevant land and are subject to simple interest at a rate of 9% (2004: 9%). Although Council is not materially exposed to any individual ratepayer, credit risk exposure is concentrated within the Council boundaries in the State of New South Wales.

### Other receivables

Amounts due (other than user charges which are secured over the relevant land) are unsecured and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries in the State of New South Wales.

	2005 \$'000		2004 \$'000	
	Current	Non-current	Current	Non-current
Restricted Receivables				
Domestic Waste Annual Charges	1,077	50	727	
Domestic Waste Extra Charges	95	13		
<b>Total Restrictions</b>	<b>1,172</b>	<b>63</b>	<b>727</b>	<b>–</b>
Unrestricted Receivables	22,158	190	21,647	258
<b>Total Receivables</b>	<b>23,330</b>	<b>253</b>	<b>22,374</b>	<b>258</b>

### Rates and annual charges

Rates and Annual Charges are secured by underlying properties. Interest is charged on overdue rates at 9.0%(2004: 9%). Rates are due for payment on 31 August, 30 November, 28 February and 31 May.

Overdue rates are those not paid within 1 day of the due date. The amount of overdue debts upon which interest is charged is \$8.852M (2004: \$8.546 million).

Where the collection of the debt is doubtful and/or the assessed value of the property is less than the amount outstanding, a provision for doubtful debt is recognised for the shortfall. A provision for doubtful debts in respect of the class of debtor has already been provided in an amount of \$0.308M (2004: \$2.441 million).

### Accrued revenues

Revenue recognised for works and/or services undertaken during the financial year where actual payment has not been received, and an invoice has not been issued (includes parking fines).

### GST receivable

Debtors arising from GST paid up to 30 June 2005 on which an input tax credit is collectable from the Australian Taxation Office.

### Rental debtors and user charges/fees

Rental Debtors and User Charges/Fees are unsecured.

A provision for doubtful debts in respect of this class of debtor has already been provided in an amount of \$0.204 million.

### Other debtors

Other Debtors are unsecured. A provision for doubtful debts of \$0.793 million has been provided for this class of asset.

Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005

Note 8 – Inventories and other assets

	2005 \$'000		2004 \$'000	
	Current	Non-current	Current	Non-current
Stores and materials	184	492	78	287
<b>Total inventories</b>	<b>184</b>	<b>492</b>	<b>78</b>	<b>287</b>
Other assets				
Prepayments	3,378		2,713	
<b>Total other assets</b>	<b>3,378</b>	<b>–</b>	<b>2,713</b>	<b>–</b>

## Note 9 – Property, plant and equipment

	2004 \$'000		Carrying amount movements during year \$'000						2005 \$'000		
	At cost	Accumulated depreciation	Carrying amount	Asset purchases	Reclass'n at cost	Reclass'n assets depreciation	Asset disposals	Depreciation	At cost	Accumulated depreciation	Carrying amount
Plant and equipment	45,908	31,541	14,367	12,673	7,939	(6,521)	(1,526)	(5,399)	58,358	36,825	21,533
Office equipment	18,667	14,667	4,000	2,211	(1,715)	1,708	(20)	(2,444)	15,628	11,888	3,740
Furniture and fittings	59,018	20,833	38,185	4,530	15,269	(1,671)	(315)	(5,382)	77,904	27,288	50,616
Leased plant and equipment	–	–	–	–	–	–	–	–	–	–	–
Land											
– Council owned (freehold)	–	–	–	–	–	–	–	–	–	–	–
– Council controlled	–	–	–	–	–	–	–	–	–	–	–
– non-depreciable land improvements	–	–	–	–	–	–	–	–	–	–	–
– Community **	1,640,683	1,870	1,638,813	15,615	(69,829)	1,870	4,736	–	1,591,205	–	1,591,205
– Operational	178,206	–	178,206	–	66,683	–	2,309	–	247,198	–	247,198
– Land under roads	–	–	–	–	–	–	–	–	–	–	–
Land Improvements – depreciable	37,681	4,288	33,393	824	88,826	(14,636)	–	(4,278)	127,331	23,202	104,129
Buildings	562,992	103,358	459,634	55,041	3	126	725	(8,703)	618,489	111,663	506,826
Other structures	74,669	8,303	66,366	–	(74,669)	8,303	–	–	–	–	–
Other structures – trees	64,361	5,294	59,067	1,309	–	–	–	–	65,670	5,294	60,376
Capital work in progress	49,471	–	49,471	(23,488)	–	–	–	–	25,983	–	25,983
Infrastructure											
– Roads, bridges, footpaths	773,692	267,566	506,126	24,172	(35,465)	12,090	–	(12,087)	762,399	267,563	494,836
– Bulk earthworks – non-depreciable	–	–	–	–	–	–	–	–	–	–	–
– Stormwater drainage	50,719	24,820	25,899	154	–	–	–	(509)	50,873	25,329	25,544
– Water supply network	–	–	–	–	–	–	–	–	–	–	–
– Sewerage network	–	–	–	–	–	–	–	–	–	–	–

Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005

Note 9 – Property, plant and equipment (continued)

	2004 \$'000		Carrying amount movements during year \$'000						2005 \$'000		
	At cost	Accumulated depreciation	Carrying amount	Asset purchases	Reclass'n at cost	Reclass'n assets depreciation	Asset disposals	Depreciation	At cost	Accumulated depreciation	Carrying amount
Other assets											
– Heritage collections	–	–	–	–	–	–	–	–	–	–	–
– Open museum	5,281	1,855	3,426	–	3,157	(1,288)	–	(84)	8,438	3,227	5,211
– Town Hall collections	4,247	626	3,621	273	13	(9)	160	–	4,693	635	4,058
– Library books	1,775	754	1,021	1,245	(199)	18	–	(158)	2,821	894	1,927
– Other	13	10	3	–	(13)	10	–	–	–	–	–
<b>Totals</b>	<b>3,567,383</b>	<b>485,785</b>	<b>3,081,598</b>	<b>94,559</b>	<b>–</b>	<b>–</b>	<b>6,069</b>	<b>(39,044)</b>	<b>3,656,990</b>	<b>513,808</b>	<b>3,143,182</b>

\*\* The Land – Community category of assets includes a number of Crown Reserve Trusts. The State Government are in the process of reviewing whether they control these Trusts by virtue of their capacity to revoke the City's appointment as the Reserve Trust Manager. The City is of the view that considering the City's financial rights and responsibilities as Reserve Trust Manager, and the fact that revocation is extremely unlikely given the history of the Trusts, it should continue to include these assets within its accounts. This matter will be subject to further review and investigation in 2005/06 by key stakeholders including the State Government and other local councils.

Restricted property, plant and equipment

	2005 \$'000				2005 \$'000			
	At cost	At valuation	Accumulated depreciation	Carrying amount	At cost	At valuation	Accumulated depreciation	Carrying amount
Domestic waste management								
Plant and equipment	2,302		1,549	754	3,505		2,710	795
Total domestic waste	2,302	–	1,549	754	3,505	–	2,710	795
<b>Total restrictions</b>	<b>2,302</b>	<b>–</b>	<b>1,549</b>	<b>754</b>	<b>3,505</b>	<b>–</b>	<b>2,710</b>	<b>795</b>

## Note 10 – Liabilities

	2005 \$'000		2004 \$'000	
	Current	Non-current	Current	Non-current
<b>Payables</b>				
Goods and services	(45)		5,235	
Payments received in advance	5,683		4,939	
Accrued expenses	31,377		20,123	
Mode Group (Westpac)	14		13	
Employee related payables	1,292		548	
Property (land and buildings) purchases			3,539	
Deposits, retentions and bonds	12,639		8,848	3,445
Other	3,166		637	
<b>Total payables</b>	<b>54,126</b>	<b>–</b>	<b>43,882</b>	<b>3,445</b>
<b>Provisions</b>				
Annual leave	7,717		7,074	390
Sick leave	1,034	9,070	2,312	9,202
Long service leave	3,569	15,966	4,323	16,021
Gratuities	194	1,542	589	3,065
Worker's compensation	1,701	11,379	1,701	8,928
Public Liability Insurance provision	224	230	224	445
Public holidays	429			471
<b>Total provisions</b>	<b>14,868</b>	<b>38,187</b>	<b>16,694</b>	<b>38,051</b>
<b>Aggregate liability arising from employee benefits</b>				
	<b>16,338</b>	<b>26,578</b>	<b>16,741</b>	<b>28,678</b>

## Note 11 – Reconciliation to cash flow statement

### (a) Reconciliation of cash

Cash assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2005 \$'000	2004 \$'000
Total cash assets (Note 6)	342,109	259,907
Less: Bank overdraft (Note 10)	–	–
<b>Balances per Statement of Cash Flows</b>	<b>342,109</b>	<b>259,907</b>
<b>(b) Reconciliation of change in net assets to cash from operating activities</b>		
Change in net assets resulting from operations	109,605	88,809
Add: Depreciation and amortisation	39,067	41,507
Increase in provision for doubtful debts	–	–
Decrease in receivables	1,837	4,101
Decrease in other assets	–	798
Increase in accrued expenses payable	11,254	2,752
Increase in other payables	3,274	–
Loss on Council restructure	–	3,887
	<b>165,037</b>	<b>141,854</b>
Less: Decrease in provision for doubtful debts	2,788	71
Decrease in employee benefits	1,475	2,397
Decrease in other provisions	215	910
Increase in inventories	311	126
Increase in other assets	665	–
Decrease in trade creditors	4,536	2,227
Decrease in other payables	–	1,232
Gain on disposal and recognition of assets	8,710	883
<b>Net cash provided by (or used in) operations</b>	<b>146,337</b>	<b>134,008</b>

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 11 – Reconciliation to cash flow statement (continued)**

	2005 \$'000	2004 \$'000
<b>(c) Non-cash financing and investing activities</b>	–	–
<b>(d) Financing arrangements</b>		
Unrestricted access was available at balance date to the following lines of credit:		
Bank overdrafts	2,000	3,500
<b>Total facilities</b>	<b>2,000</b>	<b>3,500</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan. The facility was not taken up during the current year.

**Note 12 – Commitments for expenditure**

	2005 \$'000	2004 \$'000
<b>(a) Capital commitments</b>		
Land	8,997	–
Buildings	–	571
Street furniture	22	423
Infrastructure	58,818	55,386
Plant and equipment	–	1,733
<b>Total capital commitments</b>	<b>67,837</b>	<b>58,113</b>
These expenditures are payable:		
Not later than one year	64,007	50,413
Later than one year and not later than 5 years	3,830	7,700
	<b>67,837</b>	<b>58,113</b>

**Note 12 – Commitments for expenditure (continued)**

**(b) Other expenditure commitments**

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

	2005 \$'000	2004 \$'000
Audit Services	1	
Community services and facilities studies/investigations	–	35
Planning studies/investigations	–	317
Recycling services	4,546	325
Stormwater investigations	–	26
Parking meter maintenance	8,868	3,726
Street trees	1,324	1,553
Street furniture	3,073	5,707
Park maintenance	15,261	12,088
Domestic waste	17,262	6,595
Parking facilities	5,973	3,691
Outreach	1,718	1,741
Property	7,392	6,271
Cultural events	3,694	3,276
Other	160	226
<b>Total other expenditure commitments</b>	<b>69,272</b>	<b>45,577</b>
These expenditures are payable:		
Not later than one year	22,470	26,295
Later than one year and not later than 5 years	44,912	9,417
Later than 5 years	1,890	9,865
	<b>69,272</b>	<b>45,577</b>

**(c) Finance lease commitments**

Commitments under finance leases at the reporting date are as follows:

	–	–
--	---	---

#### Note 12 – Commitments for expenditure (continued)

##### (d) Operating lease commitments (non-cancellable)

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

	2005 \$'000	2004 \$'000
<b>Future minimum lease payments</b>		
Not later than one year	1,189	2,621
Later than one year and not later than 5 years	3,009	7,621
Later than 5 years	28,948	32,164
<b>Total operating lease commitments</b>	<b>33,146</b>	<b>42,406</b>

Included within the operating lease commitments above are input tax credits of \$3.199 million which are anticipated to be recovered from the Australian Taxation Office

The operating lease commitments arise as a result of Council's commitment under a non-cancellable operating lease, being in relation to Goulburn Street Parking Station. Council has a 99 year lease arrangement to rent the airspace that the parking station exists in, from the State Rail Authority of NSW who control that asset. The commitment recognises the 56 years remaining on this lease, which is estimated at \$20.967 million.

The lease commitments also include duct rental payable to Energy Australia in respect of Smartpoles at \$330,000 per year for 30 years indexed at an assumed CPI of 3 per cent per annum. The smartpoles were purchased during the 2002/03 financial year. The agreement to 2032 results in a total commitment of \$15 million.



**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 13 – Statement of performance measurement**

	Amounts	2005 Indicators	2004	2003	2002
<b>Current ratio</b>					
Current assets	\$369,001	5.35:1	5.15:1	3.26:1	2.58:1
Current liabilities	\$68,994				
<b>Unrestricted current ratio</b>					
Unrestricted current assets*	\$330,059	4.78:1	4.56:1	2.78:1	2.22:1
Current liabilities not relating to restricted assets *as defined in the code	\$68,994				
<b>Debt service ratio</b>					
Net debt service cost	\$0	0.00%	0.00%	0.00%	0.00%
Operating revenue *as defined in the code	\$349,216				
<b>Rate and annual charges coverage ratio</b>					
Rates and annual charges revenues	\$192,025	52.18%	52.13%	52.44%	52.61%
Total revenues	\$368,024				
<b>Rates and annual charges outstanding percentage</b>					
Rates and annual charges outstanding	\$9,317	4.65%*	4.18%	2.78%	2.39%
Rates and annual charges collectible	\$200,394				

\* The ratios for 2004/05 have been distorted by a late supplementary levy of \$2.6 million which was due but not payable by ratepayers as at 30 June 2005. Discounting this levy for 2004/05 produces a ratio of 3.30 per cent.

**Note 14 – Conditions over grants and contributions**

	2005 \$'000		2004 \$'000	
	Grants	Contribution	Grants	Contribution
Unexpended at the close of the previous reporting period	565	26,170	672	25,670
Less: Expended during the current period from revenues recognised in previous reporting periods				
– Section 94/61 Developer Contributions		10,425		
– Other	6,237		672	20,478
<b>Subtotal</b>	<b>6,237</b>	<b>10,425</b>	<b>672</b>	<b>20,478</b>
Plus: Amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions				
– Section 94/61 Developer Contributions		12,258		
– Other	5,738		565	20,978
<b>Subtotal</b>	<b>5,738</b>	<b>12,258</b>	<b>565</b>	<b>20,978</b>
Unexpended at the close of this reporting period and held as restricted assets	66	28,003	565	26,170
Net increase (decrease) in restricted assets in the current reporting period	(499)	1,833	(107)	500

Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005

Note 15 – Financial instruments

(a) Interest rate risk exposures

	Floating Interest Rate \$'000	Fixed interest maturing in: < 1 year \$'000	> 1 year < 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>2005</b>						
<b>Financial assets</b>						
Cash assets	320,703	8,500			12,906	342,109
Receivables						
– Rates and annual charges		9,064	253			9,317
– User charges and fees					3,378	3,378
– Other					1,323	1,323
<b>Total</b>	<b>320,703</b>	<b>17,564</b>	<b>253</b>	<b>–</b>	<b>17,607</b>	<b>356,127</b>
<i>Weighted average interest rate</i>	5.52%					
<b>Financial liabilities</b>						
Payables						
– Goods and services					(45)	(45)
– Payments in advance					5,683	5,683
– Deposits, retentions, bonds					12,639	12,639
– Mode Group (Westpac)					14	14
– Employee related payables					1,292	1,292
– Other					3,166	3,166
<b>Total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>22,749</b>	<b>22,749</b>
<i>Weighted average interest rate</i>	5.52%					

**Note 15 – Financial instruments (continued)**

**(a) Interest rate risk exposures (continued)**

	Floating Interest Rate \$'000	Fixed interest maturing in: < 1 year \$'000	> 1 year < 5 years \$'000	> 5 years \$'000	Non- interest bearing \$'000	Total \$'000
<b>2004</b>						
<b>Financial assets</b>						
Cash assets	7,090	10,000			37	17,127
Investment securities	242,780	27,000	4,000		–	273,780
Receivables						
– Rates and annual charges		5,121	258		1,674	7,053
– User charges and fees					6,276	6,276
– South Sydney Council settlement monies					13,250	13,250
– Rental debtors					1,034	1,034
– ATO (net receivable)					1,998	1,998
– Other					(344)	(344)
<b>Total</b>	<b>249,870</b>	<b>42,121</b>	<b>4,258</b>	<b>–</b>	<b>23,925</b>	<b>320,174</b>
<i>Weighted average interest rate</i>	<i>5.17%</i>					
<b>Financial liabilities</b>						
Payables						
– Goods and services					5,235	5,235
– Payments in advance					4,939	4,939
– Deposits, retentions, bonds	3,558		3,445		5,290	12,293
– Mode Group (Westpac)					13	13
– Employee related payables					548	548
– Property (land and buildings) purchases					3,539	3,539
– City of Sydney – settlement					13,251	13,251
– Other					637	637
<b>Total</b>	<b>3,558</b>	<b>–</b>	<b>3,445</b>	<b>–</b>	<b>33,452</b>	<b>40,455</b>
<i>Weighted average interest rate</i>	<i>5.17%</i>					

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 15 – Financial instruments (continued)**

**Credit risk exposures**

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. Except as detailed in Note 7 in relation to individual classes of financial assets, exposure is concentrated within the Council's boundaries within the State of New South Wales, and there is no material exposure to any individual debtor.

**b) Reconciliation of financial assets and liabilities.**

	2005 \$'000	2004 \$'000
Net financial assets from previous page:		
Financial assets	356,127	320,174
Financial liabilities	(22,749)	(40,455)
	<b>333,378</b>	<b>279,719</b>
Non-financial assets and liabilities:		
Accrued revenues	9,565	6,615
Inventories	676	365
Property, plant and equipment	3,143,182	3,081,598
Other asset	3,378	2,713
Accrued expenses	(31,377)	(20,123)
Provisions	(53,055)	(54,745)
	<b>3,072,369</b>	<b>3,016,423</b>
<b>Net assets per Statement of Financial Position</b>	<b>3,405,747</b>	<b>3,296,142</b>

**c) Net fair value**

All carrying values approximate fair value for all recognised financial instruments. With the exception of investments, there is no recognised market for the financial assets of the Council.

#### **Note 16 – Significant variations from original budget**

##### **Depreciation and amortisation**

The budget was prepared on the basis of the two disparate capitalisation and depreciation policies of the former City of Sydney and South Sydney City councils, and provided for additional depreciation expenses on the basis of the planned capital program for the year. During the year, an exercise was undertaken to align the capitalisation and depreciation policies for the new City, based upon a revised estimate of the useful lives of asset classes, which has resulted in a significant reduction in annual depreciation expense (\$7.9 million). Deferred capital works have also contributed to this variance.

##### **Other expenses**

The favourable budget variance of \$14.7 million is attributable to a range of items in this category, however the major contributors are:

- operational contingencies not required during the year (\$6.0 million)
- insurance savings reflecting favourable settlement of public liability claims and improved motor vehicle premiums (\$2.0 million)
- reduction in bad debt provision (\$0.6 million)
- savings in consultancies across the Council (\$0.9 million)
- unbudgeted expenditure recoveries (\$1.1 million)
- savings in advertising expenditure (\$0.2 million)
- savings in printing and stationery (\$0.6 million).

##### **Interest revenue**

The budget for interest was set in light of the budgeted capital expenditure, and delays in the capital program have lead to larger cash balances and therefore increased revenue returns (\$8.4 million favourable variance).

##### **Grants and contributions – operating**

The unfavourable variance (\$2.3 million) reflects a reduction in Council's financial assistance grant following the amalgamation (\$0.7 million) and the fact that Council now charges a property owner for rates where it used to receive a similar contribution in lieu (\$0.6 million).

##### **Other revenues**

The major contributors to this favourable variance are improved commercial property rentals (\$3.3 million) and enforcement revenue related to an under-accrual for uncollected fines for the 2003/04 year (\$2.0 million).

##### **Gains on disposal and recognition of assets**

The majority of this result (\$7.9 million) reflects the recognition of assets located from a stocktake of the City's fixed assets as at 30 June 2005. Parcels of land owned or controlled by Council have been identified and brought to account.

##### **Grants and contributions – capital**

The unfavourable variance of \$9. million reflects the fact that Section 94 capital contributions have been less than expected due to lower than anticipated development activity during the year.

Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005

Note 17 – Statement of contribution plans

Summary of contributions

Purpose	Opening balance \$'000	Contributions received during year		Interest earned during year \$'000	Expended during year \$'000	Expended in advance \$'000	Held as restricted asset \$'000	Works provided to date \$'000
		Cash \$'000	Non-cash \$'000					
Drainage								3,917
Roads	5,325	245		334	497		5,407	3,975
Traffic facilities	2,110	14		129			2,253	1,043
Parking	12						12	12
Open space	6,407	2,949		364	3,581		6,139	41,459
Community facilities	3,878	760		260	50		4,848	11,770
Other	7,541	523		416	82		8,398	2,801
Subtotal Section 94 under plans	25,273	4,491		1,503	4,210		27,057	64,977
Section 94 not under plans	897			49			946	6,137
Section 61 contributions		6,215			6,215			187,058
<b>Total contributions</b>	<b>26,170</b>	<b>10,706</b>		<b>1,552</b>	<b>10,425</b>		<b>28,003</b>	<b>258,172</b>

Note: The above summary of contribution plans represents the total of Council's individual contribution plans. Individual plan details are shown below.

Contribution plan – Ultimo/Pymont

Drainage	3,917
Open space	3,166
Community facilities	10,762
Other	1,683
<b>Total</b>	<b>19,528</b>

The City of Sydney has a Facilities and Works Agreement with the Sydney Harbour Foreshore Authority (SHFA) for the Ultimo/Pymont contribution plan. Under this agreement all Section 94 contributions received by the City are forwarded to the SHFA which is responsible for the provision of works. As at the date of this report SHFA had not advised Council of works to date to 30 June 2005.



**Note 17 – Statement of contribution plans (continued)**

Purpose	Opening balance	Contributions received during year		Interest earned during year	Expended during year	Expended in advance	Held as restricted asset	Works provided to date
	\$'000	Cash \$'000	Non-cash \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contribution plan – Walsh Bay</b>								
Traffic facilities								478
Parking	12						12	12
Community facilities								473
<b>Total</b>	<b>12</b>						<b>12</b>	<b>963</b>
<b>Contribution plan – Plan 1 (ex South Sydney City Council)</b>								
Traffic facilities	636			35			671	
Open space	155			9			164	
Community facilities	240			13			253	
Other	1,761			97			1,858	
<b>Total</b>	<b>2,792</b>			<b>154</b>			<b>2,946</b>	
<b>Contribution plan – Open Space – new plan (ex Leichhardt Municipal Council)</b>								
Open space	5,918	727		341	838		6,148	838
<b>Total</b>	<b>5,918</b>	<b>727</b>		<b>341</b>	<b>838</b>		<b>6,148</b>	<b>838</b>
<b>Contribution plan – Open Space – old plan (ex Leichhardt Municipal Council)</b>								
Open space	174						174	
<b>Total</b>	<b>174</b>						<b>174</b>	
<b>Contribution plan – Community Facilities (ex Leichhardt Municipal Council)</b>								
Community facilities	677	132		61			870	
<b>Total</b>	<b>677</b>	<b>132</b>		<b>61</b>			<b>870</b>	
<b>Contribution plan – LATM (ex Leichhardt Municipal Council)</b>								
Open Space	10	12		5			27	
<b>Total</b>	<b>10</b>	<b>12</b>		<b>5</b>			<b>27</b>	

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

Purpose	Opening balance \$'000	Contributions received during year Cash \$'000      Non-cash \$'000	Interest earned during year \$'000	Expended during Year \$'000	Expended in advance \$'000	Held as restricted asset \$'000	Works provided to date \$'000
<b>Contribution plan – Light rail (ex Leichhardt Municipal Council)</b>							
Traffic facilities		2	1			3	
<b>Total</b>		<b>2</b>	<b>1</b>			<b>3</b>	
<b>Contribution plan – Bicycle works (ex Leichhardt Municipal Council)</b>							
Traffic facilities	2	1	1			4	
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>			<b>4</b>	
<b>Contribution plan – SSCC contribution plan 1</b>							
Roads	5,325	245	334	497		5,407	3,975
Traffic facilities	1,472	11	92			1,575	565
Open space	150	2,210	9	2,743		(374)	37,455
Community facilities	2,961	628	186	50		3,725	535
Other	(313)	163	(20)	82		(252)	890
<b>Total</b>	<b>9,595</b>	<b>3,257</b>	<b>601</b>	<b>3,372</b>		<b>10,081</b>	<b>43,420</b>
<b>Contribution plan – SSCC contribution plan 2</b>							
Other	6,093	360	339			6,792	228
<b>Total</b>	<b>6,093</b>	<b>360</b>	<b>339</b>			<b>6,792</b>	<b>228</b>
<b>Contributions not under plans (ex SSCC)</b>							
Roads	13		1			14	
Parking	129		7			136	
Other	407		22			429	
<b>Total</b>	<b>549</b>		<b>30</b>			<b>579</b>	
<b>SSCC contributions not under plan</b>							
Roads	31		2			33	472
Parking	317		17			334	1,117
Open space							4,548
<b>Total</b>	<b>348</b>		<b>19</b>			<b>367</b>	<b>6,137</b>

**Note 18 – Contingencies and assets and liabilities not recognised in the Statement of Financial Position**

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

**Contingent Liabilities**

**Self insurance – Worker's Compensation**

Council has decided, on the basis of proper risk management practices, to carry its own insurance in regard to worker's compensation. A provision for self insurance has been made to recognise outstanding claims, the amount of which is detailed in Note 10.

A draft actuarial report commissioned by Council estimated Council's liability for outstanding workers compensation claims as \$13.08 million as at 30 June 2005. These claims have not been determined by the Workers Compensation Court.

As a self-insurer, Council is required to lodge a bank guarantee with the Workcover Authority. At 30 June 2005, bank guarantees of \$12.62 million was held by the Workcover Authority, and the Authority is currently reviewing whether any additional assurance is required.

All other insurance risks, including worker's compensation claims above \$750,000, are covered by external companies.

Council is not aware of any other contingent asset or liability which would be considered relevant to the users of financial reports in making and evaluating decisions about the allocation of scarce resources.

**Note 20 – Correction of property, plant and equipment errors – prior years**

This is part of a note provided to users of the former South Sydney City Council Annual Accounts and related to the 2003/04 financial year.

During the year, a comprehensive review of Council's fixed assets was undertaken.

A net gain of \$3.492 million was brought to account.

**Note 21 – Boundary change – financial impact**

This is part of the note provided to users of the former South Sydney City Council Annual Accounts and related to the 2003/04 financial year.

As outlined in Council's 2002/03 Financial Statements, part of the South Sydney LGA was transferred to the City of Sydney, effective from 8 May 2003, bringing to account an additional loss on boundary change of \$3.887 million.

This amount is considered outside the normal scope of ordinary activities.

**Notes to and forming part of the Financial Statements  
for the year ending 30 June 2005**

**Note 22 – Impacts of International Financial Reporting Standards**

The adoption of Australian equivalents to International Financial Reporting Standards from 1 July 2005 is expected to affect the amounts disclosed in the Council's Statement of Financial Position at 30 June 2005 as shown below. Items (including reclassifications) not affecting the net amounts reported in these Statements are not disclosed in this Note.

	AASB 30/6/2005 \$000s	AIFRS 1/7/2005 \$000s
<b>Investment property (AASB 140)</b>		
Council has identified certain properties as investment properties and, pursuant to AASB 140.30 has elected to adopt the fair value model.		
These assets are currently included in property, plant and equipment and are recorded at cost.		
Property, plant and equipment (at cost less accumulated depreciation)	52,951	
Investment property (at fair value)		160,800
<b>Financial instruments (AASB 132 and 139)</b>		
Pursuant to AASB 139.45, Council has categorised certain investments as fair value through profit and loss or available-for-sale investments. Some of these amounts have a quoted market price in an active market and are measured at fair value; the remaining amounts are measured at cost.		
All are currently measured at fair value or the lower of cost and net realisable value.		
Investment securities (at fair value)	342,109	
Available-for-sale investments (at fair value)		342,109
<b>Employee benefits provisions (AASB 117)</b>		
Liabilities for employee benefits (other than long service leave) payable more than 12 months beyond reporting date, are presently measured at the present value of the future cash outflows.		
Provisions for employee benefits (at present value)	39,092	
Provisions for employee benefits (at present value)		39,092
<b>Provision for future reinstatement (AASB 137)</b>		
Council has not yet identified the degree or value of remediation required where it has an obligation to reinstate an asset to a specified condition on cessation of use. Future obligations will be measured at the present value of estimated future cash outflows.		
<b>Total equity</b>	<b>3,405,747</b>	<b>3,513,596</b>
Net difference in equity at 30 June 2005		107,849

**Note 22 – Impacts of International Financial Reporting Standards (continued)**

	AASB 30/6/2005 \$000s	AIFRS 1/7/2005 \$000s
<b>Investment property (AASB 140)</b>		
Depreciation expense recognised in Statement of Financial Performance	844	NIL
– net (increase) decrease in fair value recognised in income statement	NIL	(12,000)
<b>Employee benefits provisions (AASB 117)</b>		
Net increase (decrease) in expense recognised		
<b>Defined benefit superannuation funds (AASB 119)</b>		
Council is the sponsor of a defined benefit superannuation fund. Under existing Australian GAAP, a liability or asset in respect of defined benefit superannuation does not need to be recognised in the provision for employee benefits. Under AASB 119 Employee Benefits, a liability or asset in respect of defined benefit superannuation is recognised and measured as the difference between the present value of employees' accrued benefits at the reporting date and the net market value of the superannuation fund's assets at that date.		
As at 30 June 2005, Council had not received a response from the defined benefits superannuation fund in relation to the actuarial assessment of the funds assets and liabilities. Council has continued to disclose its requirements under Section 6.10 of AASB 1028.		
<b>Provision for future reinstatement (AASB 137)</b>		
Unwinding of present value discount (borrowing cost)	NIL	
Additional depreciation	NIL	
Excess reinstatement costs written off	NIL	
<b>Net result for year surplus/loss</b>	<b>(109,605)</b>	<b>(122,449)</b>
<b>Adjustment to opening equity increase/decrease</b>		<b>(95,005)</b>
<b>Net difference in equity at 30 June 2005</b>		<b>107,849</b>



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDIT REPORT

Council of the City of Sydney

To the Lord Mayor and Councillors

### Audit Opinion

In my opinion, for the year ended 30 June 2005:

- (a) The Council's accounting records have been kept in accordance with Division 2, Part 3, Chapter 13 of the *Local Government Act 1993*.
- (b) The general purpose financial report of the Council of the City of Sydney -
  - (i) has been prepared in accordance with the requirements of the aforementioned Division
  - (ii) is consistent with the Council's accounting records
  - (iii) presents fairly in accordance with applicable Accounting Standards and other mandatory professional requirements the Council's financial position as at 30 June 2005 and the results of its operations and cash flows for the year ended on that date.
- (c) All information relevant to the conduct of the audit has been obtained.
- (d) There are no material deficiencies in the accounting records or financial report that have come to light in the course of the audit.

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

### Inherent uncertainty regarding control and recognition of Crown reserves

Without qualification to the opinion expressed above, attention is drawn to the following matter. As disclosed in Note 9 to the general purpose financial report, there is uncertainty as to whether the Council or the NSW State Government controls Crown reserves. I have been unable to carry out audit procedures to quantify the value of the reserves that are currently recognised in the Council's general purpose financial report. Until the NSW State Government and key stakeholders, including the Department of Local Government, the Department of Lands and local councils, review the legislation and investigate the available records for each Crown reserve, there is uncertainty regarding the appropriate accounting treatment.

### The Lord Mayor and Councillors' Role

The general purpose financial report is the responsibility of the Lord Mayor and Councillors. It consists of the statement of financial performance, statement of financial position, statement of changes in equity and statement of cash flows and the accompanying notes.

### The Auditor's Role and the Audit Scope

As required by the *Public Finance and Audit Act 1983* and the *Local Government Act 1993*, I carried out an independent audit to enable me to express an opinion on the general purpose financial report. My audit provides *reasonable assurance* to the Lord Mayor and Councillors that the general purpose financial report is free of material misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Lord Mayor and Councillors in preparing the general purpose financial report, and
- examined a sample of the evidence that supports
  - (i) the amounts and other disclosures in the general purpose financial report, and
  - (ii) compliance with accounting and associated record keeping requirements under the *Local Government Act 1993*

An audit does *not* guarantee that every amount and disclosure in the general purpose financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Lord Mayor and Councillors had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Council,
- that the Council has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the general purpose financial report.

#### Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements.



R J Sendt  
Auditor-General

SYDNEY  
31 October 2005





GPO BOX 12  
Sydney NSW 2001

## THE COUNCIL OF THE CITY OF SYDNEY

### REPORT ON THE CONDUCT OF THE AUDIT

### FOR THE YEAR ENDED 30 JUNE 2005

In accordance with section 417 of the *Local Government Act 1993*, I report on the conduct of the audit of the Council of the City of Sydney (the Council) for the year ended 30 June 2005.

#### AUDIT RESULT

The audits of the Council's General Purpose Financial Report and the Special Purpose Financial Report resulted in unqualified audit opinions. The Council's General Purpose Financial Report included an emphasis of matter on the inherent uncertainty regarding control over Crown reserves. The emphasis of matter is not a qualification, but merely draws to the reader's attention the inherent uncertainty that exists in the financial report.

As disclosed in Note 9 to the general-purpose financial report, there is uncertainty as to whether the Council or the NSW State Government controls Crown reserves. I was unable to carry out audit procedures to quantify the value of the reserves that are currently recognised in the Council's general purpose financial report. Until the NSW State Government and key stakeholders, including the Department of Local Government, the Department of Lands and local councils, review the legislation and investigate the available records for each Crown reserve, there is uncertainty regarding the appropriate accounting treatment.

At present, the Council recognises in its Statement of Financial Position the Crown reserves that it manages on behalf of the NSW State Government. These include Hyde Park, Wentworth Park etc and management has informed us that the estimated value of the reserves at 30 June 2005 could be very significant. Management believes that whilst legal ownership remains with the NSW State Government, the Council can exercise sufficient control over the reserves to record them as assets of the Council. The accounting treatment adopted by the Council appears to be consistent with the treatment adopted by the majority of local councils in NSW.

In late 2004, the Audit Office and NSW Treasury agreed that the Crown Entity controls reserves that are managed by Councils and other bodies under sections 92 and 95 of the *Crown Lands Act 1989*. It was deemed that the Minister had control predominantly because of their capacity to appoint or dismiss a reserve trust manager at any time. It was also agreed that the reserve managers, such as local councils, were purely administering reserve trusts on behalf of the Minister. The Audit Office will liaise with the relevant agencies to help commence this extensive project.

#### CONDUCT OF THE AUDIT

The audit I conducted provides *reasonable assurance* to the Lord Mayor and Councillors that the financial reports are free of *material* misstatement. An audit does not guarantee that every amount and disclosure in the financial reports is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. My audit accorded with Australian Auditing and Assurance Standards and statutory requirements.

I examined the risks and the internal controls for the rates, cash and investments, expenditure, payroll and property, plant and equipment. I identified some areas for improvement and these have been discussed with management. Shortly, I will issue a management letter that will contain a detailed explanation of these matters.

#### Significant Audit Issues and Observations

- We reviewed the Council's current project capitalisation procedures, and we have recommended that the Council develop a policy on the capitalisation of completed projects and appropriate splitting of project costs into separate identifiable assets. This will ensure timely and consistent recording of completed assets. The policy should specify the minimum information the Finance Unit would require from Project Directors/Managers to facilitate complete and accurate recording of the Council's assets in the asset register.
- Management reviewed and amended the depreciation rates for each class of asset (buildings, roads etc.). The rates determined by management appear reasonable and consistent with industry practice. We have recommended that the Finance Unit obtain the results of the regular condition assessments conducted by the Council of its major assets, and review the results on an annual basis to ensure the condition and the remaining life of each major asset equates to the remaining life in the asset register. The register is used to determine annual depreciation expense.
- Management completed a thorough stocktake of most assets in 2004-05. The stocktake identified some assets that were not recorded in the asset register, and conversely identified assets disposed of but still in the asset register. In 2005-06, management should:
  - Continue updating the Council's asset register with the findings from the stocktake
  - Carry out a stocktake on the remaining assets, namely the Town Hall collection and Open Museum, and
  - Develop an annual stocktake policy
- Management have reviewed and assessed the impact of the new Australian equivalents to International Financial Reporting Standards (AIFRS). We will audit the Council's AIFRS opening balances in the coming months. The major impact of AIFRS on the Council's financial report appears to be:
  - reclassifying assets deemed to be investment property as current assets, and recognising subsequent movements in their value through the Profit and Loss Statement
  - recognising in the Balance Sheet the Council's net asset/liability in defined superannuation schemes. The Council currently discloses its net asset by way of note, and
  - recognising future remediation costs as part of the cost of acquiring an asset.

#### Financial Results

Overall, the Council has again achieved a positive financial result. The Council recorded an operating surplus from ordinary activities of \$109.6 million. This compares favourably against the 2003-04 result of \$92.7 million. The operating surplus was also \$36.9 million higher than budget. The Council is forecasting a net surplus of \$64.8 million for 2005-06, with a capital works program of \$173.8 million.

FINANCIAL INFORMATION	2005 \$m	%	2004 \$m	%
<b>Revenue Items</b>				
Business Rates	141.8	38.6	133.3	38.2
Residential Rates	31.4	8.5	30.0	8.6
Annual Charges	18.8	5.1	17.0	4.9
Parking fines revenue	29.0	7.9	26.9	7.7
Parking meter revenue	16.5	4.5	16.1	4.6
Grants and Contributions	21.9	6.0	31.2	8.9
Building & Development Fees	14.4	3.9	12.3	3.5
Commercial property rents	33.8	9.2	29.7	8.5
Investment Revenues	20.0	5.4	14.5	4.2
Other	40.4	10.9	38.1	10.9
<b>TOTAL REVENUE</b>	<b>368.0</b>	<b>100.0</b>	<b>349.1</b>	<b>100.0</b>
<b>Expense Items</b>				
Employee Costs	106.0	41.0	109.4	42.7
Depreciation	39.0	15.1	41.5	16.2
Other Expenses	60.6	23.5	53.9	21.0
Materials & Contracts	52.8	20.4	51.6	20.1
<b>TOTAL EXPENSES</b>	<b>258.4</b>	<b>100.0</b>	<b>256.4</b>	<b>100.0</b>

Rates contributed 47.1 per cent (46.8 per cent in 2003-04) of the Council's revenue. The increase in total revenue was largely due to an increase in rates revenue and investment income. The deferrals in the capital works program meant the Council had greater cash on hand to invest during the year, thus resulting in higher investment income. Total expenses for 2004-05 were consistent with the prior year.

#### Statement of Financial Position

	2005 \$m	2004 \$m	Increase (Decrease) \$m	% Increase (Decrease)
Net Assets	3405.7	3296.1	109.6	3.3
Total Current Assets	369.0	312.1	56.9	18.2
Total Non-Current Assets	3143.9	3086.1	57.8	1.9
Total Current Liabilities	69.0	60.6	8.4	13.9
Total Non-Current Liabilities	38.2	41.5	(3.3)	(8.0)

Assets included cash of \$342.1 million (\$259.9 million at 30 June 2004). The unrestricted portion of cash and investments was \$278.8 million (\$194.7 million). The Council will use some of this unrestricted cash to fund the capital works program in 2005-06.

The Council's current ratio, a measure of its liquidity, has remained static over the last two years. At 30 June 2005, the Council's current ratio was 5.35:1 (5.15:1). The City of Sydney's financial position is considered to be sound and stable.

The written down value of property, plant and equipment was \$3.1 billion (\$3.1 billion) and included land valued at \$1.8 billion (\$1.8 billion). The remainder related to buildings, infrastructure and other assets.

Current liabilities of \$69.0 million (\$60.6 million) included provisions, \$14.9 million (\$16.7 million). The City of Sydney had no borrowings.

### Performance Indicators

	2005 %	2004 %
Unrestricted Current Ratio	4.8:1	4.6:1
Debt Service Ratio	0	0
Rate & Annual Charges Coverage Ratio	52.2	52.1
Rates & Annual Charges Outstanding Ratio	4.7	4.2

The Council's unrestricted current ratio of 4.78:1 is well above the recommended range of 2:1. The debt service ratio is nil reflecting the fact that Council has no external debt. The rates coverage ratio remained consistent. The rates outstanding ratio increased to 4.7 per cent (4.2 per cent). This was due to a late supplementary levy of \$2.6 million, which was due but not payable by ratepayers as at 30 June 2005. Excluding this supplementary levy, the outstanding ratio at 30 June 2005 is 3.3 per cent.



R J Sendt  
Auditor-General

31 October 2005





Sydney Life, Art & About.



# Special Purpose Financial Statements

for the year ended 30 June 2005

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## Statement by Councillors and Management made pursuant to the Local Government

The attached Special Purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the:

- NSW Government Policy Statement *Application of National Competition Policy to Local Government*
- Department of Local Government guidelines *Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality*.
- The Department of Energy, Utilities and Sustainability *Best Practice Management of Water Supply and Sewerage* guidelines.

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

- Present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- Accord with Council's accounting and other records:

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

Signed in accordance with a resolution of Council made on 31 October 2005.



Clover Moore  
*Lord Mayor*



Robyn Kemmis  
*Councillor*



Peter Seamer  
*Chief Executive Officer*



Bill Carter  
*Finance Manager*

**Statement of Financial Performance by Business Activities**  
for the year ended 30 June 2005

	Business activities					
	Actual commercial property rents \$'000		Actual parking stations \$'000		Actual Town Hall management \$'000	
	2005	2004	2005	2004	2005	2004
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>						
Employee costs	761	1,092	518	478	1,392	1,353
Materials and contracts	5,447	4,454	1,190	789	113	136
Borrowing costs	–	–	–	–	–	–
Depreciation and amortisation	1,712	2,024	–	685	–	–
Other operating expenses	4,061	2,460	2,314	2,465	178	144
Loss on disposal of assets	–	–	–	–	–	–
Taxation equivalent payments	310	390	–	29	84	81
<b>Total</b>	<b>12,291</b>	<b>10,420</b>	<b>4,022</b>	<b>4,446</b>	<b>1,767</b>	<b>1,714</b>
<b>REVENUE FROM ORDINARY ACTIVITIES</b>						
Rates and annual charges	–	–	–	–	–	–
User charges and fees	453	426	9,018	8,787	1,907	1,756
Interest received	–	–	–	–	–	–
Grants and contributions – operating	–	–	–	–	–	–
Other operating revenues	33,822	30,210	–	–	–	–
Gain on disposal of assets	–	–	–	–	–	–
<b>Total</b>	<b>34,275</b>	<b>30,636</b>	<b>9,018</b>	<b>8,787</b>	<b>1,907</b>	<b>1,756</b>
<b>ORDINARY ACTIVITIES RESULT BEFORE CAPITAL AMOUNTS</b>	<b>21,984</b>	<b>20,216</b>	<b>4,996</b>	<b>4,341</b>	<b>140</b>	<b>42</b>
Corporate taxation equivalent	6,595	6,065	1,499	1,302	42	13
<b>SURPLUS (DEFICIT) FOR YEAR</b>	<b>15,389</b>	<b>14,151</b>	<b>3,497</b>	<b>3,039</b>	<b>98</b>	<b>29</b>
<b>OPENING RETAINED PROFITS</b>	<b>93,603</b>	<b>72,997</b>	<b>22,058</b>	<b>17,688</b>	<b>832</b>	<b>491</b>
Adjustments to NBV Assets at 30 June 2002						
Adjustments for amounts unpaid:						
– Taxation equivalent payments	–	390	–	29	–	81
– Corporate taxation equivalent	6,595	6,065	1,499	1,302	42	13
<b>CLOSING RETAINED PROFITS</b>	<b>115,587</b>	<b>93,603</b>	<b>27,054</b>	<b>22,058</b>	<b>972</b>	<b>614</b>
<b>RETURN ON CAPITAL (%)</b>	<b>11.47%</b>	<b>11.19%</b>	<b>48.53%</b>	<b>43.43%</b>	<b>23.65%</b>	<b>25.00%</b>



**Statement of Financial Position by Business Activities  
as at 30 June 2005**

	Business activities					
	Actual commercial property rents \$'000		Actual parking stations \$'000		Actual Town Hall management \$'000	
	2005	2004	2005	2004	2005	2004
<b>CURRENT ASSETS</b>						
Cash assets						
Investment securities						
Receivables	243	2,407	188	840	412	
Inventories					49	
Other – inter entity debtor				4,765		
Other			93	28		
<b>Total current assets</b>	<b>243</b>	<b>2,407</b>	<b>281</b>	<b>5,633</b>	<b>461</b>	
<b>NON-CURRENT ASSETS</b>						
Cash assets						
Investment securities						
Receivables						
Inventories						
Other						
Due from Council			18,024	7,440		1,580
Property, plant and equipment	191,640	180,605	10,294	9,995	592	168
<b>Total non-current assets</b>	<b>191,640</b>	<b>180,605</b>	<b>28,318</b>	<b>17,435</b>	<b>592</b>	<b>1,748</b>
<b>Total assets</b>	<b>191,883</b>	<b>183,012</b>	<b>28,599</b>	<b>23,068</b>	<b>1,053</b>	<b>1,748</b>

	Business activities					
	Actual commercial property rents \$'000		Actual parking stations \$'000		Actual Town Hall management \$'000	
	2005	2004	2005	2004	2005	2004
<b>CURRENT LIABILITIES</b>						
Payables	1,750	2,190		691		768
Interest bearing liabilities						
Other – inter entity creditor		33,749				
Provisions	5	345		98	7	120
<b>Total current liabilities</b>	<b>1,755</b>	<b>36,284</b>		<b>789</b>	<b>7</b>	<b>888</b>
<b>Non-current liabilities</b>						
Due to Council	74,432	52,644	1,545		56	
Payables		28		21		
Interest bearing liabilities						
Provisions	109	453		200	18	246
<b>Total non-current liabilities</b>	<b>74,541</b>	<b>53,125</b>	<b>1,545</b>	<b>221</b>	<b>74</b>	<b>246</b>
<b>Total liabilities</b>	<b>76,296</b>	<b>89,409</b>	<b>1,545</b>	<b>1,010</b>	<b>81</b>	<b>1,134</b>
<b>NET ASSETS</b>	115,587	93,603	27,054	22,058	972	614
<b>EQUITY</b>						
Accumulated surplus	115,587	93,603	27,054	22,058	972	614
Asset revaluation reserve						
<b>Total equity</b>	<b>115,587</b>	<b>93,603</b>	<b>27,054</b>	<b>22,058</b>	<b>972</b>	<b>614</b>

This statement is to be read in conjunction with the accompanying notes.

## Notes to and forming part of the Financial Statements for the year ending 30 June 2005

### Note 1 – Significant accounting policies

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

These financial statements are a SPFR prepared for use by the Council and Department of Local Government. For the purpose of these statements, the Council is not a reporting entity.

This SPFR, unless otherwise stated, has been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, The *Local Government Act 1993* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The statements are prepared on an accruals basis. They are based on historical costs and do not take into account changing money values or current values of non-current assets. Council has now deemed all of its property, plant and equipment, with the exception of 'land under roads', to be 'at cost', being the carrying value of those assets as at 30 June 2005, in accordance with the transitional provisions of AAS 30 Revaluation of Non-current Assets, paragraph 10.4 (a). Land under roads has not been valued and has been excluded from this report.

Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

#### National competition policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the National Competition Policy which is being applied throughout Australia, at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the 'Application of National Competition Policy to Local Government'. The 'Pricing & Costing for Council Businesses – A Guide to Competitive Neutrality' issued by the Department of Local Government in July 1997 has been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or

financial reporting systems and include taxation equivalents; Council subsidies; return on investments (rate of return) and dividends paid.

#### Declared business activities

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

##### Category 1

Name	Brief description of activity
Commercial Property Rents	Commercial rental portfolio
Goulburn Street Parking Station	Parking station

Category 1 businesses have a turnover greater than \$2 million.

##### Category 2

Name	Brief description of activity
Town Hall Venue Management	Management of Conference and Events Facility

Category 2 Businesses have a turnover less than \$2 million.

#### (i) Taxation equivalent payments

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs. However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council nominated business activities and are reflected in the SPFR. 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):

Tax type	Notional Rate 1/7/04 – 30/6/05
Land tax	\$100 for \$260K + 1.7% > \$260K
Payroll tax	6.0%

#### Income tax

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good

or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30 per cent.

Income tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional, that is, it is payable to the 'Council' as the owner of the 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 General Purpose Financial Report. The rate applied of 30 per cent is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations which have occurred during the year.

#### **Local government rates and charges**

Rates and charges for all businesses included within the Special Purpose Financial Reports, have been applied to all assets exclusively used by the business activity.

#### **Loan and debt guarantee fees**

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and the Council's borrowing rate for its business. As at 30 June 2005, all Council businesses were assumed to be debt free.

#### **(ii) 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. Council policy is not to subsidise any losses of its business activities. Business activities are required to recover their losses from future profits.

#### **(iii) Return on investments (rate of return)**

The Policy statement requires that Councils with Category 1 businesses would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field. Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Statement of Financial Performance by Business Activities and Statement of Financial Position by Business Activities. Calculation of Return on Capital has been revised from that outlined in the Pricing and Costing Guidelines issued in July 1997. The revised formula is: (Gain/(Loss) from ordinary activities before Capital amounts + Interest expense) divided by

(Total Written Down Value of Property, Plant and Equipment)

The revised formula has been used in all rate of return calculations including prior financial year.

#### **(iv) Dividends**

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities. Consequently, any form of dividend payment is purely notional. Dividend payments to Council are also restricted to those activities which do not levy special rates or charges (water, sewer, domestic waste management).

Council only operates one restricted activity, Domestic Waste Management (DWM). The *Local Government Act 1993* required that all operating surpluses or deficits of these funds are credited/debited to the equity of those funds.

#### **(v) Equity**

Council has assumed that 'Equity' for the Business Activities is solely the 'Closing Retained Profits' of the business. This is derived from the Statement of Financial Performance for the Business Activity for all periods from the inception of the requirement to report on Business Activities. Council has assumed that there was no opening equity for any business prior to the first reporting year for the Special Purpose Financial Statements.

#### **(vi) Bank account**

As the business activities do not have a bank account, a payable (receivable) to (from) Council is disclosed in the Statement of Financial Position.



GPO BOX 12  
Sydney NSW 2001

## INDEPENDENT AUDIT REPORT

Council of the City of Sydney

To the Lord Mayor and Councillors

### Audit Opinion

In my opinion, for the year ended 30 June 2005:

- (a) The Council's accounting records have been kept in accordance with Division 2, Part 3, Chapter 13 of the *Local Government Act 1993*.
- (b) The special purpose financial report of the Council of the City of Sydney -
  - (i) has been prepared in accordance with the requirements of the aforementioned Division
  - (ii) is consistent with the Council's accounting records
  - (iii) presents fairly in accordance with applicable Accounting Standards and other mandatory professional requirements the Council's financial position as at 30 June 2005 and the results of its operations by business activity.
- (c) All information relevant to the conduct of the audit has been obtained.
- (d) There are no material deficiencies in the accounting records or financial report that have come to light in the course of the audit.

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

### The Lord Mayor and Councillors' Role

The special purpose financial report is the responsibility of the Lord Mayor and Councillors. It consists of the statement of performance of business activities, the statement of financial position by business activities and the accompanying notes.

The special purpose financial report has been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the Council's requirements under the National Competition Policy.

### The Auditor's Role and the Audit Scope

As required by the *Local Government Act 1993*, I carried out an independent audit to enable me to express an opinion on the special purpose financial report. My audit provides *reasonable assurance* to the Lord Mayor and Councillors that the special purpose financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Lord Mayor and Councillors in preparing the special purpose financial report; and
- examined a sample of the evidence that supports
  - (i) the amounts and other disclosures in the special purpose financial report, and
  - (ii) compliance with accounting and associated record keeping requirements under the *Local Government Act 1993*.

An audit does *not* guarantee that every amount and disclosure in the special purpose financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the special purpose financial report or indicate that the Lord Mayor and Councillors had not fulfilled their reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Council,
- that the Council has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- that the accounting policies used and described in Note 1, are appropriate to the needs of the Lord Mayor and Councillors.

#### Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements.



R J Sendt  
Auditor-General

SYDNEY  
31 October 2005







# Appendix

## City Of Sydney Corporate Plan 2005/07 – Fourth Quarter Performance Indicators

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## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### City Environment Planning

#### 1. Objective: To provide an efficient and timely DAs assessment process\*.

Quantifiable actions	Performance indicators	Target 2004/05	YTD at Q4	Comment
Provide high quality and efficient planning assessment process	Average DA processing time	38 days	39.4 days	Processing times progressively improving and nearing target
	% of fast track DA processing within 15 day timeframe	85%	85.6%	Target achieved
	Average notification time for DA applications	5 days	7.5 days	The procedural cause of notification delays has been identified. Steps have been taken to remedy the problem and it is expected that notification times will meet the target in 2005/06

\* All days referred to are business days.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comment
Prepare a revised and improved comprehensive set of DA conditions of consent, consolidating conditions from the new boundary areas	Mid 2004	Early to Mid 2005	Draft complete	To be reported to Council in Q2 2005/06.
Update the City Development Procedures Manual to foster consistency in approach	Mid 2004	Early to Mid 2005	Urgent systems reforms package advanced during 2004/05	Have established an online Procedures Manual
Prepare a development assessment package to assist applicants and residents to understand the development assessment process	Mid 2004	Early to Mid 2005	Final draft being reviewed within Council	New DA lodgement information and DA form complete. This includes current requirements for online lodgement of plans, which has been successful

## City Environment Environment

### 2. Objective: To improve the natural and built environment.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comment
Develop a Waste Strategy	2003/04	June 2005	Not initiated	To be incorporated within the Environment Management Plan being developed in response to Environmental Leadership Focus Area.
Develop a Water Strategy	2003/04	June 2005	Consumption data obtained, some actions underway	As above
Develop a Natural Biodiversity Strategy	Mid 2004	June 2006	Not initiated	As above
Develop an Air Quality and Transport Strategy	Mid 2004	June 2006	Not initiated	As above
Implement Greenhouse Action Plan	2003/04	Ongoing	Consumption data obtained, some actions underway	As above
Implement Stormwater Management Plan	2003/04	Ongoing	Some actions underway	As above
Clean Up Australia Day and World Environment Day Programs	2003/04	Ongoing	On target	City supported Clean Up Australia Day in Q3. Successful World Environment Day Event held in Martin Place and NSCs in Q4.

### 3. Objective: To protect and enhance community health through the enforcement of legislative requirements and approvals.

Specific projects	Progress at Q4	Comments
Ongoing annual inspection of cooling towers, beauty salons and hairdressers	Cooling towers – 92% Beauty salons/hair dressers – 83%	Large numbers of regulated premises which were not apparent following the amalgamation have been discovered requiring registration/inspection. This has negatively impacted on inspection system operation. The licensing system is being reviewed to facilitate a more effective inspections allocation regime. New cooling towers have been identified that were not transferred across in the amalgamation.
Ongoing twice yearly inspection of skin penetration premises, food premises and boarding houses	Skin penetration – 81% Food premises – 73% Boarding houses – 88% Sex industry premises – 96%	As above
Ongoing twice yearly inspection and chemical testing of public swimming pools and spas	Public swimming pools/spas – 100%	Twice yearly inspections conducted on all registered pools and spas

## City Environment Regulatory compliance

### 4. Objective: To ensure legislative compliance with regard to Clean Up Notices

Specific projects	Comments
Maintain Clean Up Notices – Ongoing program	Implemented

## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### 5. Objective: To ensure legislative compliance with *The Roads Act* to ensure public safety and traffic flow.

Specific projects		Progress at Q4		Comments
Continued training of City Rangers in all ordinance enforcement		100%		Training completed for relevant staff.
Quantifiable actions	Performance indicators	Target 2004/05	YTD at Q4	Comment
Improve traffic flow by ensuring roads are free from illegal parking	% of cars parked legally	90%	No audits done	As yet, no audits conducted to determine % of cars parked illegally.

### 6. Objective: To introduce efficiencies in the issuing and processing of infringement notices.

Specific projects	Target 2004/05	Estimated completion date	Comment
Implement hand held/mobile infringement issuing technology	December 2004	September 2005	Trial complete. Report to CEO by July 2005.

### 7. Objective: To promote high visibility parking enforcement with NSW Police

Specific projects	Progress at Q4	Comment
Conduct monthly parking operations in conjunction with NSW Police throughout the LGA	Ongoing	Operations continue every month.

### 8. Objective: To provide enforcement support to the City's new Companion Animals Management Plan

Specific Projects	Progress at Q4	Comment
Ongoing enforcement of The Companion Animals Act provisions via the City's Companion Animals Management Plan	Plan not released	Draft Companion Animals Management Plan is currently being prepared for public exhibition and comment.

### 9. Objective: To ensure all Annual Fire Safety Statements (AFSS) from former SSCC and LMC areas are furnished to Council.

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Notification of AFSS due date to be sent to building owners	% of notification letters sent three months before due date	100%	100%	90%	New system and training of new staff have slowed down the process.
Collection of compliant AFSS furnished to Council	% submitted by the due date	75%	90%	80%	Legal action/fines imposed on businesses failing to meet deadlines.
Legal action for failure to furnish AFSS	Legal action taken on non-compliant premises	90%	100%	100%	Achieved.
Recording of former SSCC and LMC AFSS information	Create records on database for follow-up of AFSS	90%	100%	90%	New system and training of new staff have slowed down the process.

**10. Objective: Fire upgrading of deficient Essential Fire Safety Measures in high rise residential apartment buildings.**

Specific projects	Progress at Q4	Comment
Ensure Essential Fire Safety Measures in high rise residential apartment buildings comply with the required standards	75%	Ongoing. Not a City requirement to inspect privately certified construction.

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Identify high rise residential apartment buildings that have deficient Essential Fire Safety Measures	Inspect and confirm affected buildings	100%	100%	100%	Achieved
	Rectification works commenced to rectify defective Essential Fire Safety Measures	100%	100%	90%	Legal action pending

**11. Objective: Cease use of unauthorised serviced apartments.**

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Unauthorised serviced apartments cease operation	All identified unauthorised serviced apartments are served Orders to cease use	100%	100%	90%	Legal action pending

## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### 12. Objective: To provide an effective and efficient certification processing service.

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Ensure that application processing is carried out in a timely manner	Average processing time for s.68 approvals eg. places of entertainment and temporary dwellings	10 days	10 days	10.7 days	Increase in mandatory inspections has redirected resources.
	Average processing time for construction certificates	14 days	14 days	12.7 days	Achieved
	Average processing time for joint development construction certificates	3.5 days	3.5 days	5.1 days	Increase in mandatory inspections has redirected resources leading to an increase in the processing time.

### City Infrastructure Major infrastructure works

### 13. Objective: To provide quality urban design and community facilities.

Specific projects	Starting date	Estimated completion date	Progress at Q4	Comment
Gateway Projects	2003	—	—	This refers to the Oxford Street and Broadway projects, which are detailed separately below.
Ultimo Aquatic Centre	2003	January 2007	30%	Construction commenced in January 2005.
Goulburn Street Parking Station Upgrade	Mid 2004	December 2006	5%	Strategy to be agreed.
Redfern Street Upgrade	Mid 2004	Mid 2007	6%	Construction due to commence in March 2006.
Victoria Park Pool Upgrade	Mid 2004 March 2005	October 2006 September 2006	50% 5%	Construction commenced March 2005. Pool works to be completed by October 2006. Additional room for gym and programs approved by Council in March 2005.
Customs House Upgrade	2003	September 2005	95%	Construction complete. Finalisation of AV and defects rectification.
Green Square Urban Renewal Project	2003	—	—	Green Square Town Centre planning controls and Implementation Entity Model reviewed with joint Council/CSPC Taskforce. Draft LEP currently being finalised.
Glebe Foreshore Project	Mid 2004	September 2006	9%	Stage 1 complete. Review of site contamination reports for Stage 2 underway.
Sydney Park	Mid 2004	2009	62%	There are a number of small ongoing projects throughout the park
Surry Hills Park	Mid 2004	September 2006	5%	Construction is due to commence in November 2005
Kings Cross Neighbourhood Service Centre	2003	October 2005	95%	Façade rectification and defects still to be completed
Burton Street Tabernacle	Mid 2004	December 2007	–	Additional feasibility study being undertaken
Water Police Site Pyrmont Point	Mid 2004	January 2008	–	Land transfer completed. Initial community consultation to commence July/August 2005

## City Infrastructure Streetscape

### 14. Objective: To improve the ambience of the City.

Specific projects	Start date	Progress at Q4	Comment
Design, development and delivery of the Living Colour Floral displays	Ongoing	Ongoing	Design and development addressed for upcoming spring displays.
Delivery of the City Care Street Trees – New Packages	Ongoing	Ongoing	Preparative works completed and winter plantings commenced.
Darlinghurst Road, Gateways Project	2003/04	100%	Complete
Oxford Street Gateways Project	2003/04	35%	Construction commenced in October 2004. Completion due in March 2006
Broadway Gateways Project	2003/04	—	Deferred to 2006/07

## City Infrastructure Asset management

### 15. Objective: To manage and maintain the City's infrastructure assets.

Specific projects	Q4 result	Comment
Planning, management and performance of condition assessment of the City's infrastructure assets.	Progressive audits undertaken of LGA.	Precinct based audits of civil infrastructure assets undertaken on a daily basis. Strategic Asset Management identified as four year objective in 2006-2009 Strategic Plan. Framework and policy development commenced, programmed for completion in 2005/06.

## City Infrastructure Transport, traffic and access

### 16. Objective: To reduce congestion and improve traffic flow within the City road network.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments		
Upgrade parking meters	Mid 2004	Early to mid 2005	100%	Installation complete apart from minor restoration work		
Assessment of possible light rail extension from Central to Circular Quay	2003/04	March 2004	100%	Assessment complete		
Quantifiable actions	Performance indicators		Result 2003/04	Target 2004/05	YTD at Q4	Comments
Cap the number of parking spaces available for permanent parking	% of spaces available for permanent parking		–	40%	40%	On target

### 17. Objective: To improve disabled access within the City.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Installation of kerb ramps at all major CBD intersections	2003/04	Ongoing	50%	Steady progress being made
Installation of Braille street nameplates at all CBD traffic signal locations	2003/04	June 2006	75%	Stage 1, 2 and 3 complete. Final stage in 2005/06
Completion of all actions outlined in the City's Action Plan for People with Disabilities 2002 – 2005	2003/04	December 2005	70%	On track, some elements delayed due to amalgamation

## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### City Facilities Aquatic and leisure centres

18. Objective: To provide a broad range of quality aquatic-based sport and leisure opportunities for people in the City.

Specific projects	Start Date	Estimated completion date	Comments			
Ultimo Aquatic Centre development	2003	January 2007	30% complete. Construction commenced in January 2005.			
Quantifiable actions	Performance indicators		Result 2003/04	Target 2004/05	YTD at Q4	Comments
Provide a broad range aquatic-based sport and leisure programs at each of the City's aquatic centres	Annual attendance figures at Cook + Phillip Park		580,000	600,000	598,000	99.7% of target achieved
	Annual attendance figures at Andrew 'Boy' Charlton Pool		125,000	135,000	123,000	91% of target achieved
	Annual attendance figures at Prince Alfred Park Pool		40,000	52,000	47,000	90% of target achieved
	Annual attendance figures at Victoria Park Pool		240,000	245,000	163,000	Lower attendances attributed to maintenance and building works
	Annual attendance figures at Ultimo Aquatic Centre		N/A	N/A	N/A	The centre is currently under construction and is due for completion by January 2007

## City Facilities Cultural venues

19. Objective: To provide a quality Town Hall venue that is utilised to its maximum potential and achieves customer satisfaction.

Specific projects	Start Date	Estimated completion date	Progress at Q4	Comments		
Sydney Town Hall Refurbishment Program – upgrade to lift and toilet facilities	2003/04	Sept 2005	80%	Works are being completed, including Druitt Street entry and access.		
Centennial Hall Gallery – seating replacement and technical upgrade program	2004/05	Sept 2006	0%	Project brief is being developed.		
Quantifiable actions	Performance indicators		Result 2003/04	Target 2004/05	YTD at Q4	Comments
Actively promote the use of Sydney Town Hall	Number of patrons attending events at Sydney Town Hall		185,242*	190,000	237,135	Above target for total attendance
	% utilisation of Centennial Hall (based on total hours occupied)		61%	65%	55%	Lower occupancy due to delays in completing the refurbishment
Achieve a desirable mix between event types at Sydney Town Hall	Number of community and civic and Council events held annually		142	170	240	Council, internal and community attendance was 31,961
	Number of commercial events held annually		139	185	185	Commercial attendance was 205,174
To ensure that venue hirers are satisfied with the services provided	% of customer questionnaires returned with good or excellent overall ratings		92%	95%	100%	There were 42 questionnaires returned in 2004/05, compared to 44 in 2003/04
	% of events (other than internal) that involved repeat hirers		76%	90%	59%	Marketing activities resulted in an increase in new business, which decreased the level of repeat hirers

\* The venue was closed for refurbishment between 1 July-30 September 2003.

20. Objective: To provide a quality Recital Hall that is utilised to its maximum potential and achieves customer satisfaction.

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Actively promote the use of the City Recital Hall	Number of patrons attending events at City Recital Hall	100,000	105,000	127,065	Achieved above target due to program attractiveness and high single ticket sales.
	% utilisation of the City Recital Hall (based on total number of events)	43%	48%	50%	Achieved target.



## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### 21. Objective: To provide a quality Customs House that is utilised to its maximum potential and achieves customer satisfaction.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments		
Customs House refurbishment program	2003/04	September 2005	95%	Refurbishment complete. Finalisation of audio visual equipment and defects rectification.		
Customs House website development	2003/04	August 2005	95%	Customs House website to be launched in August 2005.		
Quantifiable actions	Performance indicators		Result 2003/04	Target 2004/05	YTD at Q4	Comments
Audience size	Number of people entering Customs House, measured by the Library, Town Hall Venue Management and Security		N/A	N/A	90% had positive Customs House experience	Year 1 figures to be used as benchmark. Visitor feedback based on visitor book, verbal responses and correspondence.
Monitor media coverage	Quantification and collation of media coverage/clippings		N/A	52	N/A	To commence public relations activities in spring 2005.
Depth of Exhibition and Cultural program	Number of exhibitions and cultural events.		N/A	12	N/A	Exhibition and cultural program will start in 2005/06. Public responses will be assessed.

### 22. Objective: To provide a quality Barnet Long Room at Level One, Customs House that is utilised to its maximum potential.

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Actively promote the use of the Barnet Long Room	% utilisation of the Barnet Long Room (based on hours available)	N/A	50%	N/A	Building opened in June 2005.
Achieve a desirable mix between event types in the Barnet Long Room	Number of community and civic events held annually	N/A	30	N/A	As above
	Number of commercial events held annually	N/A	140	N/A	As above

23. Objective: To provide a quality Paddington Town Hall that is utilised to its maximum potential and achieves customer satisfaction.

Specific projects	Start date	Estimated completion date	Progress at Q4		Comments
Relaunch of Paddington Town Hall to the market	Mid 2003	June 2005	Ongoing		New collateral, marketing initiatives in operation
Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Actively promote use of Paddington Town Hall	% utilisation of Paddington Town Hall (based on hours occupied)	5%	35%	38%	Higher than expected annual occupancy in first year of managing by Venues Unit
Achieve a desirable mix between event types at Paddington Town Hall	Number of community and civic events held annually	N/A	15	3	Lower than expected community, civic and internal use due to preference for Sydney Town Hall
	Number of commercial events held annually	18	106	39	Venue has a high multi-day event usage (eg. exhibitions, auctions, warehouse sales). This increases the occupancy, but decreases the number of events
To ensure that venue hirers are satisfied with services provided	% of customer questionnaires returned with a good or excellent overall response	N/A	95%	89%	There were nine questionnaires returned in 2004/05
	% of external events that involved repeat hirers	N/A	30%	36%	Repeat hirer level will increase as Venues Unit builds client base

#### City Facilities Libraries

24. Objective: To provide world class library resources for the community and public.

Specific Projects	Start Date	Estimated Completion Date	Progress at Q4	Comments
Establish a new library at Customs House	2003/04	June 2005	99%	Remaining works include the scissor lift, after hours book chute, balustrade height and signs
Undertake a major survey of library users and non-users to determine their needs and wishes	2003/04	June 2005	90%	Survey to be extended to include the newly opened Customs House Library
Improved facilities in Redfern/Waterloo	2003/04	June 2005	15%	Development in line with Library Network Review

#### City Facilities Parks and open spaces

25. Objective: To provide well maintained and safe parks and open spaces.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Upgrade of city playgrounds	2003/04	April 2006	60%	There are a number of parks being upgraded
Identify location and implement a skateboard facility	2003/04	June 2007	—	Strategy plan being developed
Completion of new park at Surry Hills	2003/04	September 2006	—	Construction is due to commence in November 2005

## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### City Facilities Recreation and community centres

#### 26. Objective: To provide access to community facilities and programs

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments	
Complete a Cultural Plan for the City LGA	Mid 2004	—	—	Cultural Plan has been deferred	
Conduct a Recreation and Open Space Audit for the City LGA	Mid 2004	End 2005	30%	Initial desktop study is being prepared. Schedule of existing areas completed	
Prepare a Community Facilities Plan for Redfern and Waterloo	Mid 2004	Mid 2006	—	Facilities Plan has been deferred pending the development of action plans by the Human Services Working Groups	
Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
To provide accessible community facilities (existing area)	Maintain numbers of sports competitions at KGV Recreation Centre (currently running at capacity)	79,000	79,000	81,390	Achieved. New futsal competition introduced in Q4
	% increase in other centres attendances	5%	5%	4%	Numbers remain steady on previous increases. June attendances lower due to a break in most programs
To ensure access to community facilities across the LGA	Increase attendances by identified priority groups	Benchmark year	5%	5%	Achieved. Programs at several centres target identified priority groups. Venue usage by identified groups also increased
Specific projects	Performance indicators	Progress at Q4	Comments		
To provide community development activities that identify and fill new needs	To provide at least 4 new activities each year	Complete	1. Aged Services Interagency to provide a coordinated approach to services for the aged. 2. Millers Point Youth Taskforce to provide activities and skills development for young people. 3. Woolloomooloo community barbecues bring together several community organisations and Juanita Nielsen Centre staff. 4.The Woolloomooloo Tweenies program has already seen an increase in attendance and improved relationships between staff and attendees.		

## City Community Children's services

27. Objective: To ensure a high level and adequate provision of quality child care services for the City of Sydney.

Specific projects	Start date	Estimated completion date	Progress at Q4
Review needs and increase baby places at Council-operated child care centres where applicable	Ongoing	Ongoing	Capital funds for refurbishment of Redfern Occasional Child Care and Alexandria Child Care Centre were approved in the 2005/06 budget. The design brief and scope of works are being developed
Complete Child Care (DCP) for improved quality of new child care facilities	2003/04	Ongoing	Draft Child Care Centres DCP awaiting outcome of Child Care Needs Assessment due Q1 2005/06
Review funding options for Council's children's services	Ongoing	Ongoing	The Rocks, Ultimo and Pyrmont Children's Programs now charging new fees and offering federally funded Child Care Benefit to all families

  

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Set up appropriate programs for children aged 5-14 years, outside school hours in Redfern/Waterloo	Number of new activities for 5-14 year olds in Redfern/Waterloo	1	1	1	The children's program, operating at Redfern Community Centre, continues to be well attended during after school and vacation care. Support is also provided to Kidspeak, which operates in the Waterloo Public Housing Estate for children aged 5-12 years.

## City Community Cultural affairs

28. Objective: To support and encourage cultural and community activities

Specific projects	Progress at Q4	Comments
Ongoing management and administration of Local Cultural and Community Grants Program	100%	Council approved 107 out of 192 applications (\$284,800) for grants for 2005/06.

## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### City Community Events

**29. Objective:** To undertake innovative events to enhance the City's reputation and stimulate its residents and visitors.

Specific projects	Progress at Q4	Comments
Undertake an ongoing program of events that are constantly reinventing themselves	100%	Key events included: NAIDOC Week Family Day at Redfern Park Garden Competition and Awards City Talks at Sydney Town Hall Winner's Recital for Sydney International Piano Competition Finals of Youth Fashion Competition Welcome Home Parade for Australia's Olympic and Paralympics Athletes Redfern Waterloo and Spanish Quarter Festivals Christmas Concerts and Tree Lighting Ceremony New Year's Eve celebrations Brass band concerts at Observatory Hill Chinese New Year celebrations Reception for the Crown Prince and Princess of Denmark to mark the unveiling of the bust of Hans Christian Andersen Nagoya Sister Cities Festival Primo Italiano Festival.

**30. Objective:** To support and encourage innovative cultural and community activities that build the City's reputation and a sense of community.

Specific projects	Progress at Q4	Comments
Ongoing sponsorship of cultural and other programs to contribute to a vibrant cultural environment	100%	See above, plus: City Night Markets Anzac Day Parade Kings Cross Food and Wine Fair Surry Hills Festival Sydney Writers' Festival Sydney Film Festival Walking the Streets.

### City Community Homelessness services

**31. Objective:** To improve the quality of boarding houses in the City area.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Development of a Boarding House Development Control Plan (DCP)	Mid 2003	Mid 2005	100%	Achieved. DCP completed and adopted by Council December 2004

**32. Objective: To assist the homeless to access appropriate accommodation and support services.**

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Homeless Persons Information Centre service	% of calls where overnight accommodation needs were met	90%	90%	91%	Achieved. Program delivered satisfactory outcomes.
Homeless Brokerage Program service	% of brokerage program clients finding stable long-term accommodation	60%	60%	81%	Achieved. Program delivered above satisfactory outcomes
City Street Outreach Program service	% of clients finding accommodation (long and short-term)	40%	40%	36.6%	Program delivering satisfactory outcomes.

**City Community Public affairs**

**33. Objective: To provide information to residents and ratepayers regarding community events and activities.**

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Production and development of resident and ratepayer information and newsletter program (external)	Ongoing	Bi-monthly	April June editions	Six editions published and distributed. In Q4 April and June editions were distributed to all residents, mailed to over 12,500 businesses, internally to staff and electronic version to approximately 1,800 subscribers.
Undertake a Reputation Measurement Survey (internal and external)	July 2004	June 2006	–	To be undertaken by the new Service and Quality Planning Division in 2005/06
Undertake a Banner Program	July 2004	July 2005	–	Ongoing

  

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Actively promote the use of the Banner Program	% increase in banner usage by external parties	10%	10%	5.28%	An increase of 481 on last year's 9,104. Electronic banner booking system developed to track banner usage. Banner marketing kit developed and distributed.
	% increase in banner revenue by external parties	10%	10%	20%	Achieved. Revenue increased.
Undertake Reputation Measurement Survey	% of community happy with services provided by Council	80%	80%	–	Surveys on hold pending formation of new Service and Quality Planning Division.
	% of community happy with community meetings and accessibility to Council staff	80%	80%	–	New format for Lord Mayor's Forums proving successful. Surveys to be undertaken by the new Service and Quality Planning Division.

## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### City Community Retail strategies

**34. Objective:** To pro-actively market the City as a retail, dining and leisure destination.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Develop an Annual Marketing Plan for Sydney City Marketing (SCM) program	Ongoing	Ongoing	Ongoing	Adopted the 2004/05 SCM Plan in July 2004. Achieved the 2004/05 SCM Plan program.
Identify and develop precinct marketing support for City precinct areas such as Kings Cross, Glebe and Oxford Street, Darlinghurst	Mid 2004	Mid 2005	Draft completed and undergoing consultation	Business and Community Partnership Program has been developed for Council's consideration
Continue to foster positive relationships with tourism agencies as part of overall marketing activities	Ongoing	Ongoing	Ongoing	City participated in Destination Sydney Marketing Forum attended by key government agencies

### City Community Safe city

**35. Objective:** To work with external agencies to ensure a safe City environment.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Development of protocol between the City and NSW Police, underpinning the referral process for DAs as part of crime prevention through environmental design	2003/04	Q4 2005/06	80%	Protocol completed and awaiting CEO and Police Headquarters' sign off.
Redevelopment of the City's Accord with Licensed Premises	Ongoing	Q4 2006/07	100%	Launched City North and Surry Hills Licensing Accords. Continued to assist in the development of Newtown and Glebe Accords.
Development and implementation of the City's strategy to suspend begging in consultation with the community, retailers, State Transit and NSW Police	2003/04	Q4 2005/06	—	Stakeholder group met and developed an information strategy. Report is to be presented to Council for resolution and possible implementation.

  

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD Q4	Comment
Implementation of crime prevention programs in licensed premises	Number of crime prevention programs run each year	1	2	2	Promotion of 'Stop Theft' and 'Gone in a Flash' campaigns.

**36. Objective:** To develop and maintain a safe public domain.

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Investigate the implementation of CCTV cameras into Kings Cross, Darlinghurst and Glebe	2003/04	September 2005	98%	Internal review of CCTV underway
Upgrade City lighting, including the introduction of Smartpoles to Oxford Street, Kings Cross and Broadway and investigate in newly amalgamated areas	2003/04	December 2005	88%	Public domain lighting strategy covering City LGA has been prepared. Lighting upgrades implemented at 70 sites during the year.

### 37. Objective: To improve safety within the community

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Development of primary and early intervention strategies including recreational, school-based, vocational and parental targeted programming	Ongoing	2006/07	60%	Activities increased in Redfern/Waterloo through community centre.
Resident safety information strategy incorporating factsheets, booklet and web information	Ongoing	2005/06	100%	Achieved. Resident safety tip brochure and web content completed.
Resident safety education targeting the City's culturally and linguistically diverse communities	Ongoing	2006/07	70%	Identified topic areas requiring translated material.
Implement the Redfern/Waterloo Community Safety Plan	Ongoing	December 2006	60%	Ongoing
Safety education targeting key events (eg. New Year's Eve, Chinese New Year, Sydney Gay and Lesbian Mardi Gras)	Ongoing	N/A	70%	Continued to jointly distribute safety messages with the NSW Police.

### City Community Social planning

### 38. Objective: To provide Council with relevant, timely and rigorous social policy and planning.

Specific Projects	Start date	Estimated completion date	Progress at Q4	Comments
Prepare and implement City of Sydney Social Policy and Plan	Q3 2004/05	November 2005	75%	Community consultation to be undertaken in Q1 2005/06, with final plan submitted to Department of Local Government by 30 November 2005.
Prepare and implement City of Sydney Affordable Housing Strategy.	Q2 2004/05	June 2006	50%	Strategy has been delayed due to its relocation to the Strategic Planning and Project Development Division. Revised timeframe for completion currently being developed.
Review City of Sydney Homelessness Strategy with homelessness services sector.	Q2 2004/05	December 2005	80%	Still in development stage and research is being completed. To be presented in late 2005.
Undertake a Community Facilities Needs Assessment for the City of Sydney area.	Q2 2004/05	December 2005	50%	Integrated community facilities planning for the new LGA has commenced.
Undertake Child Care Needs Assessment for the City of Sydney area with children's services sector.	Q2 2004/05	December 2005	75%	Needs Assessment completed. Draft report currently being finalised.
Develop Redfern/Waterloo Cultural Plan	Q2 2004/05	—	—	Council is waiting on the development of action plans by the Human Services Review Working Groups, which will inform the Cultural Plan.



## Appendix – City of Sydney Corporate Plan 2005/07 – 4th Quarter Performance Indicators

### City Services Clean city

**39. Objective: To provide a waste management service that promotes and encourages minimisation and manages waste in the most environmentally and economically responsible manner.**

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Increase recycling in the community	Weight of non-recyclable waste collected per capita per annum	218 kg	209 kg	267kg	Achieved. The increase from former City of Sydney non-recyclable waste has been offset by a larger increase in recycling.
	Weight of recyclable waste collected per capita per annum	52 kg	53 kg	83.2kg	Achieved. Diversion of waste from landfill has exceeded expectations.
Active monitoring and management of service levels and providers	% of domestic waste issues/ complaints actioned within 24 hours	N/A	95%	90%	Figure based on reconciled external provider responses.
	Cost of domestic waste service per household per year	\$255	\$200	\$228	Average domestic waste revenue per household as per rates data.

### City Services Customer service

**40. Objective: To provide an effective advisory and information service that meets customers' needs.**

Specific projects	Start date	Estimated completion date	Progress at Q4	Comments
Integrate former City and South Sydney customer service business systems	Q2 2004/05	November 2004	100%	Integration completed.
Develop customer service training curriculum	Q2 2004/05	December 2005	50%	Initial curriculum developed. Curriculum content to be further developed by external training provider following appointment of Customer Service Manager
Train customer service staff in integrated customer service business system	Q4 2004/05	Ongoing	Ongoing	Ongoing. Over 250 staff trained in new Customer Service Module, which commenced roll out in June 2005
Develop and implement regular staff and management meetings for customer service points, including briefings from other business units	Q4 2004/05	Ongoing	Ongoing	Ongoing
Develop customer service information collection and distribution systems	Q2 2005/06	June 2006	30%	A new Customer Service Module has been developed. Roll-out commenced in June 2005 across initial areas of Council.

  

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Prompt response to customer queries	% of calls answered within 20 seconds	75%	80%	75%	Refers to switch response times only
	% counter service customers waiting more than five minutes	20%	20%	33%	Service review pending appointment of Manager Customer Service
Counter customer satisfaction with service quality	% of customers satisfied service quality	80%	80%	N/A	Satisfaction survey pending appointment of Manager Customer Service

City Organisation Governance

41. Objective: To provide cost effective corporate support services to Council.

Quantifiable actions	Performance indicators	Result 2003/04	Target 2004/05	YTD at Q4	Comment
Minimise the cost of corporate support service to Council	% of corporate costs to total costs	< 20%	< 20%	19%	Achieved

## Notes

# Contact the City

## General enquiries and after hours assistance

Telephone 02 9265 9333

(24 hours, 7 days per week)

TTY 02 9265 9276

(for the hearing impaired)

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

[www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

## Postal address

GPO Box 1591

Sydney NSW 2001

## Street address

Town Hall House

456 Kent Street

Sydney NSW 2000

## One Stop Shop

Level 2, Town Hall House

456 Kent Street

Sydney NSW 2000

Telephone 02 9265 9333

[council@cityofsydney.nsw.gov.au](mailto:council@cityofsydney.nsw.gov.au)

Monday to Friday 8am to 6pm

## Neighbourhood Service Centre Redfern

Tower 2, 1 Lawson Square

Redfern NSW 2012

Telephone 02 9265 9333

[council@cityofsydney.nsw.gov.au](mailto:council@cityofsydney.nsw.gov.au)

Monday to Friday 8am to 5.30pm

Saturday 9am to 12 noon

## Neighbourhood Service Centre Glebe

Glebe Town Hall

160 St Johns Road

Glebe NSW 2037

Telephone 02 9265 9333

[council@cityofsydney.nsw.gov.au](mailto:council@cityofsydney.nsw.gov.au)

Monday to Friday 8.30am to 5.30pm

## Neighbourhood Service Centre Kings Cross

50 - 52 Darlinghurst Road

Kings Cross NSW 2011

Telephone 02 9265 9333

[council@cityofsydney.nsw.gov.au](mailto:council@cityofsydney.nsw.gov.au)

Monday to Friday 8.30am to 5.30pm

Saturday 9am to 12 noon

## Neighbourhood Service Centre Erskineville

104 Erskineville Road

Erskineville NSW 2043

Telephone 02 9265 9333

[council@cityofsydney.nsw.gov.au](mailto:council@cityofsydney.nsw.gov.au)

Monday to Friday 9am to 5pm

## City of Sydney Councillors

### Lord Mayor

#### Clover Moore MP

Telephone 02 9265 9229

### Deputy Lord Mayor

#### Councillor Verity Firth

Telephone 02 9265 9427

### Councillor Phillip Black

Telephone 02 9265 9706

### Councillor Chris Harris

Telephone 02 9265 9313

### Councillor Marcelle Hoff

Telephone 02 9265 9706

### Councillor Robyn Kemmis

Telephone 02 9265 9706

### Councillor Michael Lee

Telephone 02 9265 9427

### Councillor Shayne Mallard

Telephone 02 9265 9701

### Councillor John McNerney

Telephone 02 9265 7719

### Councillor Tony Pooley

Telephone 02 9265 9427

## [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

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