



Finance, Community & Services Committee

Monday 6 November 2023
6.30pm

Agenda



Finance, Community & Services Committee (FC&S)

Woollahra Council will be holding Committee meetings (i.e. Environmental Planning (EP), Finance, Community & Services (FC&S) and Strategic & Corporate (S&C) with The Mayor, Councillors and staff will be participating in person. Members of the public are invited to attend the Committee meeting in person or watch and/or listen to meetings live (via Council's website).

A copy of the Agenda is available on Council's website:

https://www.woollahra.nsw.gov.au/council/meetings_and_committees/committees/finance_community_and_services_committee_fcs/fc_and_s_agendas_and_minutes

To register to address the Committee, please email your name, phone number and Item number to records@woollahra.nsw.gov.au by **10.00am on the day of the meeting**, indicating if you will be attending in person or wish to address the meeting via teleconferencing technology. Please note, instructions on how to join the meeting will be forwarded to person who have pre-registered to make a submission/address the Committee, via email on the day of the meeting via email.

Late correspondence may be submitted for consideration by the Committee. All late correspondence must be received by **10.00am on the day of the meeting**. Late correspondence is to be emailed to records@woollahra.nsw.gov.au.

Minutes of the Finance, Community & Services Committee (FC&S) will be posted to Council's website once finalised.

If you are experiencing any issues please call Council's Governance department on (02) 9391 7001.

The audio recording and late correspondence consider at the meeting will be uploaded to Council's website by 5.00pm on the next business day.

Outline of Meeting Protocol & Procedure:

- The Chairperson will call the Meeting to order and ask the Committee Members and/or Staff to present apologies and/or late correspondence.
- The Chairperson will commence the Order of Business as shown in the Index to the Agenda.
- At the beginning of each item the Chairperson will invite member(s) of the public who registered to speak to address the Committee.
- Members of the public who have registered to address the Committee, will be allowed four (4) minutes in which to address the Committee. One (1) warning bell will be rung at the conclusion of three (3) minutes and two (2) warning bells rung at the conclusion of four (4) minutes. Please direct comments to the issues at hand.
- If there are persons representing both sides of a matter (e.g. applicant/objector), the person(s) against the recommendation speak first.
- At the conclusion of the allocated four (4) minutes, the speaker will take no further part in the debate unless specifically called to do so by the Chairperson.
- If there is more than one (1) person wishing to address the Committee from the same side of the debate, the Chairperson will request that where possible a spokesperson be nominated to represent the parties.
- After considering any submissions the Committee will debate the matter (if necessary), and arrive at a recommendation
- (R items which proceed to Full Council) or a resolution (D items for which the Committee has delegated authority).

Disclaimer:

Councillors, staff and members of the public are advised that meeting are being lived streamed, accessible via a link from Council's website.

By speaking at a Committee Meeting members of the public consent to their voice, image and personal information (including name and address) being recorded and publicly available on Council's website. Accordingly, please ensure your address to Council is respectful and that you use appropriate language and refrain from making any defamatory statements or discriminatory comments.

Woollahra Council **does not** accept any liability for statements, comments or actions taken by individuals during a Committee meeting. Any part of the meeting that is held in closed session will not be recorded.

People connecting to this meeting by conferencing technology are reminded that under the *Local Government Act 1993*, the recording of meetings by a member of the public using any electronic recording device including a mobile phone or video camera is not permitted. Any person found recording without the permission of Council may be expelled from the meeting.

The audio recording of each meeting will be retained on Council's website for a minimum period of 6 months. After that period has passed, recordings of meetings may be disposed of in accordance with the *State Records Act 1998*.

For further information please visit www.woollahra.nsw.gov.au

Recommendation **only** to the Full Council ("R" Items):

- Such matters as are specified in Section 377 of the Local Government Act and within the ambit of the Committee considerations.
- The voting of money for expenditure on works, services and operations.
- Rates, Fees and Charges.
- Donations.
- Grants Program.
- Asset Rationalisation.
- Corporate Operations:
 - Statutory Reporting;
 - Adoption of Council's Community Strategic Plan, Delivery Program and Operational Plan;
 - Delegations; and
 - Policies.
- Voluntary Planning Agreements (VPAs).
- Leases required to be determined by Full Council by specific legislative requirements.
- Matters which involve broad strategic or policy initiatives within responsibilities of Committee.
- Matters delegated to the Council by the Roads and Maritime Services.
- Residential Parking Schemes - Provision and Policies.
- Matters requiring the expenditure of moneys and in respect of which no Council vote has been made.
- Matters **not** within the specified functions of the Committee,
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive change.

Delegated Authority to be determined at Committee level ("D" Items):

- General financial and corporate management of the Council, except those specifically excluded by statute, by Council direction or delegated specifically to another Committee.
Note: This is not to limit the discretions of nominated staff members exercising Delegated Authorities granted by the Council.
- Statutory reviews of Council's Delivery Program and Operational Plan.
- Finance Regulations, including:
 - Authorisation of expenditures within budgetary provisions where not delegated;
 - Quarterly review of Budget Review Statements;
 - Quarterly and other reports on Works and Services provision; and
 - Writing off of rates, fees and charges because of non-rateability, bad debts, and impracticality of collection.
- Auditing.
- Property Management.
- Asset Management.
- Works and Services - Monitoring and Implementations.
- Legal Matters and Legal Register.
- Parks and Reserves Management.
- Infrastructure Management, Design and Investigation.
- Community Services and Programs.
- Cultural Programs.
- Library Services.
- Health.
- Licensing.
- Liquor Licences.
- Regulatory.
- Fire Protection Orders.
- Residential Parking Schemes (surveillance and administration).
- Traffic Management (Traffic Committee Recommendations).
- Waste Minimisation.
- To require such investigations, reports or actions as considered necessary in respect of matters contained within the Business Agendas (and as may be limited by specific Council resolution).
- Confirmation of the Minutes of its Meetings.
- Statutory reviews of Council's Delivery Program and Operational Plan.
- Any other matter falling within the responsibility of the Finance, Community & Services Committee and not restricted by the Local Government Act or required to be a Recommendation to Full Council as listed above.
- Matters reserved by individual Councillors in accordance with any Council policy on "safeguards" and substantive change.

Finance, Community & Services Committee Membership: 7 Councillors
Quorum: The quorum for Committee meeting is 4 Councillors

Woollahra Municipal Council

Notice of Meeting

2 November 2023

To: His Worship the Mayor, Councillor Richard Shields ex-officio
Councillors Toni Zeltzer (Chair)
Mary-Lou Jarvis (Deputy Chair)
Peter Cavanagh
Luise Elsing
Nicola Grieve
Harriet Price
Mark Silcocks

Dear Councillors,

Finance, Community & Services Committee – 6 November 2023

In accordance with the provisions of the Local Government Act 1993, I request your attendance at Council's **Finance, Community & Services Committee** meeting to be held in the **Council Chambers, 536 New South Head Road, Double Bay, on Monday 6 November 2023 at 6.30pm.**

Members of the Public may:

- Register to address the meeting (via Zoom or in Person) by completing the relevant form available on Council's website: https://www.woollahra.nsw.gov.au/council/meetings_and_committees/having_your_say_at_meetings and email the completed form to records@woollahra.nsw.gov.au **by 10.00am on the day of the meeting.**
- Submit late correspondence for consideration by Councillors by emailing records@woollahra.nsw.gov.au by **10.00am on the day of the meeting.**

Watch and listen to the meeting live via Council's website:

https://www.woollahra.nsw.gov.au/council/meetings_and_committees/committees/finance_community_and_services_committee_fcs/fc_and_s_agendas_and_minutes

An audio recording of the meeting will be uploaded to Council's website following the meeting by 5.00pm on the next business day.

If you have any difficulties accessing the meeting please contact (02) 9391 7001.

Regards,

Craig Swift-McNair
General Manager

Finance, Community & Services Committee

Agenda

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Note: Confidential Attachment 2 Circulated Under Separate Cover.

Item No: D1 Delegated to Committee
Subject: **CONFIRMATION FC&S MINUTES - 3 OCTOBER 2023**
Author: Sue O'Connor, Governance Officer
File No: 23/181963
Purpose of the Report: The Minutes of the Finance, Community & Services Committee of 3 October 2023 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.
Alignment to Delivery Program: Strategy 11.3: Ensure effective and efficient governance and risk management.

Recommendation:

THAT the Minutes of the Finance, Community & Services Committee Meeting of 3 October 2023 be taken as read and confirmed.

Executive Summary:

This report presents the Finance, Community & Services Committee Minutes of 3 October 2023 for confirmation by the Committee.

Options:

Submission of minutes to the Committee is a procedural matter for the adoption of the minutes.

The minutes of the meeting are presented as **Attachment 1** for adoption by the Committee.

Community Engagement and / or Internal Consultation:

No internal or external consultation has taken place in the preparation of this report.

Policy Implications:

There are no direct policy implications as a result of this report.

Financial Implications:

There are no direct financial implications as a result of this report.

Resourcing Implications:

There are no direct resourcing implications as a result of this report.

Conclusion:

The minutes are presented for confirmation by the Committee.

Attachments

1. Unconfirmed Minutes FC&S - 3 October 2023 [↓](#) 



Finance, Community & Services Committee Meeting

Tuesday 3 October 2023
6.30pm

Minutes



Finance, Community & Services Committee Minutes

Tuesday 3 October 2023

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Finance, Community & Services Committee Minutes of the Meeting held on Tuesday 3 October 2023

Present: Councillors: Toni Zeltzer (Chair)
Mary-Lou Jarvis
Peter Cavanagh (via Zoom)
Luise Elsing
Nicola Grieve
Harriet Price
Mark Silcocks

Staff	Emilio Andari	(Manager, Engineering Services)
	Anthony Crimmings	(Manager, Customer Experience)
	Micaela Hopkins	(Team Leader, Environment & Sustainability)
	Rhys Johnson	(Governance Coordinator)
	Zubin Marolia	(Manager, Property & Projects)
	Sue Meekin	(Director, Corporate Performance)
	Pippa Mott	(Director, Woollahra Gallery at Redleaf)
	Vicki Munro	(Manager, Community & Culture)
	Patricia Occelli	(Director, Community & Customer Experience)
	Tom O'Hanlon	(Director, Infrastructure & Sustainability)
	Jody Rodas	(Manager, Libraries)
	Paul Ryan	(Chief Financial Officer)
	Helen Tola	(Manager, Governance & Risk)

Also in Attendance: Nil

Note: Item R7 (Eastern Suburbs District Rugby Union Club - Request for Owners Consent to submit Development Application) was brought forward and considered after Item D2 (Y4) (432-440 Oxford Street, Paddington - Construction Traffic Management Plan).

1. Opening

The Chair declared the Finance, Community & Services Committee of 3 October 2023 open and welcomed Councillors, staff and members of the public who are watching and listening to this evenings meeting.

2. Acknowledgement of Country (Gadigal People and Birrabirragal People)

The Chair read the following Acknowledgement of Country:

I would like to acknowledge that we are here today on the land of the Gadigal and Birrabirragal people, the traditional custodians of the land. On behalf of Woollahra Council, I acknowledge Aboriginal or Torres Strait Islander people attending today and I pay my respects to Elders past, present and emerging.

3. Acknowledgement of the Sovereign of the Day (King Charles III)

The Chair read the following Acknowledgement of the Sovereign of the Day (King Charles III):

I also acknowledge King of Australia King Charles III.

4. Leave of Absence and Apologies

General Item No: 4.1 Attendance via Audio-Visual Link:

(Elsing/Jarvis)

Resolved:

THAT in accordance with clause 5.23 of Council's Code of Meeting Practice, Council approves the following Councillor's participation in the Finance, Community & Services Committee Meeting of 3 October 2023 via Audio-Visual Link:

- Councillor Cavanagh

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Against the Motion

Nil

7/0

5. Late Correspondence

Late correspondence was submitted to the committee in relation to items D2 (Y4), R4 & R5.

6. Disclosures of Interest

Councillor Price declared a Non-Significant Non-Pecuniary Interest in Item D2 (Woollahra Local Traffic Committee Minutes - 5 September 2023 (Y4 - 432-440 Oxford Street, Paddington - Construction Traffic Management Plan)) as Councillor Price is a fellow-member of the Oxford Street Working Party with the site developer, Robby Ingham. Councillor Price remained in the meeting and participated in debate and the voted on the matter.

Unconfirmed

Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Items to be Decided by this Committee using its Delegated Authority

Item No: D1 Delegated to Committee
Subject: **CONFIRMATION OF MINUTES OF MEETING HELD ON 4 SEPTEMBER 2023**
Author: Sue O'Connor, Governance Officer
File No: 23/168816
Purpose of the Report: The Minutes of the Finance, Community & Services Committee of 4 September 2023 were previously circulated. In accordance with the guidelines for Committees' operations it is now necessary that those Minutes be formally taken as read and confirmed.
Alignment to Delivery Program: Strategy 11.3 Ensure effective and efficient governance and risk management.

(Silcocks/Grieve)

Resolved:

THAT the Minutes of the Finance, Community & Services Committee Meeting of 4 September 2023 be taken as read and confirmed.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: D2 Delegated to Committee
Subject: **WOOLLAHRA LOCAL TRAFFIC COMMITTEE MINUTES - 5 SEPTEMBER 2023**
Author: Emilio Andari, Manager Engineering Services
Approver: Tom O'Hanlon, Director Infrastructure & Sustainability
File No: 23/175769
Purpose of the Report: For the Committee to consider the recommendations of the Woollahra Local Traffic Committee
Alignment to Delivery Program: Strategy 6.1 Facilitate an improved network of accessible and safe active transport options.

(Silcocks/Grieve)

Resolved:

THAT the Recommendations Y1-Y3 contained in the minutes of the Woollahra Local Traffic Committee held on Tuesday 5 September 2023 be adopted with Item Y4 being deferred to Council Meeting 9 October 2023 as Item R9 subject to a substantive change.

Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: Y1
Subject: GOODHOPE STREET, PADDINGTON - PARKING RESTRICTIONS FOR ELECTRIC VEHICLES
Author: Ever Fang, Traffic & Transport Engineer
Approver: Emilio Andari, Manager Engineering Services
File No: 23/156884
Purpose of the Report: To respond to a request from the local community
Alignment to Delivery Program: Strategy 6.2 Improve the management of public parking on-street and off-street.

(Price/Grieve)

Resolved:

THAT '2P 8.30am – 6pm Mon-Fri, 8.30am – 12.30pm Sat, Electric Vehicles Excepted Only While Charging' and 'No Parking Electric Vehicles Excepted Only While Charging At Other Times' parking restrictions be installed at the two (2) designated EV charging parking spaces on the western side of Goodhope Street, Paddington, north of its intersection with Glenmore Road to facilitate a more efficient use of the charging station.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

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Finance, Community & Services Committee Minutes

3 October 2023

Item No: Y2
Subject: **VICTORIA ROAD, BELLEVUE HILL - DEDICATED CAR SHARE PARKING SPACE**
Author: Ever Fang, Traffic & Transport Engineer
Approver: Emilio Andari, Manager Engineering Services
File No: 23/156886
Purpose of the Report: To formalise a car share parking space as part of a condition of an approved development site.
Alignment to Delivery Program: Strategy 6.2 Improve the management of public parking on-street and off-street.

(Grieve/Jarvis)

Resolved:

THAT a 'No Parking Woollahra Council Authorised Car Share Vehicles Excepted' zone, measured at 5.5 metres in length, be installed on the eastern side of Victoria Road, in front of property No.149 Victoria Road, as shown in Attachment 1, to improve car share parking opportunities and meet the demand based on the local community.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Against the Motion

Nil

7/0

Item No: Y3
Subject: **LOCATIONS ACROSS WOOLLAHRA MUNICIPALITY - PARKING RESTRICTIONS FOR ELECTRIC VEHICLE CHARGING STATIONS ON STREET POLES**
Author: Ever Fang, Traffic & Transport Engineer
Approver: Emilio Andari, Manager Engineering Services
File No: 23/157105
Purpose of the Report: To provide electric vehicle charging stations to the local community
Alignment to Delivery Program: Strategy 6.2 Improve the management of public parking on-street and off-street.

Note: The Committee amended Part C of the Resolution.

(Grieve/Elsing)

Resolved:

THAT:

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3 October 2023

- A. The '4P 8am-8pm Electric Vehicles Only While Charging' restrictions be installed for electric vehicle charging stations on street poles at the following locations, as shown in Attachment 1:
1. Eastern side of Campbell Avenue, within the 60 degree angle parking space in front of 27 Campbell Avenue, Paddington;
 2. Northern side of Quarry Street, opposite 1 Quarry Street, Woollahra;
 3. Eastern side of Roylston Street, in front of 23 Roylston Street, Paddington;
 4. Northern side of Sutherland Street, east to 176 Sutherland Street, Paddington;
 5. Western side of Hopetoun Avenue, in front of 7 Salisbury Street, Watsons Bay;
 6. Northern side of Fletcher Street, in front of 71 Adelaide Street, Woollahra;
 7. Northern side of Trelawney Street, in front of 3 Trelawney Street, Woollahra.
- B. The '4P 8am-8pm Electric Vehicles Only While Charging' restrictions be approved for electric vehicle charging stations on street poles at the following locations as a contingency for the above list, if unforeseeable circumstances arise prior to installation, as shown in Attachment 2:
1. Southern side of Bellevue Road, west to Bellevue Hill Bottle Shop in front of 100a Bellevue Road, Bellevue Hill;
 3. Southern side of Laguna Street, in front of 7 Laguna Street, Vaucluse;
 4. Eastern side of Military Road, in front of 23 Military Road, Watsons Bay; and
- C. The proposed parking restrictions be installed on a trial basis for 12 months with a review at the end of the trial period and that the review be brought back to the Finance, Community & Services Committee.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: Y4
Subject: 432-440 OXFORD STREET, PADDINGTON - CONSTRUCTION TRAFFIC MANAGEMENT PLAN
Author: Ever Fang, Traffic & Transport Engineer
Approver: Emilio Andari, Manager Engineering Services
File No: 23/157911
Purpose of the Report: To seek approval for a Construction Traffic Management Plan
Alignment to Delivery Program: Strategy 6.3 Reduce traffic congestion, noise and speeding.

Note: In accordance with Council's meetings procedures and policy, this matter is referred to full Council due to a substantive change of the Committee's recommendation to the Officers' recommendation. (See Item R9).

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3 October 2023

Item No: D3 Delegated to Committee
Subject: **CONFIRMATION PUBLIC ART PANEL MINUTES- 13 SEPTEMBER 2023**
Author: Maria Lacey, Public Art Coordinator
Approvers: Vicki Munro, Manager Community & Culture
Patricia Occelli, Director Community & Customer Experience
File No: 23/170064
Purpose of the Report: To note the Minutes from the Public Art Panel meeting held on 13 September 2023.
Alignment to Delivery Program: Strategy 3.1: Promote opportunities for innovative, creative and cultural initiatives that support the community.

(Jarvis/Grieve)

Resolved:

THAT Council notes the Minutes from the Public Art Panel meeting held on 13 September 2023.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: D4 Delegated to Committee
Subject: **WOOLLAHRA GALLERY AT REDLEAF UPDATE REPORT**
Author: Pippa Mott, Director Woollahra Gallery at Redleaf, Community & Culture
Approvers: Vicki Munro, Manager Community & Culture
Patricia Occelli, Director Community & Customer Experience
File No: Purpose of the Report: 23/127477
To provide an update report on the Woollahra Gallery at Redleaf for the period August 2022 to August 2023
Alignment to Delivery Program: Strategy 3.1: Promote opportunities for innovative, creative and cultural initiatives that support the community.

(Grieve/Elsing)

Resolved:

THAT Council receive and note the Woollahra Gallery at Redleaf update report for the period August 2022 to August 2023.

Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: D5 Delegated to Committee
Subject: **WOOLLAHRA LIBRARIES ANNUAL REPORT 1 JULY 2022 TO 30 JUNE 2023**
Author: Jody Rodas, Manager Woollahra Libraries
Approver: Patricia Occelli, Director Community & Customer Experience
File No: 23/169470
Purpose of the Report: To review the operations of Woollahra Libraries for the 2022-2023 financial year.
Alignment to Delivery Program: Strategy 1.1: Provide, promote and facilitate a range of community projects, programs and events that support an inclusive, thriving and sustainable community.

(Silcocks/Jarvis)

Resolved without debate:

THAT Council receive and note the annual report of the Woollahra Libraries for the period 1 July 2022 to 30 June 2023.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Item No: D6 Delegated to Committee
Subject: **CONFIRMATION INCLUSION (DISABILITY, AGED & CARERS)
ADVISORY COMMITTEE MINUTES - 11 SEPTEMBER 2023**
Author: Grant Cummins, Development Officer, Community & Culture
Approvers: Maya Jankovic, Coordinator Community & Culture
Vicki Munro, Manager Community & Culture
Patricia Occelli, Director Community & Customer Experience
File No: 23/176787
Purpose of the Report: To note the Minutes from the Inclusion (Disability, Aged & Carers) Advisory Committee Meeting on 11 September 2023
Alignment to Delivery Program: Strategy 2.2: Understand needs of our community so that we can facilitate access to support and services.

(Elsing/Silcocks)

Resolved without debate:

THAT Council notes the Minutes of the Inclusion (Disability, Aged & Carers) Advisory Committee Meeting held on 11 September 2023.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

**Items to be Submitted to the Council for Decision with
Recommendations from this Committee**

Item No: R1 Recommendation to Council
Subject: **DISABILITY INCLUSION ACTION PLAN - ANNUAL REPORT 2022/23**
Author: Grant Cummins, Development Officer, Community & Culture
Approvers: Maya Jankovic, Coordinator Community & Culture
Vicki Munro, Manager Community & Culture
Patricia Occelli, Director Community & Customer Experience
File No: 23/164394
Purpose of the Report: To inform Council of progress in implementing Council's Disability Inclusion Action Plan 2022-2026 for the Financial Year 2022/23
Alignment to Delivery Program: Strategy 2.2: Understand needs of our community so that we can facilitate access to support and services.

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3 October 2023

(Elsing/Jarvis)

Recommendation:

THAT Council receive and note the annual report covering the period 2022/23 for the Disability Inclusion Action Plan, 2022-2026.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: R2 Recommendation to Council
Subject: **CREATIVE HOARDINGS POLICY & GUIDELINES - POST PUBLIC EXHIBITION**
Author: Maya Jankovic, Coordinator Community & Culture
Approvers: Vicki Munro, Manager Community & Culture
Patricia Occelli, Director Community & Customer Experience
File No: 23/164238
Purpose of the Report: To review the public exhibition submissions and adopt the amended Woollahra Creative Hoardings Policy and Woollahra Creative Hoardings Guidelines.
Alignment to Delivery Program: Strategy 3.1: Promote opportunities for innovative, creative and cultural initiatives that support the community.
(Jarvis/Silcocks)

Recommendation:

THAT Council:

- A. Notes that the Draft Woollahra Creative Hoardings Policy and Guidelines were placed on public exhibition for a period of 28 days and that one submission was received.
- B. Having considered the submission received, adopt the amended Woollahra Creative Hoardings Policy as **Attachment 1** and Woollahra Creative Hoardings Guidelines provided as **Attachment 2**.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Councillor Elsing

6/1

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Item No: R3 Recommendation to Council
Subject: **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**
Authors: Esther Hii, Senior Corporate Accountant
Paul Ryan, Chief Financial Officer
Approvers: Sue Meekin, Director Corporate Performance
Craig Swift-McNair, General Manager
File No: 23/165912
Purpose of the Report: To present the Financial Statements for the year ended 30 June 2023 to the Committee, provide commentary on the budget result for 2022/23 and recommend to Council the adoption of Council's Statement in relation to the Financial Statements.
Alignment to Delivery Program: Strategy 11.2 Secure Council's financial position.

Note: Councillor Grieve left the meeting, the time being 8.34pm.

Note: Councillor Grieve returned to the meeting, the time being 8.35pm.

(Silcocks/Grieve)

Recommendation:

THAT Council:

- A. Note Council's financial position at 30 June 2023 including:
- i. Net operating surplus for the year from continuing operations of \$21.506m
 - ii. Net operating surplus for the year before grants and contributions provided for capital purposes of \$12.901m
 - iii. A working funds balance of \$7.483m
- B. Note that Council exceeded five out of six of the Office of Local Government (OLG) Performance Ratio benchmarks for 2022-2023, being the:
- i. Operating Performance Ratio
 - ii. Own Source Operating Revenue Ratio
 - iii. Unrestricted Current Ratio
 - iv. Debt Service Cover Ratio
 - v. Cash Expense Cover Ratio
- C. Note that the one OLG ratio benchmark for 2022-2023 that Council did not meet was the Rates & Annual Charges Outstanding Percentage Ratio, with the result being 0.18% above the OLG benchmark of 5.0% at 5.18%.
- D. Having noted the statement of confirmation provided in the report by the General Manager and the Chief Financial Officer (Responsible Accounting Officer) and the review by the Audit, Risk & Improvement Committee, adopt the following statement in relation to its Financial Statements for the year ended 30 June 2023:

That, in relation to the General Purpose Financial Statements for the year ended 30 June 2023, Council is of the opinion that:

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

- i. the Local Government Act 1993 (NSW) (as amended) and Regulations made thereunder;*
- ii. the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board;*
- iii. the Local Government Code of Accounting Practice and Financial Reporting*

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

And to the best of our knowledge and belief, these Financial Statements present fairly Council's operating result and financial position for the year; and accord with Council's accounting and other records; and further, the signatories to the Statement, to the best of our knowledge and belief, are not aware of any matter that would render the Statements false or misleading in any way.

- E. Formally refer the General Purpose Financial Statements for the year ended 30 June 2023 for audit; and
- F. In anticipation of receiving the Auditor's Reports, sets the Finance, Community & Services Committee meeting to be held on Monday 6 November 2023 as the meeting at which the Financial Statements will be presented to the public.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: R4 Recommendation to Council
Subject: **MONTHLY FINANCIAL REPORT - 31 AUGUST 2023
INVESTMENTS HELD AS AT 30 SEPTEMBER 2023**
Author: Abdullah Rayhan, Team Leader Financial Services
Approvers: Paul Ryan, Chief Financial Officer
Sue Meekin, Director Corporate Performance
File No: 23/173686
Purpose of the Report: To present the monthly financial report for August 2023 and to present a list of investments held as of 30 September 2023.
Alignment to Delivery Program: Strategy 11.2 Secure Council's financial position.

Note: Late correspondence was tabled by Paul Ryan, Council's Chief Financial Officer.

Note: Councillor Grieve left the meeting, the time being 8.36pm.

Note: Councillor Grieve returned to the meeting, the time being 8.36pm.

(Grieve/Jarvis)

Recommendation:

THAT Council:

- A. Receive and note the Monthly Financial Report – August 2023.
- B. Note that the Council's 12-month weighted average return for August 2023 on its direct investment portfolio of 4.63% (LM: 4.46%, LY: 1.86%) exceeds the benchmark 90-day AusBond Bank Bill Index of 4.20%.

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Finance, Community & Services Committee Minutes

3 October 2023

- C. Note that the interest revenue for the year to date August is \$792K, exceeding our original budget of \$306K for the same period.
- D. Receive and note the list of Council's investments held as of 30 September 2023 (provided as late correspondence).

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: R5 Recommendation to Council
Subject: PUBLIC INTEREST DISCLOSURES POLICY
Authors: Rachel Ngui, Policy Officer
Helen Tola, Manager Governance & Risk
Approvers: Sue Meekin, Director Corporate Performance
Craig Swift-McNair, General Manager
File No: 23/160312
Purpose of the Report: Development of Council Public Interest Disclosure Policy following the NSW Public Interest Disclosures Act 2022 (PID Act) taking effect from 1 October 2023.
Alignment to Delivery Program: Strategy 11.3 Ensure effective and efficient governance and risk management.

Note: The Committee amended Part A to the Recommendation.

(Grieve/Elsing)

Recommendation:

THAT Council:

- A. Adopts the draft Public Interest Disclosure Policy at **Attachment 1** subject to the late correspondence and minor administrative amendments discussed at the Finance, Community & Services Committee on 3 October 2023.
- B. Rescinds the Public Interest Disclosures Internal Reporting Policy.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Item No: R6 Recommendation to Council
Subject: **DRAFT CUSTOMER EXPERIENCE STRATEGY**
Author: Anthony Crimmings, Manager Customer Experience
Approver: Patricia Occelli, Director Community & Customer Experience
File No: 23/171938
Purpose of the Report: To endorse the draft Customer Experience Strategy
Alignment to Delivery Program: Strategy 11.1 Build an efficient organisation that places customers and the community at the heart of service delivery

Note: The Committee amended Part A of the Recommendation.

(Silcocks/Elsing)

Recommendation:

THAT Council:

- A. Endorse the Draft Customer Experience Strategy to be placed on public exhibition for a period of 28 days subject to the minor administrative amendments discussed at the Finance, Community & Services Committee on 3 October 2023.
- B. Notes that a further report will be tabled at a future meeting of Council on submissions received to the draft Customer Experience Strategy.

Note: *In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.*

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: R7 Recommendation to Council
Subject: **EASTERN SUBURBS DISTRICT RUGBY UNION CLUB - REQUEST FOR OWNERS CONSENT TO SUBMIT DEVELOPMENT APPLICATION**
Author: Zubin Marolia, Manager Property & Projects
Approver: Tom O'Hanlon, Director Infrastructure & Sustainability
File No: 23/174129
Purpose of the Report: To seek owners consent for Eastern Suburbs District Rugby Union Club Pty Ltd to submit an amended development application for redevelopment of Council land adjacent to their club located within Woollahra Park.
Alignment to Delivery Program: Strategy 1.1: Provide, promote and facilitate a range of community projects, programs and events that support an inclusive, thriving and sustainable community.

Note: Jordon Blanket & David Allen address the Committee.

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

(Elsing/Grieve)

Recommendation:

THAT Council:

- A. Grants owners consent to the Eastern Suburbs Rugby Union Football Club to lodge a Development Application for Stage 1 works which include the construction of a new free standing single storey building to provide new gender equitable change rooms for players, referees and associated Rugby Australia game management facilities including changes to carpark and improved pedestrian linkages as described in this report.
- B. Notes that the granting of Owners Consent does not give the Club permission to start construction, which will be subject to a separate approval as required under the current Licence Agreement.
- C. Notes that a further report which addresses approval for construction and amendments to the Licence Agreement will be brought to Council in the coming months.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

Item No: R8 Recommendation to Council
Subject: **CONSIDERATION OF TENDER RESPONSES FOR THE LEASE AND OPERATION OF THE COOPER PARK TENNIS COURTS AND CAFE - TENDER NO. SC7193**
Author: Zubin Marolia, Manager Property & Projects
Approver: Tom O'Hanlon, Director Infrastructure & Sustainability
File No: 23/144537
Purpose of the Report: To consider the tender for the Lease and Operation of the Cooper Park Tennis Courts, tender no. SC7193
Alignment to Delivery Program: Strategy 11.2 Secure Council's financial position.

(Grieve/Jarvis)

Resolved

THAT the Committee resolved into closed session at 9.12pm with the press and public excluded to consider the confidential report on this matter in accordance with provisions of Section 10A of the Local Government Act 1993.

Adopted

In Closed Session

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Note: The Committee discussed the confidential late correspondence and attachment.

(Grieve/Jarvis)

Resolved

THAT the Committee move into open session at 9.18pm.

Adopted

In Open Session

(Silcocks/Jarvis)

Recommendation:

THAT Council:

- A. Accepts the tender submitted by Sydney Sports Management Group Voyager Operations and enters into a lease agreement for a seven (7) year initial term plus a seven (7) years option term, at a commencement rent of \$280,000 per annum plus GST, with CPI annual increases and a review to market upon exercise of the option.
- B. Ensures the lease agreement includes a refurbishment commitment of \$926,408 plus GST, subject to any necessary development approval.
- C. Authorises the General Manager to execute all legal agreements required to enter into a lease agreement with Sydney Sports Management Group Voyager Operations.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Against the Motion

Nil

7/0

Item No: R9 Recommendation to Council
Subject: **432-440 OXFORD STREET, PADDINGTON - CONSTRUCTION TRAFFIC MANAGEMENT PLAN**
Author: Ever Fang, Traffic & Transport Engineer
Approver: Emilio Andari, Manager Engineering Services
File No: 23/157911
Purpose of the Report: To seek approval for a Construction Traffic Management Plan
Alignment to Delivery Program: Strategy 6.3 Reduce traffic congestion, noise and speeding.

Note: In accordance with Council's meeting procedures and policy this matter is referred to full Council 9 October 2023 due to a substantive change to the officers recommendation.

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Woollahra Municipal Council
Finance, Community & Services Committee Minutes

3 October 2023

Note: Councillor Price declared a Non-Significant Non-Pecuniary Interest in this Item, as Councillor Price is a fellow-member of the Oxford Street Working Party with the site developer, Robby Ingham. Councillor Price remained in the meeting and participated in debate and the voted on the matter.

Note: Late correspondence was tabled by John Durack (2 pieces).

Note: John Durack an objector, Robby Ingham, Donald Lee-Varga, & Anthony Lombardo, supporters, addressed the Committee.

(Elsing/Price)

Recommendation:

THAT the matter be deferred and considered at the next full Council meeting on Monday 9 October 2023 together with the latest version of the Construction Traffic Management Plan (CTMP) lodged with Council on Friday 29 September 2023 and a staff report addressing the following issues:

- i. Information about the proposed removal of trees, including the species and size;
- ii. Details of expected loss of metered parking revenue as a result of the proposed works zone;
- iii. Details of a proposed Community Liaison Officer or Site Manager including relevant contact details to enable members of the community to contact an appropriate person as an when required;
- iv. Details relating to sediment controls;
- v. Clarification of the construction schedule;
- vi. Clarification of the hours of operation / hours of work; and
- vii. Any other matters brought to staff attention.

Note: In accordance with Council's Code of Meeting Practice a Division of votes is recorded on this matter.

For the Motion

Against the Motion

Councillor Cavanagh
Councillor Elsing
Councillor Grieve
Councillor Jarvis
Councillor Price
Councillor Silcocks
Councillor Zeltzer

Nil

7/0

There being no further business the meeting concluded at 9.20pm.

We certify that the pages numbered 712 to 730 inclusive are the Minutes of the Finance, Community & Services Committee Meeting held on 3 October 2023 and confirmed by the Finance, Community & Services Committee on 6 November 2023 as correct.

Chairperson

Secretary of Committee

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Item No: D2 Delegated to Committee
Subject: **WOOLLAHRA LOCAL TRAFFIC COMMITTEE MINUTES - 3 OCTOBER 2023**
Author: Emilio Andari, Manager Engineering Services
Approver: Tom O'Hanlon, Director Infrastructure & Sustainability
File No: 23/198394
Purpose of the Report: For the Committee to consider the recommendations of the Woollahra Local Traffic Committee
Alignment to Delivery Program: Strategy 11.3: Ensure effective and efficient governance and risk management.

Recommendation:

THAT the Recommendations Y1-Y2 contained in the minutes of the Woollahra Local Traffic Committee held on Tuesday 3 October 2023 be adopted.

Executive Summary:

This report presents the Woollahra Local Traffic Committee Minutes – 3 October 2023 for consideration by the Committee.

The minutes are presented as **Attachment 1**.

Options:

Nil.

Community Engagement and / or Internal Consultation:

There is no community engagement and/or internal review on this report.

Policy Implications:

There is no policy implications on this report.

Financial Implications:

There is no financial implications on this report.

Resourcing Implications:

There is no resourcing implications on this report.

Conclusion:

The minutes are presented for consideration by the Committee.

Attachments

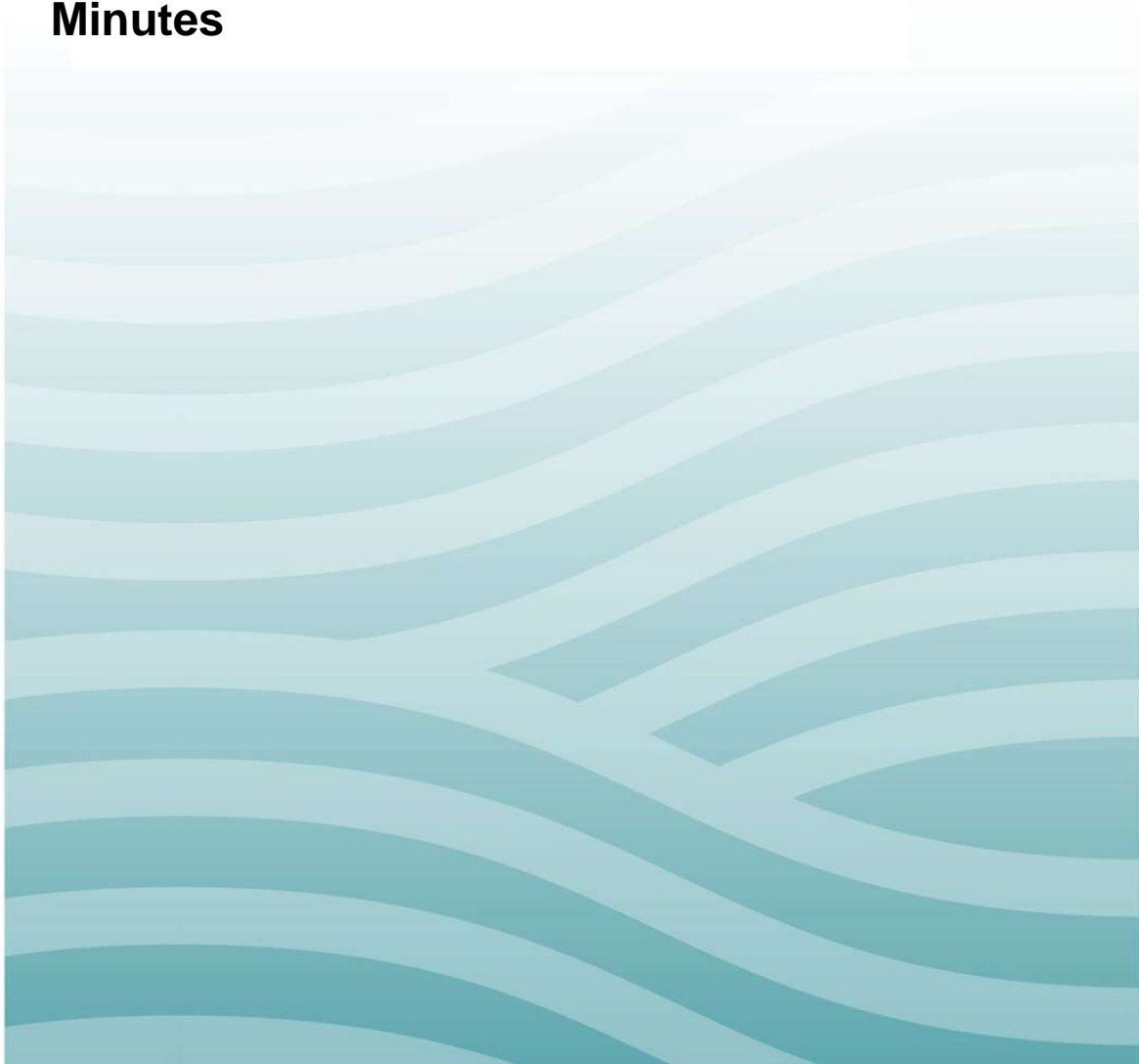
1. Woollahra Local Traffic Committee Minutes - 3 October 2023 [↓](#) 



Woollahra Local Traffic Committee Meeting

Tuesday 3 October 2023
10.00am

Minutes



Woollahra Local Traffic Committee Minutes

Tuesday 3 October 2023

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4.	Confirmation of Minutes of Meeting held on 5 September 2023	
5.	Matters arising from Minutes of Previous Meeting	
6.	Woollahra Local Traffic Committee recommendations not adopted or amended by Woollahra Council Finance, Community & Services Committee	
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Woollahra Municipal Council
Woollahra Local Traffic Committee Minutes

3 October 2023

Woollahra Local Traffic Committee Minutes

The meeting of the Woollahra Local Traffic Committee was held in the Tarralbe Room (Committee Room), 536 New South Head Road, Double Bay, on 3 October 2023 at 10.00am.

Attendance

Committee Members:

Present:	Emilio Andari Taskira Islam Sgt Helen Walker	(Woollahra Municipal Council) (Chair) (Transport for NSW) (Eastern Suburbs Police)
Staff:	Ever Fang Jonas Manalang Robert Lam	(Woollahra Municipal Council) (Woollahra Municipal Council) (Woollahra Municipal Council)

1. Opening

The Manager Engineering Services declared the Woollahra Local Traffic Committee of 3 October 2023 open and welcomed Committee Members.

2. Acknowledgement of Country (Gadigal People and Birrabirragal People)

The Manager Engineering Services read the following Acknowledgement of Country:

I would like to acknowledge that we are here today on the land of the Gadigal and Birrabirragal people, the traditional custodians of the land. On behalf of Woollahra Council, I acknowledge Aboriginal or Torres Strait Islander people attending today and I pay my respects to Elders past, present and emerging.

3. Leave of Absence and Apologies

Apologies:	Alex Greenwich MP Dylan Gojak Sgt Anthony Leeson	(Member for Sydney) (Kellie Sloane MP Representative) (Eastern Suburbs Police)
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4. Confirmation of Minutes of Previous Meeting

The minutes of Meeting No. 9/23 held in Tarralbe, Double Bay, and via teleconference on Wednesday 5 September 2023 confirmed by Taskira Islam.

5. Matters arising from Minutes of Previous Meeting

Nil.

6. Woollahra Local Traffic Committee recommendations not adopted or amended by Woollahra Council Finance, Community & Services Committee

Nil.

Woollahra Municipal Council
Woollahra Local Traffic Committee Minutes

3 October 2023

7. Extraordinary Meetings

Nil.

8. Late Correspondences

Nil.

Woollahra Municipal Council
Woollahra Local Traffic Committee Minutes

3 October 2023

**Items to be Recommended to the Finance, Community and Services Committee by
the Woollahra Local Traffic Committee for Consideration**

Item No: Y1
Subject: **VICTORIA ROAD, BELLEVUE HILL - MOBILITY PARKING ZONE**
Author: Frank Rotta, Traffic & Transport Engineer
Approvers: Ever Fang, Traffic & Transport Engineer
Emilio Andari, Manager Engineering Services
File No: 23/168689
Purpose of the Report: To create reasonable access for a Mobility Permit holder to their residence
Alignment to Delivery Program: Strategy 6.1 Facilitate an improved network of accessible and safe active transport options.

Recommendation:

THAT:

- A. A 5.2 metre 'Mobility Parking' space be installed on the western side of Victoria Road, Bellevue Hill, immediately south of the vehicular crossing of No.170 Victoria Road, Bellevue Hill, as shown in Attachment 1; and
- B. The applicant be advised of Council's Procedure and Conditions for 'Mobility Parking' zones, including the requirement to renew these zones annually.

Committee Vote: Unanimous Support

Item No: Y2
Subject: **HARGRAVE LANE, PADDINGTON, AT ELIZABETH STREET – NO STOPPING RESTRICTIONS**
Author: Frank Rotta, Traffic & Transport Engineer
Approvers: Ever Fang, Traffic & Transport Engineer
Emilio Andari, Manager Engineering Services
File No: 23/172673
Purpose of the Report: To respond to request from the local community and improve traffic safety at this location.
Alignment to Delivery Program: Strategy 6.2 Improve the management of public parking on-street and off-street.

Recommendation:

THAT 'No Stopping' restrictions be installed on the southern side of Hargrave Lane, Paddington, 6.2 metres east to its intersection with Elizabeth Street, to create unrestricted parking for a section of 5.1 metres, immediately east of these restrictions, as shown in Attachment 1.

Committee Vote: Unanimous Support

Woollahra Municipal Council
Woollahra Local Traffic Committee Minutes

3 October 2023

Items for Discussion by Committee Members

Item No: Z1
Subject: **TRANSPORT FOR NSW FUNDED PROJECTS STATUS**
Author: Ever Fang, Traffic & Transport Engineer
Approver: Emilio Andari, Manager Engineering Services
File No: 23/175284
Purpose of the Report: Monthly Update on Transport for NSW Funded Projects
Alignment to Delivery Program: Strategy 6.1 Facilitate an improved network of accessible and safe active transport options.

Recommendation:

THAT the information be received and noted.

Committee Vote: Unanimous Support

11. General Business

50km/hr for the entirety of New South Head Road in Double Bay.

Ms Taskira Islam from Transport for NSW (TfNSW) has confirmed that the investigation is underway and report will be presented to senior staff at TfNSW for review. Ms Islam has indicated that the process can take months for the investigation to ascertain whether to proceed with the 50km/h speed limit on New South Head Road in this section.

There being no further business the meeting concluded at 10:23am.

We certify that the pages numbered 1 to 5 inclusive are the Minutes of the Woollahra Local Traffic Committee Meeting held on 3 October 2023.

Chairperson

Secretary of Committee

Item No: D3 Delegated to Committee
Subject: **PRESENTATION OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023 TO THE PUBLIC**
Authors: Henrietta McGilvray, Senior Corporate Accountant
Paul Ryan, Chief Financial Officer
Approver: Sue Meekin, Director Corporate Performance
File No: 23/199810
Purpose of the Report: To present the Financial Statements for the year ended 30 June 2023 to the public.
Alignment to Delivery Program: Strategy 11.2: Secure Council's financial position.

Recommendation:

THAT Council receives and notes the General Purpose Financial Statements for the year ended 30 June 2023, as presented to the public.

Executive Summary:

The Finance, Community & Services (FC&S) Committee considered Council's draft financial statements for the year ended 30 June 2023 on 3 October 2023 prior to referral for audit. The FC&S Committee made the following recommendation subsequently adopted by Council on 9 October 2023.

THAT Council:

- A. Note Council's financial position at 30 June 2023 including:
- i Net operating surplus for the year from continuing operations of \$21.506m
 - ii Net operating surplus for the year before grants and contributions provided for capital purposes of \$12.901m
 - iii A working funds balance of \$7.483m
- B. Note that Council exceeded five out of six of the Office of Local Government (OLG) Performance Ratio benchmarks for 2022-2023, being the:
- i. Operating Performance Ratio
 - ii. Own Source Operating Revenue Ratio
 - iii. Unrestricted Current Ratio
 - iv. Debt Service Cover Ratio
 - v. Cash Expense Cover Ratio
- C. Note that the one OLG ratio benchmark for 2022-2023 that Council did not meet was the Rates & Annual Charges Outstanding Percentage Ratio, with the result being 0.18% above the OLG benchmark of 5.0% at 5.18%.
- D. Having noted the statement of confirmation provided in the report by the General Manager and the Chief Financial Officer (Responsible Accounting Officer) and the review by the Audit, Risk & Improvement Committee on 21 September 2023, adopt the following statement in relation to its Financial Statements for the year ended 30 June 2023:

That, in relation to the General Purpose Financial Statements for the year ended 30 June 2023, Council is of the opinion that:

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

- i. *the Local Government Act 1993 (NSW) (as amended) and Regulations made thereunder;*

- ii. *the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board;*
- iii. *the Local Government Code of Accounting Practice and Financial Reporting*

And to the best of our knowledge and belief, these Financial Statements present fairly Council's operating result and financial position for the year; and accord with Council's accounting and other records; and further, the signatories to the Statement, to the best of our knowledge and belief, are not aware of any matter that would render the Statements false or misleading in any way.

- E. Formally refer the General Purpose Financial Statements for the year ended 30 June 2023 for audit; and
- F. In anticipation of receiving the Auditor's Reports, sets the Finance, Community & Services Committee meeting to be held on Monday 6 November 2023 as the meeting at which the Financial Statements will be presented to the public.

The financial statements were referred for audit with field work completed in the week commencing 14 August 2023. Council received its signed Auditor's Reports on 10 October 2023. They were incorporated into the financial statements which were submitted to the Office of Local Government on 11 October 2023, well before the 31 October 2023 closing date for submission.

Having received the Auditor's Reports, the final step in relation to the financial statements for the year ended 30 June 2023 is their formal presentation to the public at the Finance, Community & Services Committee meeting to be held on Monday 6 November 2023.

Public notice of this meeting was given in the *Wentworth Courier* on 25 October 2023. The financial statements, including the Auditor's Reports, have been available for inspection on Council's website under 'Public Notices' since 11 October 2023 and a hardcopy has been placed at Customer Service at Council Chambers.

Written submissions have been invited and will be received up until 7 November 2023. At the time of writing this report no submissions had been received.

Discussion:

Council adopted its statement in relation to the financial statements on 9 October 2023. The Auditor's Reports were signed on 10 October 2023. The Auditor's Reports have been incorporated into Council's financial statements on pages 68 to 76 and a copy of the statements has been forwarded to the Office of Local Government as required.

The general purpose financial statements for the year ended 30 June 2023 including the Auditor's Reports, as presented to the public, have been included as Attachment 1 to this report.

Audit Opinion

It is pleasing to report that the audit opinion for the year ended 30 June 2023 is unmodified. Council's auditor has expressed the following opinion in relation to the financial statements for the year ended 30 June 2023:

"In my opinion,

- *the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 (the Division)*
- *the financial statements:*
 - *have been prepared, in all material respects, in accordance with the requirements of this Division;*

- are consistent with the Council's accounting records;
- present fairly, in all material respects, the financial position of the Council as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Council's auditor attended the Audit, Risk & Improvement Committee (ARIC) on 21 September 2023 to present their reports and answer any questions from the committee including Councillor members of ARIC.

In the Auditors Report on the Conduct of the Audit they have noted that five of the six performance ratios exceeds its benchmark as shown below. The one ratio that did not exceed the benchmark, was the Rates & Annual Charges Outstanding Percentage Ratio, with the result being 0.18% above the OLG benchmark of 5.0% at 5.18%. During and following the Covid-19 pandemic along with recent mortgage interest rises and cost of living increases, Council has continued to assist ratepayers facing financial hardship with extended payment terms.

1. Operating performance ratio



Purpose of operating performance ratio

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

Benchmark: — > 0.00%

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Benchmark: — > 2.00x

2. Own source operating revenue ratio

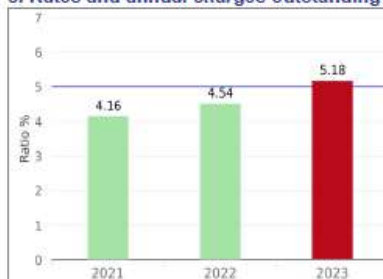


Purpose of own source operating revenue ratio

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

Benchmark: — > 80.00%

5. Rates and annual charges outstanding percentage

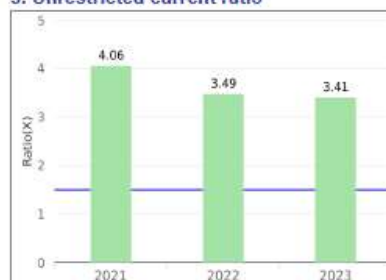


Purpose of rates and annual charges outstanding percentage

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

Benchmark: — < 5.00%

3. Unrestricted current ratio

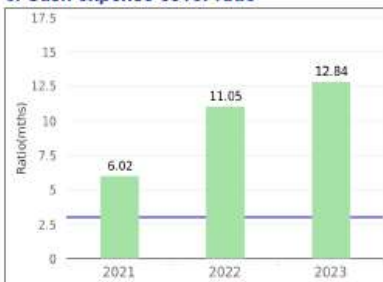


Purpose of unrestricted current ratio

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

Benchmark: — > 1.50x

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Benchmark: — > 3.00months

Special Schedules

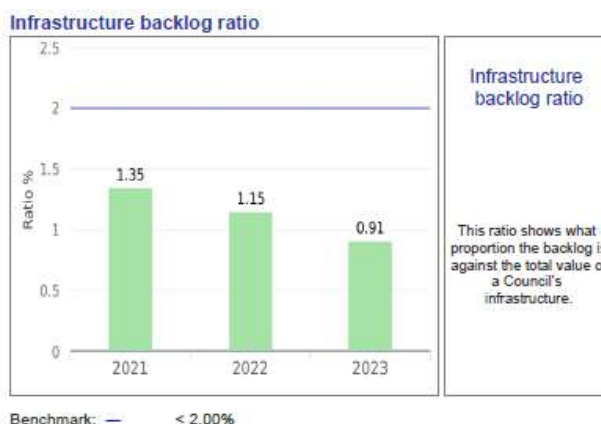
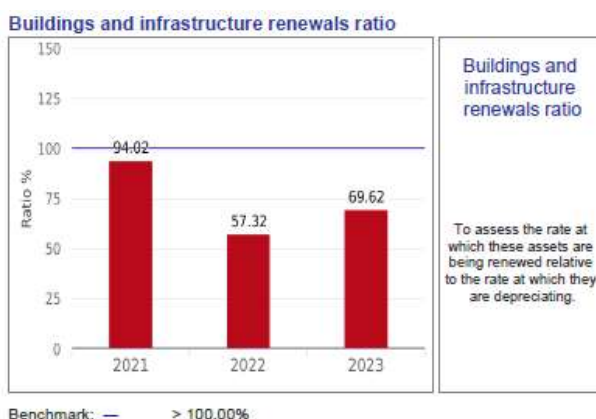
The financial statements presented to the public also include the special schedules prescribed in the Code of Accounting Practice and Financial Reporting. The schedules appear at back of the financial statements and include:

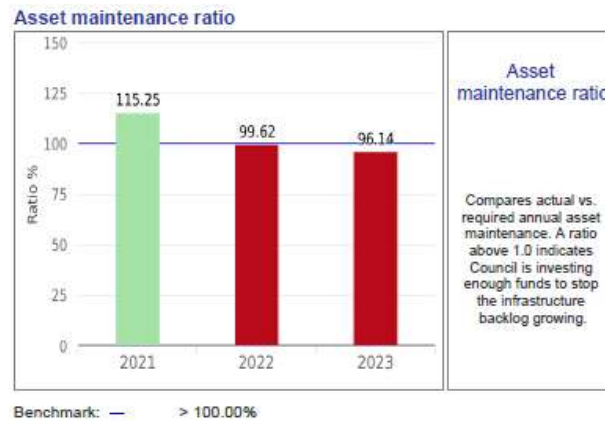
- Special Schedule – Permissible Income Calculation
A schedule showing Council’s compliance with the rate peg limit
- Special Schedule – Report on Infrastructure Assets - Values
Captures information on the condition, value, maintenance and renewal of Council’s road, paths, kerb & gutter, stormwater drains, open space, retaining walls, seawalls and buildings

Special Schedule - Report on Infrastructure Assets contains a number of asset performance indicators that Council continues to meet or exceed as shown in the charts below with the exception of the Buildings and Infrastructure Renewals ratio and the Asset Maintenance Ratio.

The Buildings and Infrastructure Renewals ratio of 69.62% is below the 100% benchmark. The ratio is influenced by the timing of the completion of capital works and the particular projects being undertaken in different years. In the year ended 30 June 2023, grant funded projects for new infrastructure continue to be higher than prior year, where more renewal projects were undertaken. The three year average ratio is 73.66%.

The Asset Maintenance Ratio of 96.14% was lower than the benchmark of 100%. The three year average ratio is 103.67%.





Special Schedule - Permissible Income for General Rates relates to compliance with the 2023-2024 rate peg limit. It discloses that Council has a minor carry forward amount of \$31k which represents just 0.06% of total rates levied. This amount can be added to our 2024-2025 rates levy.

Options:

This report is for noting only.

Community Engagement and / or Internal Consultation:

Public notice of this meeting was given in the *Wentworth Courier* on 25 October 2023. The financial statements, including the Auditor's Reports, have been available for inspection on Council's website under 'Public Notices' since 11 October 2023 and a hardcopy has been placed at Customer Service at Council Chambers.

Written submissions have been invited and will be received up until 7 November 2023. At the time of writing this report no submissions had been received.

Policy Implications:

There are no policy implications as a result of this report.

Financial Implications:

As outlined in this report and attachments.

Resourcing Implications:

There are no resourcing implications as a result of this report.


Conclusion:

On 9 October 2023, Council adopted its statement in regard to the general purpose financial statements for the year ended 30 June 2023 and formally referred them for audit.

The Auditors have issued an unmodified audit opinion on Council's financial statements.

Public notice of the presentation to the public was given in the *Wentworth Courier* on 25 October 2023 and on Council's website. The financial statements, including the Auditor's Reports, have been available for inspection on Council's website under 'Public Notices' since 11 October 2023. Written submissions have been invited and will be received up until 7 November 2023. At the time of writing the report no submissions had been received.

Attachments

1. Woollahra Municipal Council Annual Financial Statements 2023 [↓](#) 

Woollahra Municipal Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2023



Woollahra Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2023



Woollahra Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2023

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Overview

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

536 New South Head Road
Double Bay NSW 2028

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

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

A description of the nature of Council's operations and its principal activities are provided in Note B1-2.

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

Woollahra Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2023

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 9 October 2023.



Richard Shields
Mayor
10 October 2023



Toni Zeltzer
Councillor
10 October 2023



Craig Swift-McNair
General Manager
10 October 2023



Paul Ryan
Responsible Accounting Officer
10 October 2023

Woollahra Municipal Council | Income Statement | for the year ended 30 June 2023

Woollahra Municipal Council

Income Statement

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Income from continuing operations				
59,686	Rates and annual charges	B2-1	59,700	57,919
12,863	User charges and fees	B2-2	14,343	11,431
10,602	Other revenues	B2-3	10,864	9,775
4,864	Grants and contributions provided for operating purposes	B2-4	7,561	5,652
3,400	Grants and contributions provided for capital purposes	B2-4	8,605	8,150
491	Interest and investment income	B2-5	3,247	634
16,710	Other income	B2-6	17,110	14,671
1,100	Fair value increment on investment properties	C1-8	9,376	12,700
109,716	Total income from continuing operations		130,806	120,932
Expenses from continuing operations				
45,875	Employee benefits and on-costs	B3-1	45,055	48,917
39,550	Materials and services	B3-2	42,891	35,367
1,938	Borrowing costs	B3-3	1,933	2,061
14,195	Depreciation, amortisation and impairment of non-financial assets	B3-4	14,752	14,658
3,705	Other expenses	B3-5	3,747	4,397
1,309	Net loss from the disposal of assets	B4-1	922	570
106,572	Total expenses from continuing operations		109,300	105,970
3,144	Operating result from continuing operations		21,506	14,962
3,144	Net operating result for the year attributable to Council		21,506	14,962
(258)	Net operating result for the year before grants and contributions provided for capital purposes		12,901	6,812

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

Woollahra Municipal Council | Statement of Comprehensive Income | for the year ended 30 June 2023

Woollahra Municipal Council

Statement of Comprehensive Income

for the year ended 30 June 2023

\$ '000	Notes	2023	2022
Net operating result for the year – from Income Statement		21,506	14,962
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	73,219	74,153
Total items which will not be reclassified subsequently to the operating result		73,219	74,153
Total other comprehensive income for the year		73,219	74,153
Total comprehensive income for the year attributable to Council		94,725	89,115

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

Woollahra Municipal Council | Statement of Financial Position | for the year ended 30 June 2023

Woollahra Municipal Council

Statement of Financial Position

as at 30 June 2023

\$ '000	Notes	2023	2022
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,943	14,017
Investments	C1-2	92,727	77,632
Receivables	C1-4	7,235	6,042
Inventories	C1-5	337	350
Contract assets and contract cost assets	C1-6	1,795	3,165
Other	C1-9	511	753
Total current assets		117,548	101,959
Non-current assets			
Receivables	C1-4	152	106
Infrastructure, property, plant and equipment (IPPE)	C1-7	1,056,285	982,224
Investment property	C1-8	191,420	181,210
Right of use assets	C2-1	175	206
Other	C1-9	279	390
Total non-current assets		1,248,311	1,164,136
Total assets		1,365,859	1,266,095
LIABILITIES			
Current liabilities			
Payables	C3-1	56,075	47,928
Contract liabilities	C3-2	10,877	10,998
Lease liabilities	C2-1	132	94
Borrowings	C3-3	3,794	3,664
Employee benefit provisions	C3-4	12,385	13,190
Provisions	C3-5	1,459	96
Total current liabilities		84,722	75,970
Non-current liabilities			
Lease liabilities	C2-1	19	99
Borrowings	C3-3	56,521	60,315
Employee benefit provisions	C3-4	583	422
Total non-current liabilities		57,123	60,836
Total liabilities		141,845	136,806
Net assets		1,224,014	1,129,289
EQUITY			
Accumulated surplus		582,588	561,082
IPPE revaluation reserve	C4-1	641,426	568,207
Council equity interest		1,224,014	1,129,289
Total equity		1,224,014	1,129,289

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

Woollahra Municipal Council | Statement of Changes in Equity | for the year ended 30 June 2023

Woollahra Municipal Council
Statement of Changes in Equity
for the year ended 30 June 2023

\$ '000	Notes	2023			2022		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		561,082	568,207	1,129,289	546,120	494,054	1,040,174
Net operating result for the year		21,506	–	21,506	14,962	–	14,962
Net operating result for the period		21,506	–	21,506	14,962	–	14,962
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	–	73,219	73,219	–	74,153	74,153
Other comprehensive income		–	73,219	73,219	–	74,153	74,153
Total comprehensive income		21,506	73,219	94,725	14,962	74,153	89,115
Closing balance at 30 June		582,588	641,426	1,224,014	561,082	568,207	1,129,289

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

Woollahra Municipal Council | Statement of Cash Flows | for the year ended 30 June 2023

Woollahra Municipal Council

Statement of Cash Flows

for the year ended 30 June 2023

Original unaudited budget 2023	\$ '000	Notes	Actual 2023	Actual 2022
Cash flows from operating activities				
<i>Receipts:</i>				
59,686	Rates and annual charges		59,434	57,723
13,763	User charges and fees		15,082	11,780
491	Interest received		1,882	672
8,852	Grants and contributions		17,519	17,791
–	Bonds, deposits and retentions received		10,485	11,688
30,436	Other Revenue including Rental Income		27,910	24,070
<i>Payments:</i>				
(44,991)	Payments to employees		(47,237)	(48,624)
(43,505)	Payments for materials and services		(39,598)	(35,005)
(1,938)	Borrowing costs		(1,950)	(2,088)
–	Bonds, deposits and retentions refunded		(5,211)	(5,446)
(4,075)	Other		(2,148)	(3,989)
18,719	Net cash flows from operating activities	G1-1	36,168	28,572
Cash flows from investing activities				
<i>Receipts:</i>				
676	Sale of investments		108,000	77,000
–	Proceeds from sale of IPPE		1,552	995
<i>Payments:</i>				
–	Payments for IPPE		(17,195)	(14,610)
–	Purchase of investments		(123,000)	(86,001)
(16,618)	Purchase of investment property		(834)	(60)
(15,942)	Net cash flows from investing activities		(31,477)	(22,676)
Cash flows from financing activities				
<i>Payments:</i>				
(3,664)	Repayment of borrowings		(3,664)	(3,531)
–	Principal component of lease payments		(101)	(133)
(3,664)	Net cash flows from financing activities		(3,765)	(3,664)
(887)	Net change in cash and cash equivalents		926	2,232
65,120	Cash and cash equivalents at beginning of year		14,017	11,785
64,233	Cash and cash equivalents at end of year	C1-1	14,943	14,017
–	plus: Investments on hand at end of year	C1-2	92,727	77,632
64,233	Total cash, cash equivalents and investments		107,670	91,649

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

Woollahra Municipal Council

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Woollahra Municipal Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 10 October 2023.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2021 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

Historical cost convention

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

Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

- (i) estimated fair values of investment properties –refer Note C1-8,
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-7,
- (iii) employee benefit provisions – refer Note C3-4.

Significant judgements in applying the Council's accounting policies

(i) Impairment of receivables: Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4.

(ii) Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

(iii) Valuation of Investment Properties: The valuation is performed by an independent valuer in accordance with AASB 140 *Investment Property* and AASB 13 *Fair Value Measurement*.

The income approach method is used in the valuation. This method takes into consideration the income that a property might be expected to generate if leased at a stabilised occupancy level and applying to that income a capitalisation rate reflecting the market standards and the investors' interest in a property of that kind.

A1-1 Basis of preparation (continued)

Monies and other assets received by Council

The Consolidated Fund

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

Cash and other assets of the following activities have been included as part of the Consolidated Fund:

- General purpose operations

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council does not have a material dependence on volunteer services. Volunteers are utilised in Library Services, Bushland Regeneration works, Cultural Events and Sustainability. These services are not recognised due to their non material nature and a significant proportion would not go ahead should there not be volunteers to undertake their roles.

New accounting standards and interpretations issued but not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2023 reporting period.

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

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

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2023.

None of these standards had a significant impact on reported position or performance

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Functions or activities										
A connected and harmonious community	3	1	411	633	(408)	(632)	2	1	10,183	7,916
A supported community	1,734	1,692	2,474	2,288	(740)	(596)	1,444	1,439	3,885	3,779
A creative and vibrant community	1,080	893	7,894	7,443	(6,814)	(6,550)	562	555	13,063	12,464
Well planned neighbourhoods	4,010	3,584	8,286	8,262	(4,276)	(4,678)	212	–	2,024	2,816
Liveable places	11,310	7,199	31,612	30,419	(20,302)	(23,220)	4,756	2,081	770,355	706,261
Getting around	13,735	12,742	4,597	4,046	9,138	8,696	1,495	2,556	95,433	94,771
Protecting our environment	426	408	2,556	2,551	(2,130)	(2,143)	74	152	82,834	77,567
Sustainable use of resources	18,461	17,424	12,451	12,750	6,010	4,674	43	102	3,595	3,853
Community focused economic development	20,990	23,213	7,030	7,998	13,960	15,215	622	199	186,678	177,634
Working together	11	38	1,579	1,442	(1,568)	(1,404)	–	12	26	31
Well managed Council	59,046	53,738	30,410	28,138	28,636	25,600	6,956	6,705	86,201	84,945
General purpose	–	–	–	–	–	–	–	–	111,582	94,058
Total functions and activities	130,806	120,932	109,300	105,970	21,506	14,962	16,166	13,802	1,365,859	1,266,095

B1-2 Components of functions or activities

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

Theme: Community well-being

Goal 1: A connected and harmonious community

Woollahra will be a community where people care for each other, have a sense of belonging and can contribute meaningfully to their local community and neighbourhood through participation in community life.

Goal 2: A supported community

Woollahra will be a place where people have access to a range of effective and diverse social services and programs that meet the changing needs of our community.

Goal 3: A creative and vibrant community

Woollahra will be a place where people of all ages and backgrounds have access to lifelong learning opportunities, cultural and community activities.

Theme: Quality places and spaces

Goal 4: Well planned neighbourhoods

Woollahra will have well planned, high quality and sustainable building development that respects and enhances our environment and heritage. It will complement and retain the local character of our suburbs, villages and neighbourhoods and provide access to a range of housing options.

Goal 5: Liveable places

Woollahra will be a community with accessible, integrated and well maintained public spaces and open spaces. We will have clean and well maintained infrastructure and community facilities. It will be a safe and attractive place with high quality public and private facilities and amenities.

Goal 6: Getting around

Woollahra will be a place where it is easy to get around, easy to access our foreshore, our recreation facilities, our green open space and our public and private institutions. We will also have easy access to the city and its wide range of services and facilities, and be able to access public transport, walking cycling routes within our area.

Theme: A healthy environment

Goal 7: Protecting our environment

Woollahra will be a place where the natural environment will be protected and conserved from adverse impacts, to preserve our vegetation and wildlife habits.

Goal 8: Sustainable use of resources

Woollahra will reduce energy and water use, reduce emissions and develop adaption actions that will reduce the impacts of climate change. We will minimise waste generation and encourage resource recycling.

Theme: Local prosperity

Goal 9: Community focused economic development

Woollahra will maintain the diversity of our local economic base and encourage new businesses into the area that will enhance and positively impact on community life.

Theme: Community leadership and participation

Goal 10: Working together

Woollahra will be a place where residents are well informed and able to contribute to their community. Council will listen and respond to requests and concerns through open communication and engagement.

Goal 11: Well managed Council

Woollahra Council will be open and accountable to all stakeholders, encourage participation in decision making and make decisions that are in the public interest. Through effective long term planning, we will develop and implement strategies and ensure ongoing resources to fulfil long term community goals.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2023	2022
Ordinary rates		
Residential	32,942	32,269
Business	5,282	5,202
Less: Pensioner rebates	(124)	(128)
Rates levied to ratepayers	38,100	37,343
Pensioner rate subsidies received	69	71
Total ordinary rates	38,169	37,414
Special rates		
Environmental and infrastructure levy	4,595	4,501
Less: Pensioner rebates	(110)	(109)
Rates levied to ratepayers	4,485	4,392
Total special rates	4,485	4,392
Annual charges (pursuant to s496, 496A, 496B, 501 & 611)		
Domestic waste management services	16,542	15,605
Stormwater management services	492	493
Section 611 charges	45	47
Less: Pensioner rebates	(75)	(74)
Annual charges levied	17,004	16,071
Pensioner annual charges subsidies received:		
– Domestic waste management	42	42
Total annual charges	17,046	16,113
Total rates and annual charges	59,700	57,919

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

Accounting policy

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

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

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

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

B2-2 User charges and fees

\$ '000	2023	2022
Specific user charges (per s502 - specific 'actual use' charges)		
Waste management services (non-domestic)	1,780	1,614
Total specific user charges	1,780	1,614
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s608)		
Advertising fees	486	535
Certificate fees	578	631
Compliance levy	–	421
Development application fees	1,054	986
Hoarding fees	1,319	331
Inspection fees	121	138
Principal certifying authority fees	25	51
Registration fees and permits	1,113	856
Section 96 amendment application fees	381	455
Subdivision application fees	–	11
Total fees and charges – statutory/regulatory	5,077	4,415
(ii) Fees and charges – other (incl. general user charges (per s608))		
Restoration charges	868	447
Casual park hire	391	309
Credit card usage charge	110	104
Construction zone charges	1,632	1,155
Footpath crossing administration fees	68	77
Fire safety statement lodgement fee	153	144
Filming fees	123	116
File retrieval charges	86	93
Pre DA lodgement advice service fees	21	40
Other	761	357
Parking permits – residential	440	419
Parking meters	2,215	1,624
Preschool fees	274	223
Rezoning requests	4	191
Tree pruning income	303	55
Tree preservation order applications	37	48
Total fees and charges – other	7,486	5,402
Total other user charges and fees	12,563	9,817
Total user charges and fees	14,343	11,431
Timing of revenue recognition for user charges and fees		
User charges and fees recognised over time	9,488	3,371
User charges and fees recognised at a point in time	4,855	8,060
Total user charges and fees	14,343	11,431

Accounting policy

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

The performance obligation relates to the specific services which are provided to the customers. There is no material obligation for Council in relation to refunds or returns.

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

B2-3 Other revenues

\$ '000	2023	2022
Fines – parking	6,336	6,147
Fines – other	412	353
Recycling income (non-domestic)	223	237
Other	1,202	679
Private use contributions	345	390
Recovered costs and reimbursements	2,346	1,969
Total other revenue	10,864	9,775
Timing of revenue recognition for other revenue		
Other revenue recognised over time	–	–
Other revenue recognised at a point in time	10,864	9,775
Total other revenue	10,864	9,775

Accounting policy for other revenue

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

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

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

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

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

B2-4 Grants and contributions

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
General purpose grants and non-developer contributions (untied)				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	319	791	–	–
Financial assistance – local roads component	130	118	–	–
Payment in advance - future year allocation				
Financial assistance – general component	1,445	1,034	–	–
Financial assistance – local roads component	528	364	–	–
Amount recognised as income during current year	2,422	2,307	–	–
Special purpose grants and non-developer contributions (tied)				
Cash contributions				
Previously specific grants:				
Pensioners' rates subsidies:				
Community care	4	3	–	–
Library – per capita	167	157	–	–
Local Infrastructure Renewal Scheme subsidy	82	84	–	–
Local Roads Community Infrastructure Phase	45	127	–	508
Drainage	–	–	185	21
Environmental works	48	137	14	12
Library – special grant	45	56	–	–
Open space	93	180	1,278	286
Preschool	1,441	1,438	–	–
Street lighting	395	387	–	–
Transport for NSW contributions (regional roads, block grant)	149	145	357	188
Roads to Recovery	480	233	–	–
Transport (other)	1,084	20	2,751	2,776
Other specific grants	708	37	–	–
Contribution to works	47	–	–	–
Previously contributions:				
Paddington library	351	341	–	–
Total special purpose grants and non-developer contributions – cash	5,139	3,345	4,585	3,791
Total special purpose grants and non-developer contributions (tied)	5,139	3,345	4,585	3,791
Total grants and non-developer contributions	7,561	5,652	4,585	3,791
Comprising:				
– Commonwealth funding	2,947	2,665	1,199	2,302
– State funding	4,216	2,632	3,386	1,489
– Other funding	398	355	–	–
	7,561	5,652	4,585	3,791

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B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Operating 2023	Operating 2022	Capital 2023	Capital 2022
	G4				
Developer contributions: (s7.12 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies		–	–	4,020	4,359
Total developer contributions – cash		–	–	4,020	4,359
Total developer contributions		–	–	4,020	4,359
Total contributions		–	–	4,020	4,359
Total grants and contributions		7,561	5,652	8,605	8,150
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time		797	500	4,586	3,791
Grants and contributions recognised at a point in time		6,764	5,152	4,019	4,359
Total grants and contributions		7,561	5,652	8,605	8,150

Unspent grants and contributions

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

\$ '000	Operating 2023	Operating 2022	Capital 2023	Capital 2022
Unspent grants and contributions				
Unspent funds at 1 July	17	17	–	–
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	–	–	–	–
Unspent funds at 30 June	17	17	–	–
Contributions				
Unspent funds at 1 July	–	–	8,281	6,565
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	–	–	–	–
Add: contributions received and not recognised as revenue in the current year	–	–	4,294	4,370
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	(3,936)	(2,654)
Unspent contributions at 30 June	–	–	8,639	8,281

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B2-4 Grants and contributions (continued)

Accounting policy

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed below.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.12 of the *Environmental Planning and Assessment Act 1979*.

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

B2-5 Interest and investment income

\$ '000	2023	2022
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	151	150
– Cash and investments	<u>3,096</u>	<u>484</u>
Total interest and investment income (losses)	<u>3,247</u>	<u>634</u>

Accounting policy

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

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

B2-6 Other income

\$ '000	2023	2022
Rental income		
Investment properties		
Lease income (excluding variable lease payments not dependent on an index or rate)	11,428	10,432
Total Investment properties	11,428	10,432
Other lease income		
Room/Facility Hire	3,965	2,931
Other	1,622	1,301
Total other lease income	5,587	4,232
Total rental income	17,015	14,664
Fair value increment on investments		
Fair value increment on investments through profit and loss	95	7
Total Fair value increment on investments	95	7
Total other income	17,110	14,671

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2023	2022
Salaries and wages	32,856	34,575
Employee leave entitlements (ELE)	6,216	6,336
Superannuation	4,138	4,263
Workers' compensation insurance	2,246	960
Fringe benefit tax (FBT)	290	260
Other	(13)	3,111
Total employee costs	45,733	49,505
Less: capitalised costs	(678)	(588)
Total employee costs expensed	45,055	48,917
Number of 'full-time equivalent' employees (FTE) at year end	387	410
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	415	430

Accounting policy

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

B3-2 Materials and services

\$ '000	Notes	2023	2022
Advertising		465	447
Audit Fees	F2-1	87	83
Bank charges		459	383
Consultancy		1,773	1,129
Councillor and Mayoral fees and associated expenses	F1-2	449	397
Election expenses		157	448
Electricity and heating		474	461
File archival and retrieval costs		147	136
Infringement notice contract costs (SEINS)		1,097	965
Insurance deductibles and claims payments		841	609
Insurance premiums		1,604	1,391
Maintenance and security contracts		5,268	4,630
Office rental		25	28
Other		447	447
Other expenses		559	527
Other – Woollahra Local Planning Panel		153	165
Postage		119	106
Raw materials and consumables		7,289	6,228
Recoverable expenses		477	337
Recycling		2,872	2,781
Registration		181	195
Service Contractors		6,596	3,967
Street lighting		1,103	1,039
Telephone and communications		93	110
Temporary staff		1,916	594
Training		394	325
Valuation fees		87	83
Waste disposal costs		5,295	5,445
Water and council rates		228	238
Legal expenses:			
– Legal expenses: planning and development		1,581	1,261
– Legal expenses: other		597	407
Operating leases expense:			
– Operating lease rentals: minimum lease payments		58	5
Total materials and services		42,891	35,367
Total materials and services		42,891	35,367

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on leases	7	12
Interest on loans	1,926	2,049
Total interest bearing liability costs	1,933	2,061
Total interest bearing liability costs expensed	1,933	2,061
Total borrowing costs expensed	1,933	2,061

Accounting policy

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

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

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

\$ '000	Notes	2023	2022
Depreciation and amortisation			
Plant and equipment		1,381	1,356
Office equipment		409	466
Furniture and fittings		134	137
Infrastructure:			
	C1-7		
– Buildings – non-specialised		1,482	1,787
– Buildings – specialised		970	1,054
– Roads		5,155	4,920
– Bridges		44	42
– Footpaths		1,569	1,504
– Stormwater drainage		841	771
– Other open space/recreational assets		1,317	1,160
– Harbourside Structures		149	138
– Seawalls		424	397
– Retaining Walls		315	295
Other assets:			
– Library books		472	508
Total depreciation and amortisation costs		14,662	14,535
Impairment / revaluation decrement of Right of use assets			
Right of use assets	C2-1	90	123
Total gross Right of use assets impairment / revaluation decrement costs		90	123
Total Right of use assets impairment / revaluation decrement costs charged to Income Statement		90	123
Total depreciation, amortisation and impairment for non-financial assets		14,752	14,658

Accounting policy

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-7.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

B3-5 Other expenses

\$ '000	Notes	2023	2022
Impairment of receivables			
User charges and fees		(333)	621
Total impairment of receivables	C1-4	(333)	621
Other			
Contributions/levies to other levels of government			
– Department of planning levy		337	331
– Emergency services levy (includes FRNSW, SES, and RFS levies)		159	87
– NSW fire brigade levy		2,433	2,092
Donations, contributions and assistance to Holdsworth Community		862	1,026
Donations, contributions and assistance to other organisations (Section 356)		289	240
Total other expenses		3,747	4,397

Accounting policy

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

B4 Gains or losses

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

\$ '000	2023	2022
Gain (or loss) on disposal of plant and equipment		
Proceeds from disposal – plant and equipment	448	409
Less: carrying amount of plant and equipment assets sold/written off	(344)	(349)
Gain (or loss) on disposal	104	60
Gain (or loss) on disposal of infrastructure		
Proceeds from disposal – infrastructure	1,093	586
Less: carrying amount of infrastructure assets sold/written off	(2,130)	(1,216)
Gain (or loss) on disposal	(1,037)	(630)
Gain (or loss) on disposal of investments		
Proceeds from disposal/redemptions/maturities – investments	108,000	77,000
Less: carrying amount of investments sold/redeemed/matured	(108,000)	(77,000)
Gain (or loss) on disposal	–	–
Other - Office Equipment		
Proceeds from disposal – Other Office Equipment	11	–
Gain (or loss) on disposal	11	–
Net loss from disposal of assets	(922)	(570)

Accounting policy

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

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 27 June 2022 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----		
Revenues					
Rates and annual charges	59,686	59,700	14	0%	F
There are no individual material variances to report.					
User charges and fees	12,863	14,343	1,480	12%	F
The following sources of income exceeded their original budgets post COVID-19: Increased building activity drove higher hoarding fees \$919k (new developments, and rate increase due to benchmarking), workzone charges \$307k, crane permit fees \$166k.					
Other revenues	10,602	10,864	262	2%	F
There are no individual material variances to report.					
Operating grants and contributions	4,864	7,561	2,697	55%	F
Operating grants of note that exceeded their original budget are: Financial Assistance Grant paid in advance at 100%, vs 75% last year: \$660k, Emergency Service Levy \$388k higher, Streets as Shared Spaces Grant \$327k, Faster Local Assessment Grant for Development Control \$212k.					
Capital grants and contributions	3,400	8,605	5,205	153%	F
Capital grants and contributions of note that exceeded their original budget are: Section 7.12 development levies \$1,320k, Vaucluse Bowling Club upgrade \$869k, Cooper Park Community Hall \$712k, Bay St Pedestrianisation \$705k, New South Head Road Cycleway \$658k, Roads infrastructure \$491k					
Interest and investment revenue	491	3,247	2,756	561%	F
Interest and investment revenue exceeded the original budget due to rising interest rate on higher investment balances.					
Fair value increment on investment property	1,100	9,376	8,276	752%	F
This is a non-cash item. The fair value change in Investment properties exceeded original budget by \$8,276k. The majority of the increment, namely \$7,543k related to Kiaora Place. This was due to an increase in the gross passing/market rental per square metre of lettable area based on comparable sales evidence.					
Other income	16,710	17,110	400	2%	F
There are no individual material variances to report.					
Expenses					
Employee benefits and on-costs	45,875	45,055	820	2%	F
There are no individual material variances to report.					
Materials and services	39,550	42,891	(3,341)	(8)%	U
Expenditure was higher than originally budget in the following areas: Temporary Staff \$1,730k to fill vacancies due to attrition and business needs, General Contractors \$1,483k to deliver operating grant funded projects (Streets as Shared Spaces, Faster Local Assessment, Regional and Local Road Repairs).					
Borrowing costs	1,938	1,933	5	0%	F

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B5-1 Material budget variations (continued)

\$ '000	2023 Budget	2023 Actual	2023 ----- Variance -----	
There are no individual material variances to report.				
Depreciation, amortisation and impairment of non-financial assets	14,195	14,752	(557)	(4)% U
There are no individual material variances to report.				
Other expenses	3,705	3,747	(42)	(1)% U
There are no individual material variances to report.				
Net losses from disposal of assets	1,309	922	387	30% F
The favourable variance is due to higher than anticipated Road Sales income of \$1,093k, Plant & Equipment cost of sales being less than budgeted due to the timing of selling and replacing vehicles \$381k, offset by \$1,065k of higher asset retirement.				

Statement of cash flows

Cash flows from operating activities	18,719	36,168	17,449	93% F
The variances in revenues and expenses outlined above, together with movements in payables and receivables, give rise to variances in Council's cash flow forecasts. It should also be noted that it is difficult to forecast the movement in Bonds, Deposits & Retentions so Council does not include any movement in its Budget.				
Cash flows from investing activities	(15,942)	(31,477)	(15,535)	97% U
Council's original budget forecasts the total movement in Cash & Investments and does not break it down into Cash & Cash equivalents and Investments which is determined by the terms of securities held at reporting date. For 2022/23 the net purchase of investments (cash outflow) was \$15,000k. The timing of capital expenditure also had an effect with less cash outflow than budgeted of \$1,410k. Finally there was an additional \$1,552k in proceeds from the sale of roads, plant and vehicles.				
Cash flows from financing activities	(3,664)	(3,765)	(101)	3% U
There are no individual material variances to report.				

B6 Material Income Statement items

B6-1 Material Income Statement items

Fair value increment/(decrement) on investment property

\$ '000	2023	2022
Material fair value increment on investment property		
Fair value increment on investment property ¹	9,376	12,700
Total material fair value increment on investment property	9,376	12,700

(1) Council holds three Investment Properties, Kiaora Place, Double Bay and two carparks, namely Grafton Street Car Park, Bondi Junction and Cosmopolitan Centre Car Park, Knox Street, Double Bay. Council obtains independent valuations of its Investment Properties on an annual basis. The carparks increment was \$745k due to an increase in the gross passing / market rental per annum. Kiaora Place increased by \$9.564m due to an increase in the gross passing / market rental per annum.

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2023	2022
Cash assets		
Cash on hand and at bank	831	1,257
Cash equivalent assets		
– Deposits at call	14,112	10,700
– Short-term deposits	–	2,060
Total cash and cash equivalents	14,943	14,017

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	14,943	14,017
Balance as per the Statement of Cash Flows	14,943	14,017

Accounting policy

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

C1-2 Financial investments

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Financial assets at fair value through the profit and loss				
Long term deposits	92,000	–	77,000	–
Mortgage backed securities	727	–	632	–
Total	92,727	–	77,632	–
Total financial investments	92,727	–	77,632	–
Total cash assets, cash equivalents and investments	107,670	–	91,649	–

Accounting policy

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

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

Financial assets

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

Classification

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

- amortised cost

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C1-2 Financial investments (continued)

- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity).

Financial assets are not reclassified subsequent to their initial recognition.

Financial assets through profit or loss

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

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

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

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

\$ '000	2023	2022
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	107,670	91,649
Less: Externally restricted cash, cash equivalents and investments	<u>(26,447)</u>	<u>(23,872)</u>
Cash, cash equivalents and investments not subject to external restrictions	81,223	67,777
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>8,047</u>	8,314
External restrictions – included in liabilities	8,047	8,314
External restrictions		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	<u>8,638</u>	8,281
Specific purpose unexpended grants (recognised as revenue) – general fund	<u>17</u>	17
Stormwater management	<u>434</u>	294
Environmental and infrastructure renewal levy	<u>3,859</u>	2,441
Domestic waste management	<u>5,452</u>	4,525
Total external restrictions	26,447	23,872
Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.		

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

\$ '000	2023	2022
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	81,223	67,777
Less: Internally restricted cash, cash equivalents and investments	(69,211)	(65,690)
Unrestricted and unallocated cash, cash equivalents and investments	12,012	2,087
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Employees leave entitlement	2,278	4,681
Carry over works	3,943	3,086
Deposits, retentions and bonds	41,561	36,287
Open space and community facilities reserve	655	1,133
Information technology reserve	1,028	1,090
Insurance reserve	561	929
Kiaora place reserve	4,480	3,901
Open space projects reserve	314	303
Preschool reserve	602	715
Property development projects reserve	23	23
Property reserve	11,044	11,450
Oxford street placemaking reserve	206	249
Public art gallery reserve	252	297
Financial Assistance Grant Prepayment	1,973	1,397
Old Section 94	92	92
Other	199	57
Total internal allocations	69,211	65,690

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

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

C1-4 Receivables

\$ '000	2023		2022	2022
	Current	Non-current	Current	Non-current
Rates and annual charges	2,785	152	2,425	97
Interest and extra charges	308	-	215	9
User charges and fees	978	-	1,608	-
Accrued revenues				
- Interest on investments	1,492	-	211	-
- Other income accruals	-	-	374	-
Amounts due from other councils	-	-	55	-
Government grants and subsidies	145	-	395	-
Leases and licences	628	-	1,107	-
Net GST receivable	1,031	-	129	-
Restorations and other roadworks	35	-	106	-
Other debtors	123	-	77	-
Total	7,525	152	6,702	106
Less: provision for impairment				
User charges and fees	(290)	-	(660)	-
Total provision for impairment – receivables	(290)	-	(660)	-
Total net receivables	7,235	152	6,042	106

\$ '000	2023	2022
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 9)	660	136
+ new provisions recognised during the year	(333)	621
- amounts already provided for and written off this year	(37)	(97)
Balance at the end of the year	290	660

Accounting policy

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

Impairment

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

When estimating ECL, Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

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

When considering the ECL for rates and annual charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

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

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

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

C1-5 Inventories

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
(i) Inventories at cost				
Stores and materials	337	–	350	–
Total inventories at cost	337	–	350	–
Total inventories	337	–	350	–

Accounting policy

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

C1-6 Contract assets and Contract cost assets

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Contract assets	1,795	–	3,165	–
Total contract assets and contract cost assets	1,795	–	3,165	–

Accounting policy

Contract assets

Contract assets represent Council's right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2022			Asset movements during the reporting period						At 30 June 2023		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	6,107	–	6,107	3,925	3,133	(139)	–	(2,141)	–	10,885	–	10,885
Plant and equipment	14,752	(6,183)	8,569	1,025	–	(266)	(1,381)	–	–	14,728	(6,781)	7,947
Office equipment	9,191	(6,112)	3,079	–	532	–	(409)	–	–	9,723	(6,521)	3,202
Furniture and fittings	2,335	(1,740)	595	–	–	–	(134)	–	–	2,335	(1,874)	461
Land:												
– Operational land	136,609	–	136,609	–	–	–	–	–	–	136,609	–	136,609
– Community land	156,918	–	156,918	–	–	–	–	–	21,542	178,460	–	178,460
Infrastructure:												
– Buildings – non-specialised	85,771	(42,729)	43,042	229	28	–	(1,482)	–	2,091	90,330	(46,422)	43,908
– Buildings – specialised	47,624	(18,005)	29,619	126	121	–	(970)	–	1,445	50,265	(19,924)	30,341
– Roads	517,325	(129,797)	387,528	1,587	1,635	(830)	(5,155)	602	32,674	563,026	(144,985)	418,041
– Bridges	4,452	(838)	3,614	–	–	–	(44)	–	304	4,831	(957)	3,874
– Footpaths	105,117	(53,912)	51,205	1,093	769	(269)	(1,569)	1,030	4,442	116,222	(59,521)	56,701
– Stormwater drainage	108,332	(31,183)	77,149	326	520	(125)	(841)	175	5,404	116,833	(34,225)	82,608
– Other open space/recreational assets	40,343	(16,023)	24,320	1,001	824	(753)	(1,317)	86	1,691	43,315	(17,463)	25,852
– Harbourside Structures	8,157	(1,818)	6,339	–	–	–	(149)	–	434	8,728	(2,104)	6,624
– Seawalls	44,890	(13,924)	30,966	–	75	–	(424)	83	2,149	48,201	(15,352)	32,849
– Retaining Walls	27,592	(12,739)	14,853	252	95	(14)	(315)	15	1,043	29,866	(13,937)	15,929
Other assets:												
– Library books	6,117	(5,300)	817	–	412	(78)	(472)	–	–	6,218	(5,539)	679
– Council Art Gallery & Art Collection	895	–	895	–	270	–	–	150	–	1,315	–	1,315
Total infrastructure, property, plant and equipment	1,322,527	(340,303)	982,224	9,564	8,414	(2,474)	(14,662)	–	73,219	1,431,890	(375,605)	1,056,285

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

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C1-7 Infrastructure, property, plant and equipment (continued)

Accounting policy

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

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws Councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance.

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

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

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land and the Art Collection are not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Buildings	Years
Office equipment	3 to 10	Buildings	25 to 100
Office furniture	10 to 20		
Vehicles	5 to 10	Stormwater assets	
Heavy plant/road making equipment	5 to 10	Drains	80 to 150
Transportation assets		Other infrastructure assets	
Road pavements	25 to 80	Other open space/recreational assets	5 to 100
Kerb, gutter and paths	25 to 80		
Footpaths	25 to 80	Other Assets	
Bridges	100	Library Resources	3 to 8
Harbourside Structures	33 to 100		
Seawalls	100 to 120		
Retaining Walls	33 to 100		

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

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

Land under roads

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

Crown reserves

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

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Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

C1-7 Infrastructure, property, plant and equipment (continued)

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

C1-8 Investment properties

\$ '000	2023	2022
Owned investment property		
Investment property on hand at fair value	191,420	181,210
Total owned investment property	191,420	181,210
Owned investment property		
At fair value		
Opening balance at 1 July	181,210	168,450
Capitalised subsequent expenditure	834	60
Net gain/(loss) from fair value adjustments	9,376	12,700
Closing balance at 30 June	191,420	181,210

Accounting policy

Council holds three Investment Properties, Kiaora Place shopping centre, Double Bay, and two carparks, namely Grafton Street Car Park, Bondi Junction and Cosmopolitan Car Park, Knox Street, Double Bay. These Investment properties are held for long-term rental yields. Changes in fair values are recorded in the Income Statement as part of other income and other expenses.

C1-9 Other

Other assets

\$ '000	2023		2022	
	Non-current	Current	Non-current	Current
Prepayments	-	511	-	753
Kiaora Place tenancy incentives	279	-	390	-
Total other assets	279	511	390	753

C2 Leasing activities

C2-1 Council as a lessee

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

Terms and conditions of leases

Vehicles

Council leases vehicles with a lease term of 7 years; the lease payments are fixed during the lease term and there is a renewal option of 3 years.

Office and IT equipment

Leases for office and IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 3 and 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Right of use assets

\$ '000	Vehicles	Office and IT equipment	Total
2023			
Opening balance at 1 July	196	10	206
Additions to right-of-use assets	-	59	59
Depreciation charge	(78)	(12)	(90)
Balance at 30 June	118	57	175
2022			
Opening balance at 1 July	274	54	328
Depreciation charge	(78)	(44)	(122)
Balance at 30 June	196	10	206

(b) Lease liabilities

\$ '000	2023 Current	2023 Non-current	2022 Current	2022 Non-current
Lease liabilities	132	19	94	99
Total lease liabilities	132	19	94	99

(c) (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2023					
Cash flows	132	19	-	151	151
2022					
Cash flows	100	101	-	201	193

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C2-1 Council as a lessee (continued)

(d) Income Statement

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

\$ '000	2023	2022
Interest on lease liabilities	7	12
Impairment of right of use assets	90	123
Expenses relating to short-term leases	–	5
	97	140

(e) Statement of Cash Flows

Total cash outflow for leases	109	145
	109	145

Accounting policy

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

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

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

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

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

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

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

Exceptions to lease accounting

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

C2-2 Council as a lessor

Operating leases

Council leases out a number of properties to tenants under long-term operating leases with rentals payable monthly; these leases have been classified as operating leases for financial reporting purposes and the assets are included as investment property (refer note C1-8).

Council also leases out a number of premises to Community Groups or members of the public on an ad hoc basis.

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Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

C2-2 Council as a lessor (continued)

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

\$ '000	2023	2022
(i) Assets held as investment property		
The amounts recognised in the Income Statement relating to operating leases where Council is a lessor are shown below		
Lease income (excluding variable lease payments not dependent on an index or rate)	11,428	10,432
Total income relating to operating leases for investment property assets	11,428	10,432
Operating lease expenses		
Direct operating expenses that generated rental income	8,820	9,772
Direct operating expenses that did not generate rental income	1,370	943
Total expenses relating to operating leases	10,190	10,715

Repairs and maintenance: investment property

(ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	5,587	4,232
Total income relating to operating leases for Council assets	5,587	4,232

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

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

< 1 year	8,441	8,645
1–2 years	7,706	7,891
2–3 years	6,210	7,018
3–4 years	5,541	5,733
4–5 years	5,400	5,112
> 5 years	69,486	74,207
Total undiscounted lease payments to be received	102,784	108,606

Accounting policy

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

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

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

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.

C3 Liabilities of Council

C3-1 Payables

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Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

C3-1 Payables (continued)

\$ '000	2023		2022	2022
	Current	Non-current	Current	Non-current
Payables				
Prepaid rates	751	–	602	–
Goods and services – operating expenditure	6,438	–	3,158	–
Goods and services – capital expenditure	1,164	–	381	–
Accrued expenses:				
– Borrowings	365	–	382	–
– Salaries and wages	926	–	2,464	–
Security bonds, deposits and retentions	45,736	–	40,462	–
Other	695	–	479	–
Total payables	56,075	–	47,928	–
Total payables	56,075	–	47,928	–

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

\$ '000	2023	2022
	The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.	
Payables – security bonds, deposits and retentions	41,272	36,179
Total payables	41,272	36,179

Accounting policy

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2023		2022	2022
		Current	Non-current	Current	Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	6,713	–	7,180	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	1,334	–	1,134	–
Total grants received in advance		8,047	–	8,314	–
Income received in advance:					
Payments received in advance		2,830	–	2,684	–
Total income received in advance		2,830	–	2,684	–
Total contract liabilities		10,877	–	10,998	–

Notes

(i) Council has received funding to construct assets including a pedestrian plaza, refurbish sporting & youth facilities, road repair and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset

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C3-2 Contract Liabilities (continued)

and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing.

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

\$ '000	2023	2022
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	2,514	842
Operating grants (received prior to performance obligation being satisfied)	1,086	205
Total revenue recognised that was included in the contract liability balance at the beginning of the period	3,600	1,047

Accounting policy

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

C3-3 Borrowings

\$ '000	2023		2022	
	Current	Non-current	Current	Non-current
Loans – secured ¹	3,794	56,521	3,664	60,315
Total borrowings	3,794	56,521	3,664	60,315

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

(a) Changes in liabilities arising from financing activities

\$ '000	2022		Non-cash movements	2023
	Opening Balance	Cash flows	Other non-cash movement	Closing balance
Loans – secured	63,979	(3,664)	–	60,315
Lease liability (Note C2-1b)	193	(42)	–	151
Total liabilities from financing activities	64,172	(3,706)	–	60,466

(b) Financing arrangements ¹

\$ '000	2023	2022
Total facilities		
Bank overdraft facilities ²	400	400
Credit cards/purchase cards	16	16
Total financing arrangements	416	416
Drawn facilities		
– Credit cards/purchase cards	5	9
Total drawn financing arrangements	5	9

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Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

C3-3 Borrowings (continued)

\$ '000	2023	2022
Undrawn facilities		
– Bank overdraft facilities	400	400
– Credit cards/purchase cards	11	7
Total undrawn financing arrangements	411	407

(1) During the current year, there were no defaults or breaches on any on loans.

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

Accounting policy

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

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

Borrowings are classified as current liabilities unless Council has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

C3-4 Employee benefit provisions

\$ '000	2023	2023	2022	2022
	Current	Non-current	Current	Non-current
Annual leave	4,413	–	5,241	–
Sick leave	231	–	361	–
Long service leave	7,741	583	7,588	422
Total employee benefit provisions	12,385	583	13,190	422

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

\$ '000	2023	2022
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	7,782	8,176
	7,782	8,176

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C3-4 Employee benefit provisions (continued)

Accounting policy

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

Short-term obligations

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

Other long-term employee benefit obligations

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

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

On-costs

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

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

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

C3-5 Provisions

\$ '000	2023	2023	2022	2022
	Current	Non-Current	Current	Non-Current
Other provisions				
Self insurance – workers compensation	1,459	–	96	–
Sub-total – other provisions	1,459	–	96	–
Total provisions	1,459	–	96	–

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C3-5 Provisions (continued)

Description of and movements in provisions

\$ '000	Other provisions	
	Self insurance	Total
2023		
At beginning of year	96	96
Other	1,363	1,363
Total other provisions at end of year	1,459	1,459
2022		
At beginning of year	89	89
Other	7	7
Total other provisions at end of year	96	96

Accounting policy

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

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

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

C4 Reserves

C4-1 Nature and purpose of reserves

IPPE Revaluation reserve

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

D Council structure

D1 Interests in other entities

D1-1 Interests in joint arrangements

(ii) Joint operations

Principal activity	Place of business	Interest in ownership		Interest in voting		
		2023	2022	2023	2022	
(a) Council is involved in the following joint operations (JO's)						
Name of joint operation:						
Alexandria Integrated Facility (AIF) Collaboration with Waverley Council	- Running of the shared AIF Depot	AIF	41%	41%	50%	50%

continued on next page ...

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D1-1 Interests in joint arrangements (continued)

**Council assets
employed in the joint
operations**

\$ '000	2023	2022
Council's share of assets jointly owned with other partners		
Property, plant and equipment	16,994	16,781
Total net assets employed – Council and jointly owned	16,994	16,781

**Share of joint
operations expenditure
commitments**

Operating expenditure commitments

Payable not later than 1 year	260	250
Total operating expenditure commitments	260	250

Accounting policy

Joint operations:

In relation to its joint operations, where the Council has the rights to the individual assets and obligations arising from the arrangement, the Council has recognised:

- its assets, including its share of any assets held jointly
- its liabilities, including its share of any liabilities incurred jointly
- its share of the revenue from the sale of the output by the joint operation
- its expenses, including its share of any expenses incurred jointly.

These figures are incorporated into the relevant line item in the primary statements.

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk. The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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

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

Council has an investment policy which complies with the Local Government Act 1993 and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Liquidity risk** - the risk that Council will not be able to pay its debts as and when they fall due.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature. Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – interest rate and price risk

\$ '000	2023	2022
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The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

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

Impact of a 1% movement in interest rates		
– Equity / Income Statement	1,008	853
Impact of a 10% movement in price of investments		
– Equity / Income Statement	73	63

(b) Credit risk

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

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

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

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

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

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

The level of outstanding receivables is reported to Council quarterly. Council makes suitable provision for doubtful receivables as required.

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue rates and annual charges			Total
	overdue	< 5 years	≥ 5 years	
2023				
Gross carrying amount	–	2,750	187	2,937
2022				
Gross carrying amount	–	2,331	191	2,522

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2023						
Gross carrying amount	6,325	557	114	29	367	7,392
ECL Provision	–	–	–	–	(660)	(660)
2022						
Gross carrying amount	4,924	1,155	241	147	984	7,451
ECL Provision	–	–	–	–	(660)	(660)

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

(c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2023							
Payables	0.00%	45,736	10,340	–	–	56,076	56,075
Borrowings	3.20%	–	3,794	16,373	40,148	60,315	60,315
Total financial liabilities		45,736	14,134	16,373	40,148	116,391	116,390
2022							
Payables	0.00%	40,462	7,323	–	–	47,785	47,928
Borrowings	3.20%	–	5,589	24,644	52,226	82,459	63,979
Total financial liabilities		40,462	12,912	24,644	52,226	130,244	111,907

E2-1 Fair value measurement

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

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

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

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

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

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

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

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E2-1 E2-1 Fair value measurement (continued)

\$ '000	Notes	Fair value measurement hierarchy				Total	
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		2023	2022
		2023	2022	2023	2022	2023	2022
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss – designated at fair value on initial recognition		92,000	77,632	727	–	92,727	77,632
Total financial assets		92,000	77,632	727	–	92,727	77,632
Investment property							
Kiaora place	C1-8	184,890	175,425	–	–	184,890	175,425
Car parks		6,530	5,785	–	–	6,530	5,785
Total investment property		191,420	181,210	–	–	191,420	181,210
Infrastructure, property, plant and equipment							
Plant and equipment	C1-7	–	–	7,947	8,569	7,947	8,569
Office equipment		–	–	3,202	3,079	3,202	3,079
Furniture and fittings		–	–	461	595	461	595
Operational land		–	–	136,609	136,609	136,609	136,609
Community land		–	–	178,460	156,918	178,460	156,918
Buildings – non-specialised		–	–	43,908	43,043	43,908	43,043
Buildings – specialised		–	–	30,341	29,619	30,341	29,619
Roads		–	–	418,041	387,528	418,041	387,528
Bridges		–	–	3,874	3,614	3,874	3,614
Footpaths		–	–	56,701	51,205	56,701	51,205
Stormwater drainage		–	–	82,608	77,149	82,608	77,149
Other open space/recreational assets		–	–	25,852	24,320	25,852	24,320
Harbourside structures		–	–	6,624	6,339	6,624	6,339
Seawalls		–	–	32,849	30,966	32,849	30,966
Retaining walls		–	–	15,929	14,853	15,929	14,853
Total infrastructure, property, plant and equipment		–	–	1,043,406	974,406	1,043,406	974,406

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E2-1 E2-1 Fair value measurement (continued)

Valuation techniques

Financial assets

The Investments at Fair Value through Profit or Loss disclosed as Level 3 comprise Council's Emerald Reverse Mortgage Series 2007-1 Class B Security maturing 21 July 2057 and floating rate notes.

For its floating rate notes, Council receives monthly valuations from the issuer of the security. Council received independent valuation from Imperium Markets for its Emerald RMBS. The 30 June 2022 valuations have been used to ensure the financial statements reflect the latest valuation.

There has been no change to the valuation process during the reporting period.

Investment properties

Council holds three Investment Properties:

Grafton Street Car Park, Bondi Junction
Cosmopolitan Centre Car Park, Knox Street, Double Bay
Kiaora Place, Double Bay

Council obtains independent valuations of its Investment Properties on an annual basis to ensure the financial statements reflect the latest valuations.

The best evidence of fair value is the current price in an active market for similar assets. The following information is used where necessary:

- current prices in an active market for similar properties;
- expected future rental income generated from the properties;
- rent abatements
- capitalisation rate;
- price per square meter;
- location.

The 2023 valuations were based on Independent Assessments made by Scott Fullarton Valuations Pty Ltd. The income approach has been used to value the properties.

There has been no change to the valuation process during the reporting period.

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment and Furniture & Fittings

Council's Plant & Equipment, Office Equipment and Furniture & Fittings assets include:

- | | |
|------------------------|---|
| • major plant | truck, street sweepers, garbage compactors |
| • vehicles | cars, vans, utilities |
| • miscellaneous | plant mowers, breakers, pressure cleaners, line markers |
| • furniture & fittings | desks, chairs, cabinets, shelving |
| • office equipment | PCs, laptops, servers, projectors |

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the Notes to the Financial Statements. Council assumes that the depreciated historic cost reflects the fair value of the asset.

Level 3 unobservable inputs include:

- pattern of consumption
- useful life
- asset condition
- replacement cost

There has been no change to the valuation process during the reporting period.

Operational Land

Council classifies Operational Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993).

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E2-1 E2-1 Fair value measurement (continued)

Council obtains independent "fair value" valuations of its Operational Land every 3 years using Level 3 inputs. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date taking into account the characteristics of the asset (condition and location of the asset and restrictions, if any, on the sale or use of the asset).

The unobservable Level 3 inputs used include:

- Rate per square metre

The 2022 valuations were based on Independent Assessments made by Scott Fullarton Valuations Pty Ltd. There has been no change to the valuation process during the reporting period.

Community Land

Council's Community Land is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access. The Local Government Act imposes restrictions on Community Land in order to preserve the qualities of the land.

The Division of Local Government has determined that Community Land may be valued using the NSW Valuer General's valuation to represent fair value. The Valuer General issues valuations every 3 years.

The Valuer General uses comparable property sales to the land being valued and considers factors such as:

- property market conditions as at 1 July in the year of valuation;
- most valuable use for the land;
- constraints on use such as zoning and heritage restrictions;
- land size, shape and land features, such as slope and soil type;
- nearby development and infrastructure;
- views.

Council fair values Community Land using either NSW Valuer General unimproved capital value or an average unit rate based on unimproved capital values and allocated by Council against those properties where the Valuer General did not provide an unimproved capital value.

Community Land was revalued by the NSW Valuer General as part of their triennial revaluation process across NSW, with an effective date of 1 July 2022. The change in value of land was adopted as the fair value by Council.

Buildings – (Specialised and Non-Specialised)

Council buildings incorporate Libraries, Community Buildings, Car Park Buildings, Kiosks and Amenities, Sportsfield and Park Buildings, Council Chambers and Depot Buildings.

Council obtains independent "fair value" valuations of its Buildings every 3 years using Level 3 inputs. The valuer utilises the Gross Restatement Method; the Gross Value of each building is obtained by applying a unit rate based on its current replacement cost. Rates are derived from substantial analysis of construction costs from over 60 NSW Councils and are continually updated to reflect movements in construction costs. Complex building structures are componentised into significant parts with different useful lives taking into account a range of factors. While all buildings are physically inspected for valuation, inputs such as estimates of residual value, useful life and pattern of consumption have required professional judgement and impacted significantly on the final determination of fair value. Buildings are therefore classified as being valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition

Buildings (Specialised and Non Specialised) were valued in 2022 based on Independent Assessments made by Scott Fullarton Valuations Pty Ltd and a desktop valuation is completed annually.

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance.

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E2-1 E2-1 Fair value measurement (continued)

As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Roads

This asset class comprises, Wearing Pavement Base, Pavement Sub Base, Kerb and Gutter and Traffic Facilities.

Council's Asset Management System (AMS) contains detailed segment dimensions and specifications for all Council roads. Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, roads are valued using Level 3 inputs.

Council also performs proactive asset inspections to determine if busy areas require additional maintenance thus prolonging the life of the asset. Council has in place an Asset Management Plan which details asset management practices to meet the required level of service in the most cost effective manner for present and future consumers.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments made by Assetic Pty Ltd.

There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index.

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance.

As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Bridges

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, bridges are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments made by Assetic Pty Ltd.

There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index.

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance.

As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Footpaths

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, footpaths

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E2-1 E2-1 Fair value measurement (continued)

are valued using Level 3 inputs. Council's Asset Management System (AMS) contains detailed segment dimensions and specifications for footpaths.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments made by Assetic Pty Ltd.

There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index.

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance.

As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Stormwater Drainage

This asset class comprises pits, pipes and stormwater quality improvements devices.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, drainage assets are valued using Level 3 inputs. Council's Asset Management System (AMS) contains detailed segment dimensions and specifications for drainage.

Council also performs proactive asset inspections to determine if additional maintenance is required thus prolonging the life of the asset. Council has in place an Asset Management Plan which details drainage asset management practices to meet the required level of service in the most cost effective manner for present and future consumers.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments made by Assetic Pty Ltd.

There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index.

The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance.

As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Other Open Space/Recreational Assets

Assets in this class include items such as playgrounds, gazebo's, park fencing and lighting, tennis courts, sportsfield surfaces and aggregated lower value assets such as park seats and picnic tables.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

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E2-1 E2-1 Fair value measurement (continued)

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments by XYST Australia Pty Ltd. There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index. The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance. As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Harbourside Structures

Council has harbourside structures at Double Bay, Parsley Bay, Rose Bay, Rushcutters Bay and Watsons Bay which include swimming pools, platforms, boat ramps, piers and a footbridge.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments by Assetic Pty Ltd. There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index. The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance. As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Seawalls

Assets in this class include seawalls at Darling Point, Double Bay, Point Piper, Rose Bay, Vaucluse and Watsons Bay.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments by Assetic Pty Ltd.

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E2-1 E2-1 Fair value measurement (continued)

There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index. The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance. As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Retaining Walls

Assets in this class include retaining walls and retaining wall fences at various locations throughout the Woollahra local government area.

Council values this asset class every 5 years taking into consideration Council's minor works contract unit rates, visual assessment (every 4 to 5 years) of the asset condition by qualified Council engineers to determine useful life and the asset condition using a 1 – 5 rating system (1 = New, 5 = Failed). Due to the professional judgement required in valuation, open space assets are valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition rating

The 2019 valuations were based on Independent Assessments by Assetic Pty Ltd. There has been a pronounced change in construction costs across the government and infrastructure sectors in the past 12 months. This is evidenced by the Australian Bureau of Statistics Heavy and Civil Engineering Constructions Prices Index. The Office of Local Government in the appendices to the Local Government Code of Accounting 2021/22 – Section 5 at 'Appendix E Guidance for determining fair value of infrastructure, property, plant and equipment' draws councils attention to NSW Treasury guidance (TPP21-09) Valuation of Physical Non-Current Assets at Fair Value that states in years when no comprehensive revaluation is performed, an "interim management revaluation" should be undertaken when cumulative increases / decreases in indicators/ indices based on the management assessment are generally less than or equal to 20%. Interim management revaluations involve using management (or internal) expertise by applying the relevant indexation factors to the carrying amount. Council has adopted this guidance. As a result this asset class was revalued as an "interim management revaluation" to reflect the fair value of the asset classes carrying value.

Library Books

Assets in this class include books, magazines, CD's, DVD and audio books.

Library books are valued using depreciated historic cost. Annual review determines if there has been any impairment of assets within the class.

The unobservable Level 3 inputs used include:

- pattern of consumption
- useful life
- asset condition

There has been no change to the valuation process during the reporting period.

Art Collections

Assets in this class include artwork, ornaments and outdoor public art installations.

Council obtains independent valuations of its Art collections once every 5 years.

The best evidence of fair value is the current price in an active market for similar assets. The following information is used where necessary:

continued on next page ...

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E2-1 E2-1 Fair value measurement (continued)

- current prices in an active market for similar properties.

The 2021 valuations were based on Independent Assessments by by McWilliam & Associates. There has been no change to the valuation process during the reporting period.

Fair value measurements using significant unobservable inputs (level 3)

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

	Valuation technique/s	Unobservable inputs
Financial liabilities		
Fair Value through Profit or Loss	Issuer and independent valuations	Unit Price
Investment properties		
Investment properties	Independent valuation	Net rental value Rental Yield
Infrastructure, property, plant and equipment		
Plant and Equipment, Office Equipment, Furniture and Fittings	Cost used to approximate fair value	Asset Cost Useful Life
Operational Land	Independent valuation	Rate per m2
Community Land	Land values supplied by the Valuer General	Unimproved Capital Value (rate per m2)
Buildings	Independent valuation	Current Replacement Cost Useful life Asset Condition
Roads, Bridges & Footpaths	Independent valuation Unit rates per m2 or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Stormwater Drainage	Independent valuation Unit rates per m2 or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Other Open Space / Recreational Assets	Independent valuation Unit rates per m2 or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Harbourside structures, Seawalls & Retaining Walls	Independent valuation Unit rates per m2 or length	Current Replacement Cost (Unit Rates) Asset Condition Rating Useful Life
Library Books	Cost used to approximate fair value.	Asset Cost Useful Life Asset Condition
Art Collections	Independent valuation	Market Value

continued on next page ...

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E2-1 E2-1 Fair value measurement (continued)

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

\$ '000	Total	
	2023	2022
Opening balance	974,406	902,777
Total gains or losses for the period		
Recognised in other comprehensive income – revaluation surplus	73,219	74,153
Other movements		
Transfers from/(to) another asset class	1,991	1,854
Purchases (GBV)	10,238	11,160
Disposals (WDV)	(2,257)	(1,511)
Depreciation and impairment	(14,190)	(14,025)
Rounding	(1)	(2)
Closing balance	1,043,406	974,406

Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There are no transfers identified in the above table.

Highest and best use

All of Council's non-financial assets are considered to be utilised for their highest and best use which was established in consideration of the criteria of physical possibility, legal permissibility and financial feasibility. Implied with these criteria is the recognition of the contribution of that specific use to community goals.

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

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

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

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

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

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

* For 180 Point Members, Employers are required to contribute 8.0% of salaries for the year ending 30 June 2023 (increasing to 8.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

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

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

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

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

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

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

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

continued on next page ...

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E3-1 Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2023 was \$380,634.40. The last valuation of the Scheme was performed by fund actuary, Richard Boyfield, FIAA as at 30 June 2022.

Council's expected contribution to the plan for the next annual reporting period is \$370,116.72

The estimated employer reserves financial position for the Pooled Employers at 30 June 2023 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,390.9	
Past Service Liabilities	2,236.1	102.4%
Vested Benefits	2,253.6	101.7%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$181,379 as at 30 June 2023.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	6.0% per annum for FY22/23 2.5% per annum thereafter

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial actuarial investigation will be completed by December 2023.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30 June this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

continued on next page ...

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E3-1 Contingencies (continued)

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Infringement notices/fines

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

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

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

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

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2023	2022
Compensation:		
Short-term benefits	1,914	1,866
Post-employment benefits	138	131
Other long-term benefits	47	128
Total	2,099	2,125

Other transactions with KMP and their related parties

Nature of the transaction	Ref	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
2023						
Donations, contributions and assistance	1	865	-	7 days	-	-
Legal Expenses - Other	2	2	-	7 days	-	-
Contractor & Consultancy Costs	3	432	-	30 days	-	-
2022						
Donations, contributions and assistance	1	1,027	-	7 days	-	-
Legal Expenses - Other	2	3	-	7 days	-	-
Contractor & Consultancy Costs	3	141	-	30 days	-	-

- 1 Council provides financial support to Holdsworth Community which provides a range of services to the Woollahra community. A KMP is a Director of Holdsworth Community.
- 2 Council utilises Hones Lawyers Ptd Ltd to provide legal assistance and advice. A relative of a Council KMP is an employee of Hones Lawyers.
- 3 Council utilises Downer Pipetech on capital works projects. A relative of a Council KMP is an employee of Downer EDI Limited.

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2023	2022
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The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:

Mayoral fee	46	45
Councillors' fees	355	295
Other Councillors' expenses (including Mayor)	48	57
Total	449	397

F2 Other relationships

F2-1 Audit fees

\$ '000	2023	2022
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During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	87	83
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Remuneration for audit and other assurance services	87	83
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Total Auditor-General remuneration	87	83
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Total audit fees	87	83
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G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2023	2022
Net operating result from Income Statement	21,506	14,962
Add / (less) non-cash items:		
Depreciation and amortisation	14,662	14,535
(Gain) / loss on disposal of assets	922	570
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– Investments classified as 'at fair value' or 'held for trading'	(95)	(7)
– Investment property	(9,376)	(12,700)
– Revaluation decrements / impairments of Right of use assets direct to P&L	90	123
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	(869)	(1,343)
Increase / (decrease) in provision for impairment of receivables	(370)	524
(Increase) / decrease of inventories	13	(12)
(Increase) / decrease of other current assets	353	150
(Increase) / decrease of contract asset	1,370	(2,356)
Increase / (decrease) in payables	3,280	374
Increase / (decrease) in accrued interest payable	(17)	(27)
Increase / (decrease) in other accrued expenses payable	(1,538)	1,648
Increase / (decrease) in other liabilities	5,639	5,917
Increase / (decrease) in contract liabilities	(121)	7,562
Increase / (decrease) in employee benefit provision	(644)	(1,355)
Increase / (decrease) in other provisions	1,363	7
Net cash flows from operating activities	36,168	28,572

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2023	2022
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	3,272	2,131
Plant and equipment	2,058	1,065
Infrastructure	2,424	993
Streetscapes	1,992	61
Traffic	71	1,165
Open space works	692	886
Environmental works	65	165
IT	31	52
Total commitments	10,605	6,518
These expenditures are payable as follows:		
Within the next year	10,605	6,518
Total payable	10,605	6,518
Sources for funding of capital commitments:		
Unrestricted general funds	-	952
Future grants and contributions	4,183	1,966
Externally restricted reserves	1,819	1,152
Internally restricted reserves	3,825	2,214
Sale of plant and equipment	778	234
Total sources of funding	10,605	6,518

G3-1 Events occurring after the reporting date

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

G4 Statement of developer contributions as at 30 June 2023

G4-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2022	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
Parking	1,280	-	-	-	39	-	-	1,319	-
Civic improvements	121	-	-	-	4	-	-	125	-
Recreation	21	-	-	-	-	-	-	21	-
Plan preparation and administration	47	-	-	-	1	-	-	48	-
S7.11 contributions – under a plan	1,469	-	-	-	44	-	-	1,513	-
S7.12 levies – under a plan	6,812	4,020	-	-	230	(3,937)	-	7,125	-
Total S7.11 and S7.12 revenue under plans	8,281	4,020	-	-	274	(3,937)	-	8,638	-
Total contributions	8,281	4,020	-	-	274	(3,937)	-	8,638	-

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

G4-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2022	Contributions received during the year			Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2023	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash Land	Non-cash Other					
CONTRIBUTION PLAN – 2002 Contributions Plan									
Parking – Rose Bay	1,280	-	-	-	39	-	-	1,319	-
Civic improvements	121	-	-	-	4	-	-	125	-
Recreation	21	-	-	-	-	-	-	21	-
Plan preparation and administration	47	-	-	-	1	-	-	48	-
Total	1,469	-	-	-	44	-	-	1,513	-

S7.12 Levies – under a plan

CONTRIBUTION PLAN – 2005 Contributions Plan									
Other	6,812	4,020	-	-	230	(3,937)	-	7,125	-
Total	6,812	4,020	-	-	230	(3,937)	-	7,125	-

Woollahra Municipal Council | Notes to the Financial Statements 30 June 2023

G5 Statement of performance measures

G5-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2023	2023	2022	2021	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	4,109	3.64%	(4.58)%	(15.08)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	112,730				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	105,169	86.68%	87.25%	90.37%	> 60.00%
Total continuing operating revenue ¹	121,335				
3. Unrestricted current ratio					
Current assets less all external restrictions	90,018	3.41x	3.49x	4.06x	> 1.50x
Current liabilities less specific purpose liabilities	26,415				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	20,704	3.63x	2.10x	0.14x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	5,698				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	3,245	5.18%	4.54%	4.16%	< 5.00%
Rates and annual charges collectable	62,597				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	106,943	12.84 months	11.05 months	6.02 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	8,326				

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

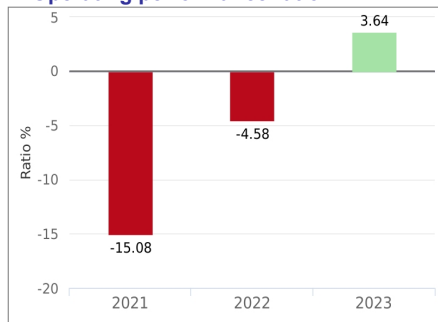
(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

End of the audited financial statements

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2022/23 result

2022/23 ratio 3.64%

The 2022/23 ratio is above the benchmark for the first time since 2018 and post COVID. The significant turnaround is on the back of financial sustainability repairs such as loan refinancing, efficiency reviews, redundancies, and rising interest rates on higher investment balances.

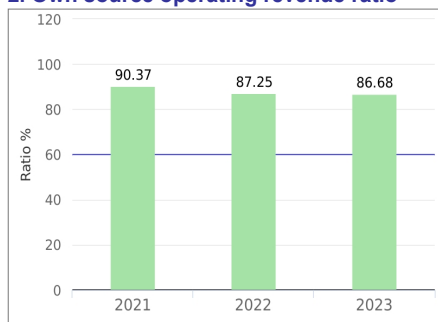
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2022/23 result

2022/23 ratio 86.68%

This ratio of 86.68 remains well above the benchmark of 60.

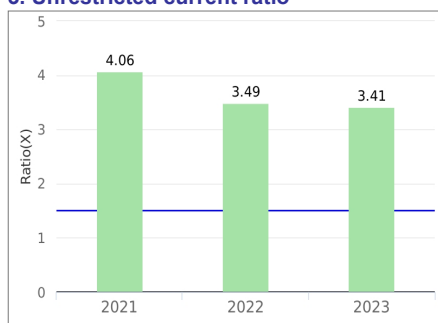
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2022/23 result

2022/23 ratio 3.41x

Council's liquidity remains strong and well above the benchmark of 1.5x.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

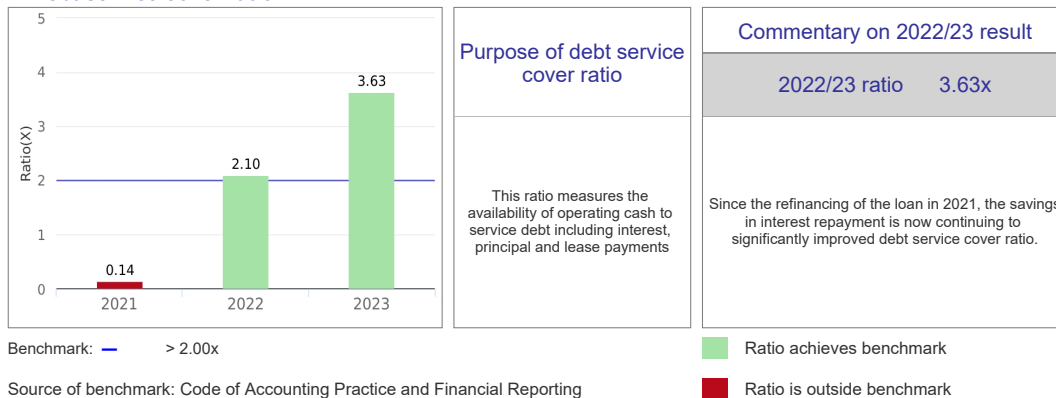
Ratio is outside benchmark

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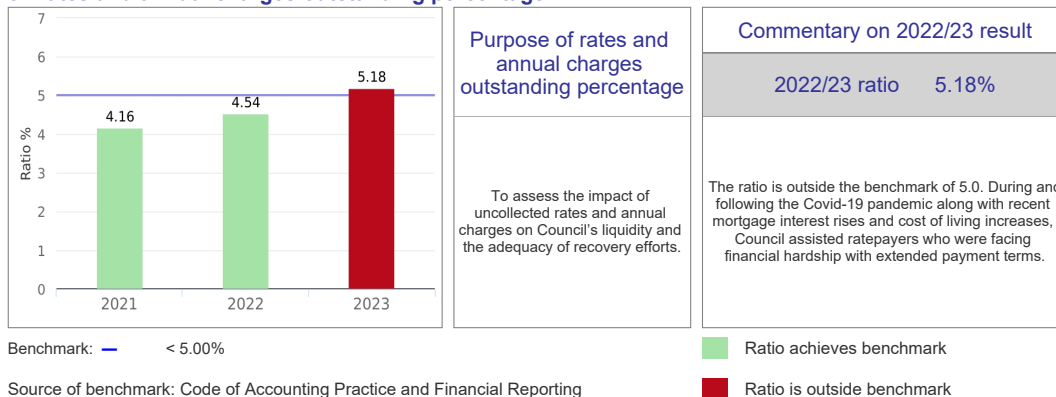
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H1-1 Statement of performance measures – consolidated results (graphs) (continued)

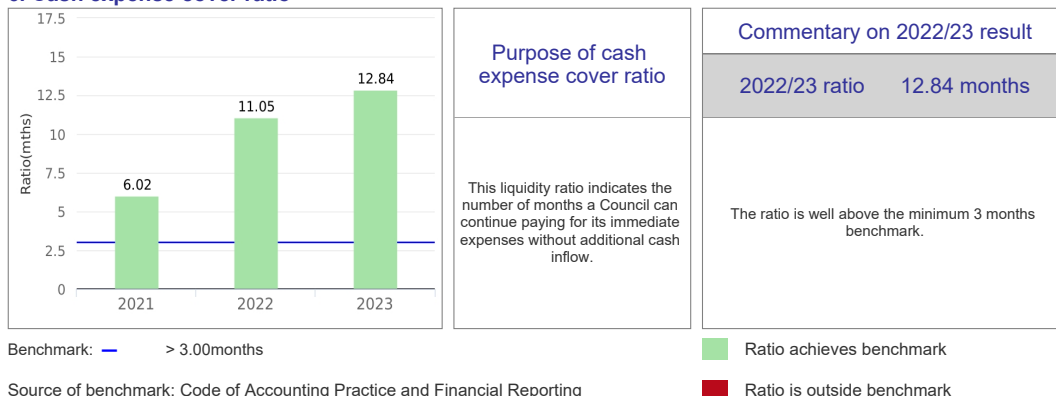
4. Debt service cover ratio



5. Rates and annual charges outstanding percentage



6. Cash expense cover ratio



H1-2 Council information and contact details

Principal place of business:

536 New South Head Road
Double Bay NSW 2028

Mailing Address:

PO Box 61
Double Bay NSW 2028

Telephone: 02 9391 7000

Facsimile: 02 9391 7044

Opening hours:

8:00am - 4:30pm
Monday to Friday

Internet: www.woollahra.nsw.gov.au

Email: records@woollahra.nsw.gov.au

Officers

GENERAL MANAGER

Craig Swift-McNair

RESPONSIBLE ACCOUNTING OFFICER

Paul Ryan

PUBLIC OFFICER

Sue Meekin

AUDITORS

Audit Office of NSW
Level 19, 201 Sussex Street
Sydney NSW 2000

Elected members

MAYOR

Susan Wynne

COUNCILLORS

Richard Shields
Peter Cavanagh
Sean Carmichael
Luise Elsing
Nicola Grieve
Mary-Lou Jarvis
Harriet Price
Lucinda Regan
Matthew Robertson
Isabelle Shapiro (Deputy Mayor)
Mark Silcocks
Sarah Swan
Merrill Witt
Toni Zeltzer

Other information

ABN: 32 218 483 245



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Woollahra Municipal Council

To the Councillors of Woollahra Municipal Council

Opinion

I have audited the accompanying financial statements of Woollahra Municipal Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2023, the Statement of Financial Position as at 30 June 2023, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

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



Karen Taylor
Delegate of the Auditor-General for New South Wales

10 October 2023
SYDNEY



Cr Richard Shields
Mayor
Woollahra Municipal Council
PO Box 61
DOUBLE BAY NSW 1360

10 October 2023

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2023
Woollahra Municipal Council**

I have audited the general purpose financial statements (GPFS) of the Woollahra Municipal Council (the Council) for the year ended 30 June 2023 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2023 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2023	2022	Variance
	\$m	\$m	%
Rates and annual charges revenue	59.7	57.9	↑ 3.1
Grants and contributions revenue	16.2	13.8	↑ 17.4
Operating result from continuing operations	21.5	15.0	↑ 43.3
Net operating result before capital grants and contributions	12.9	6.8	↑ 89.7

The Council's operating result from continuing operations being \$21.5 million (including depreciation and amortisation expense of \$14.8 million) was \$6.5 million higher than the 2021–22 result. The increase is mainly attributable to \$2.4 million increase in grant income recognised and \$2.6 million increase in interest income.

In terms of expenditure, the current year resulted in an overall increase of \$3.3 million which relates primarily to a \$7.5 million increase in materials and services expense, whilst employee benefits decreased by \$3.9 million due to the restructuring completed in 2021–22.

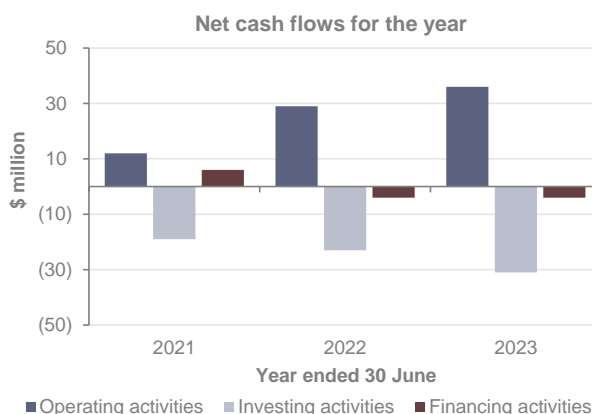
Rates and annual charges revenue increased by \$1.8 million in 2022–23, mainly due to rate peg.

STATEMENT OF CASH FLOWS

Cash inflows from operating activities increased due to increase in rates and annual charges received during the year as well as an increase in receipts from rental income during the year.

Cash outflows from investing activities increased due to additional investments purchased during the year.

Cash from financing activities which consists mainly of repayment of borrowings and lease payments did not change significantly compared to 2021–22.



FINANCIAL POSITION

Cash and investments

Cash and investments	2023	2022	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	107.6	91.6	External restrictions include unspent specific purpose grants, developer contributions, and domestic waste and stormwater management charges and unspent levies. The increase is primarily attributable to an increase in developer contributions, environmental and infrastructure renewal levy and domestic waste management.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	26.4	23.8	
• Internal allocations	69.2	65.7	Balances are internally allocated due to Council policy or decisions for forward plans including the works program. The increase is primarily attributable to deposits and bonds held by Council.

PERFORMANCE

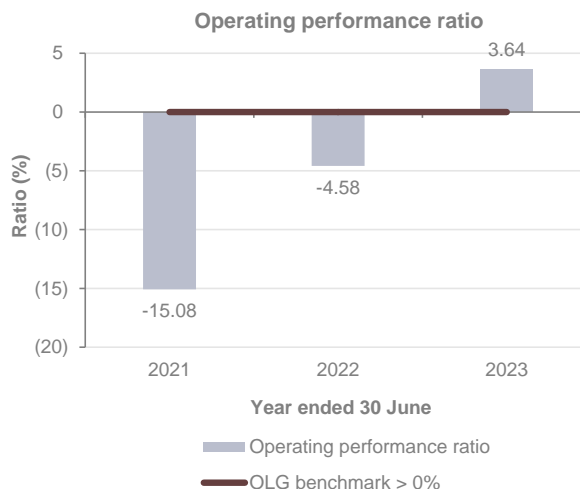
Performance measures

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

Operating performance ratio

The Council met the benchmark for the current reporting period.

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



Own source operating revenue ratio

The Council continues to exceed the benchmark for the current reporting period.

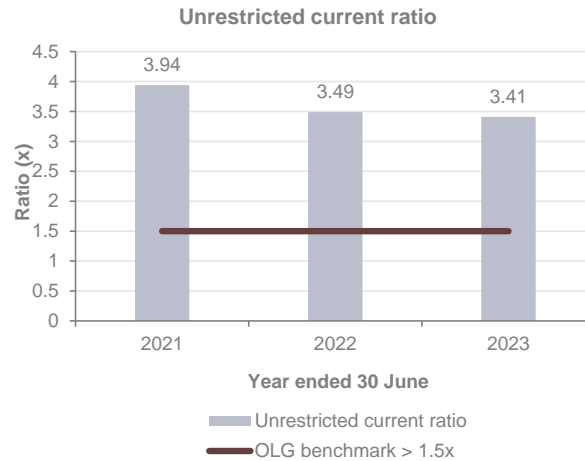
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

The Council met the benchmark for the current reporting period. This ratio indicates that Council currently has \$3.40 of unrestricted current assets available to service every \$1.00 of its unrestricted current liabilities.

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

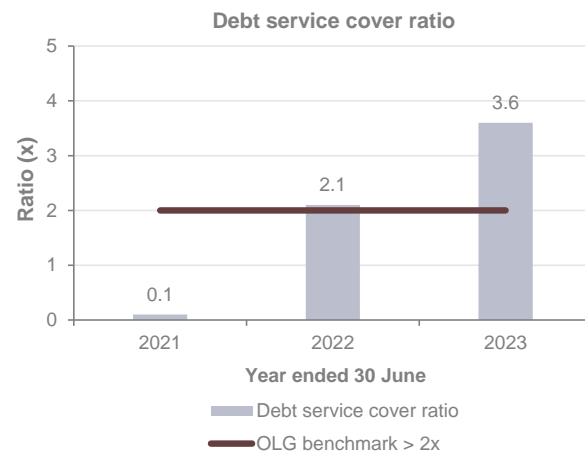


Debt service cover ratio

The Council met the benchmark for the current reporting period.

The Council's debt service cover ratio continues to improve due to savings on interest repayments since the loan was refinanced in 2021.

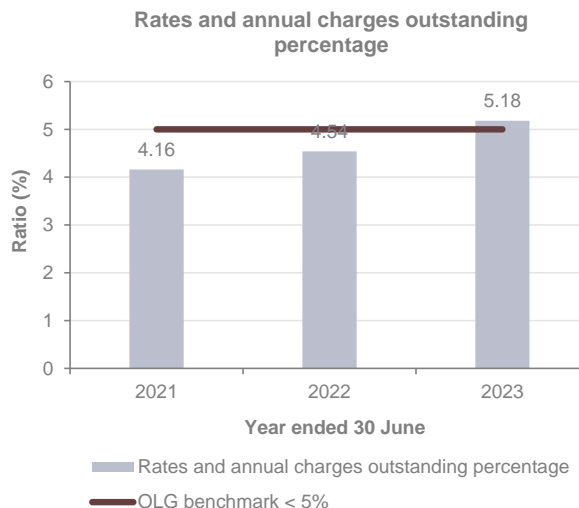
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding percentage

The Council did not meet the benchmark for the current reporting period.

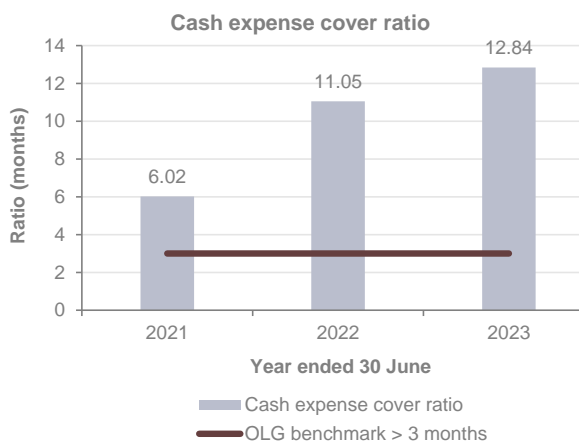
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metropolitan councils.



Cash expense cover ratio

The Council continues to exceed the benchmark for the current reporting period.

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



Infrastructure, property, plant and equipment renewals

Council renewed \$9.5 million of infrastructure, property, plant and equipment during the 2022–23 financial year. This was mainly spent on roads, footpaths and open space/recreational assets. A further \$8.4 million was spend on new assets across most asset classes.

Legislative compliance

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

Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- staff provided all accounting records and information relevant to the audit.



Karen Taylor
Delegate of the Auditor-General for New South Wales

Woollahra Municipal Council

SPECIAL SCHEDULES
for the year ended 30 June 2023



Woollahra Municipal Council

Special Schedules
for the year ended 30 June 2023

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Woollahra Municipal Council | Permissible income for general rates | for the year ended 30 June 2023

Woollahra Municipal Council

Permissible income for general rates

\$ '000	Notes	Calculation 2022/23	Calculation 2023/24
Notional general income calculation ¹			
Last year notional general income yield	a	42,361	43,228
Plus or minus adjustments ²	b	28	49
Notional general income	c = a + b	42,389	43,277
Permissible income calculation			
Special variation percentage ³	d	0.00%	13.70%
Or rate peg percentage	e	2.00%	0.00%
Plus special variation amount	h = d x (c + g)	–	5,929
Or plus rate peg amount	i = e x (c + g)	848	–
Sub-total	k = (c + g + h + i + j)	43,237	49,206
Plus (or minus) last year's carry forward total	l	18	25
Less valuation objections claimed in the previous year	m	(2)	–
Sub-total	n = (l + m)	16	25
Total permissible income	o = k + n	43,253	49,231
Less notional general income yield	p	43,228	49,200
Catch-up or (excess) result	q = o – p	25	31
Carry forward to next year ⁶	t = q + r + s	25	31

Notes

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

Woollahra Municipal Council | Permissible income for general rates | for the year ended 30 June 2023



INDEPENDENT AUDITOR'S REPORT
Special Schedule – Permissible income for general rates
Woollahra Municipal Council

To the Councillors of Woollahra Municipal Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Woollahra Municipal Council (the Council) for the year ending 30 June 2024.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2022–23 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2023 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2023'.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Karen Taylor
Delegate of the Auditor-General for New South Wales

10 October 2023
SYDNEY

Woollahra Municipal Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Woollahra Municipal Council

Report on infrastructure assets as at 30 June 2023

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2022/23 Required maintenance ^(a)	2022/23 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	300	300	2,182	2,266	74,249	140,595	39.9%	21.0%	36.9%	2.2%	0.0%
	Sub-total	300	300	2,182	2,266	74,249	140,595	39.9%	21.0%	36.9%	2.2%	0.0%
Roads	Sealed roads	2,416	2,416	5,197	5,048	418,041	563,026	50.1%	10.0%	39.2%	0.7%	0.0%
	Bridges	–	–	–	–	3,874	4,831	20.0%	0.0%	80.0%	0.0%	0.0%
	Footpaths	830	830	3,854	3,744	56,701	116,222	15.9%	33.0%	49.2%	1.9%	0.0%
	Sub-total	3,246	3,246	9,051	8,792	478,616	684,079	44.1%	13.8%	41.2%	0.9%	0.0%
Stormwater drainage	Stormwater drainage	546	546	513	380	82,608	116,833	62.8%	10.6%	26.1%	0.5%	0.0%
	Sub-total	546	546	513	380	82,608	116,833	62.8%	10.6%	26.1%	0.5%	0.0%
Open space / recreational assets	Other parks & open space	767	767	1,792	1,482	25,852	43,315	35.2%	38.0%	24.9%	1.7%	0.2%
	Harbourside structures	1,000	1,000	173	230	6,624	8,728	51.0%	22.0%	21.0%	6.0%	0.0%
	Sub-total	1,767	1,767	1,965	1,712	32,476	52,043	37.8%	35.3%	24.2%	2.4%	0.3%
Other infrastructure assets	Retaining walls & seawalls	773	773	89	118	48,778	78,067	13.0%	39.0%	47.0%	1.0%	0.0%
	Sub-total	773	773	89	118	48,778	78,067	13.0%	39.0%	47.0%	1.0%	0.0%
Total – all assets		6,632	6,632	13,800	13,268	716,727	1,071,617	43.0%	17.3%	38.6%	1.1%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Woollahra Municipal Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Woollahra Municipal Council

Report on infrastructure assets as at 30 June 2023

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts	Indicator	Indicators		Benchmark
	2023	2023	2022	2021	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	8,539	69.62%	57.32%	94.02%	> 100.00%
Depreciation, amortisation and impairment	12,266				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	6,632	0.91%	1.15%	1.35%	< 2.00%
Net carrying amount of infrastructure assets	727,579				
Asset maintenance ratio					
Actual asset maintenance	13,268	96.14%	99.62%	115.25%	> 100.00%
Required asset maintenance	13,800				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	6,632	0.62%	0.78%	0.92%	
Gross replacement cost	1,071,617				

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

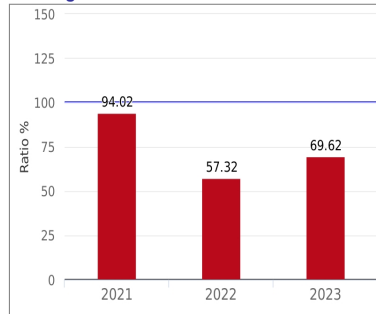
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Woollahra Municipal Council | Report on infrastructure assets as at 30 June 2023 | for the year ended 30 June 2023

Woollahra Municipal Council

Report on infrastructure assets as at 30 June 2023

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

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

Commentary on result	
22/23 ratio	69.62%
The ratio is influenced by the timing of the completion of capital works and the particular projects being undertaken in different years. In the year ended 30 June 2023, grant funded projects continues to be higher than prior years, where more renewal projects were undertaken. The three year average is 73.66%.	

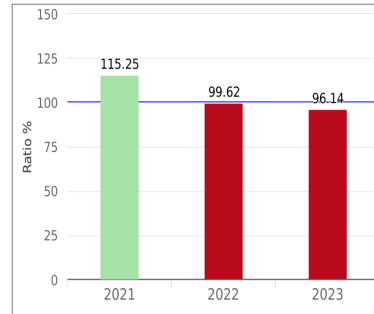
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

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

Commentary on result	
22/23 ratio	96.14%
This ratio is lower than the benchmark of > 100%. The three year average ratio is 103.67.	

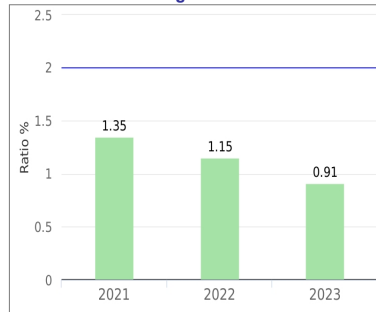
Benchmark: — > 100.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result	
22/23 ratio	0.91%
This ratio achieves the benchmark of < 2.00.	

Benchmark: — < 2.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
22/23 ratio	0.62%
The estimate cost to bring assets to our agreed service levels represents less than 1% of the total value of Council's assets.	

Item No: R1 Recommendation to Council
Subject: **EASEMENT FOR SHOP AWNING AT 1-5 DOVER ROAD, ROSE BAY**

Author: Anthony Sheedy, Senior Property Officer
Approvers: Zubin Marolia, Manager Property & Projects
Tom O'Hanlon, Director Infrastructure & Sustainability

File No: 23/191969

Purpose of the Report: Consider the granting by Council of an easement for an existing Shop Awning at 1-5 Dover Road, Rose Bay.

Alignment to Strategy 11.2: Secure Council's financial position.

Delivery Program:

Recommendation:

THAT Council:

- A. Grant a Section 88B easement for a shop awning to the adjoining owner of 1-5 Dover Road Rose Bay, which overhangs a portion of Dover Road reserve, subject to:
 - i. Payment of Easement compensation to Council for the amount of \$1,000 plus GST.
 - ii. Payment of all costs incurred by Council for review of the encroachment application and preparation and registration of documents, including but not limited to legal, valuation and administrative costs.
- B. Authorises the General Manager to sign all necessary documentation for execution and registration of the Easement.

Executive Summary:

The owner of an IGA supermarket at 1-5 Dover Road, Rose Bay has constructed an awning over Dover Road pursuant to Development Application (DA) 559/2013 and is seeking to formalise this encroachment in accordance with modified H.3 development consent condition.

DA consent condition H.3 requires that monetary compensation be paid to Council for grant of an easement for the shop awning. Council's independent consultant valuer has assessed a compensation amount of \$1,000 excl GST which the owner has accepted.

Property staff recommend that Council grant the Section 88B Easement subject to the owner No. 1-5 making compensation payment to Council and paying all Council's costs.

Discussion:

An estimated 32 sqm shop awning belonging to an IGA Supermarket overhangs the Dover Road pedestrian footway adjacent to 1-5 Dover Road, Rose Bay. This awning has a width of 12.32m and approximate depth of 2.6m. The width of the footpath at this point is about 3.6m. The location, plan drawing, and site photo of the fixed shop awning can be seen in more detail in Annexures 1, 2 and 3.

The shop awning was constructed pursuant to DA 559/2013 and its consent conditions. However, the applicant wasn't satisfied with H.3 consent condition "Covenant for Private Works on Council Land" which required a Section 88E Positive Covenant to formalise the shop awning. The Applicant wanted an easement and sought their own legal advice. An application was later received by Council to modify H.3 supported by the Applicants legal advice. In 2016 the modification was granted to H.3 consent condition "Covenant for private works on Council Property" in DA 559/2013/2 such that a Section 88B easement was now required to permit the awning to remain and must be registered on Council land over which the approved awning extends (see Attachments 4 & 5). The Easement requires the owner of the beneficial lot to:

- Maintain the encroaching structure on the terms specified in the easement and
- Indemnify Council against any liability arising in respect of damage to any person or property caused by the encroaching structure.

The use of a Section 88B Easement to formalise an encroaching shop awning is not in accordance with Council's encroachment policy, as shop awnings are dealt with under Section 88E Positive Covenants of the policy and no compensation payment is payable. The applicant in this case was approached by Council staff to further modify the consent condition for dealing with the awning via a Positive Covenant, but insisted upon leaving the consent condition H.3 unchanged.

Council staff engaged an independent registered valuer, Chaloner Valuations Pty Ltd to determine the easement compensation payable to Council. The valuer has applied Section 88K of the Conveyancing Act 1919 where the owner of the land burdened by the easement (in this case Woollahra Council) can be adequately compensated for any loss or other disadvantage that will arise from the imposition of the easement.

In their rationale, the valuer has made an assessment there is minimal loss or disadvantage Council would suffer due to the proposed easement. The awning provides an improvements to the public domain by providing shelter from sun and rain, and the adjoining owner is responsible for the costs of maintenance and insurance. Having regard to the above, the valuer has assessed the compensation payable to Council for the grant of the Section 88B easement will be a nominal amount of \$1,000 excl GST. A copy of the valuer's report is included with this report as Annexure 6.

Options:

Council may resolve in line with the recommendation/s as included in this report or, Council may choose to resolve in some other manner.

Community Engagement and / or Internal Consultation:

Council's Property staff have sought internal consultation with Strategic Planning staff regarding the requirement for shop awnings. The advice provided by the Team Leader was that Council requires the installation of awnings under the Woollahra Development Control Plan 2015.

The relevant controls require awnings in various non-residential settings, particularly in local business centers where continuous awning coverage is required. These controls are generally within Chapters D4, D5 and D6 of the Control Plan, and must be read in conjunction with relevant maps.

There is value to public persons in the community of having the shop awning in place and not requiring its removal as shop awnings provide protection from weather extremes.

Policy Implications:

The Council's existing adopted Encroachment Policy requires shops with awnings overhanging Council road reserves to have them formalised by Positive Covenants registered on the Certificate of Title of the adjoining premises. In these circumstances no compensation is payable. As the current applicant on this rare occasion is insisting upon an Easement, there are no plans to amend this policy. These rare requests can be accommodated within the current policy.

Financial Implications:

As the DA 559/2013/2 consent condition requires easement compensation to be paid to Council in regards to the encroaching shop awning over Dover Road, Property staff have engaged an independent registered valuer to assess the compensation.

The valuer has applied Section 88K of the Conveyancing Act 1919 where the owner of the land burdened by the easement (in this case Woollahra Council) can be adequately compensated for any loss or other disadvantage that will arise from the imposition of the easement.

For reasons explained earlier in this report, the valuer has assessed the compensation payable to Council for the grant of the Section 88B easement will be a nominal amount of \$1,000 excl GST.

The owner has agreed to pay Council the assessed Compensation amount and costs incurred by Council, in exchange for the grant of a Section 88B easement for the shop awning.

Resourcing Implications:

There are no resourcing implications as a result of this report.






Conclusion:

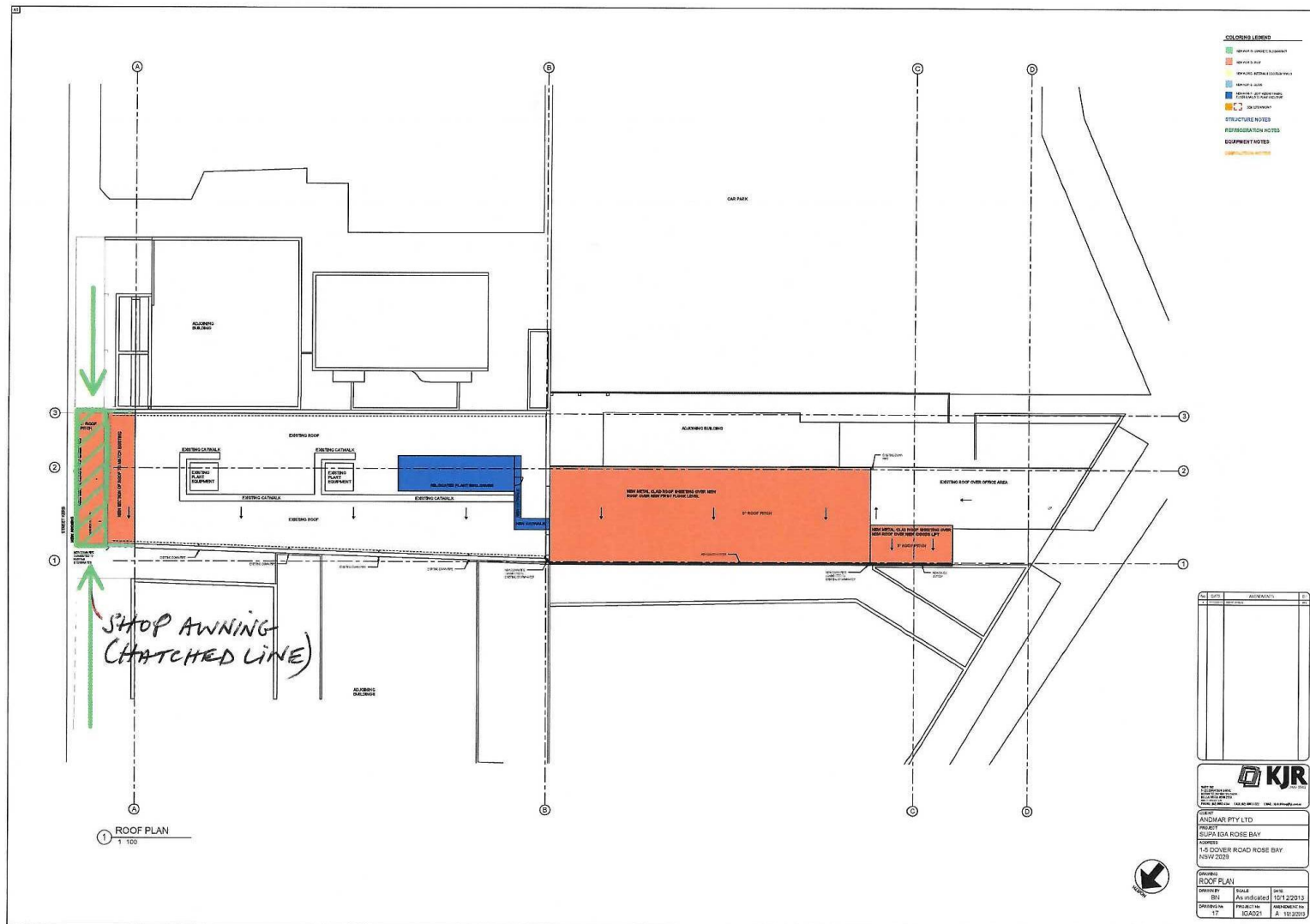
The owner of an IGA supermarket at 1-5 Dover Road, Rose Bay has constructed an awning over Dover Road pursuant to Development Application (DA) 559/2013 development consent and is seeking to formalise this encroachment in accordance with modified H.3 consent condition.

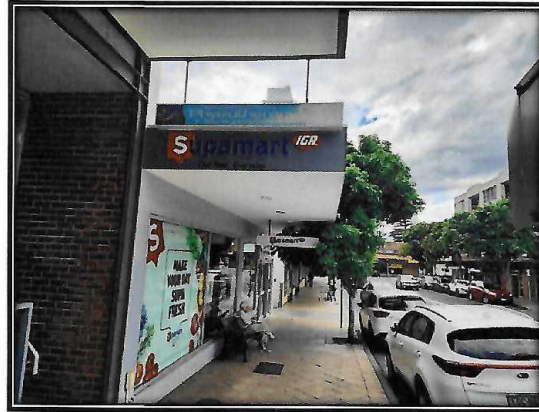
DA consent condition H.3 requires that monetary compensation be paid to Council for grant of an easement for the shop awning. Council's independent and registered consultant valuer has assessed a compensation amount of \$1000 excl GST which the owner has accepted.

It is recommended that Council grant the Section 88B easement subject to the owner No. 1-5 Dover Road making payment to Council of \$1,000 plus GST, and paying all Council's costs. It is further recommended that the General Manager be authorised to sign all documentation necessary for the grant of the easement.

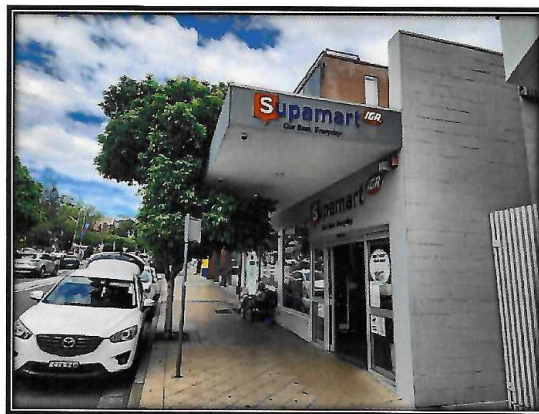
Attachments

1. Plan drawing showing Awning at 1-5 Dover Rd, Rose Bay [↓](#) 
2. Site Photos of awning at 1-5 Dover Rd, Rose Bay [↓](#) 
3. DA 599/2013/1 Consent Condition H.3 [↓](#) 
4. DA 599/2013/2 Consent Condition H.3 [↓](#) 
5. Chaloner Valuations Easement Compensation Report 5509.23 [↓](#) 

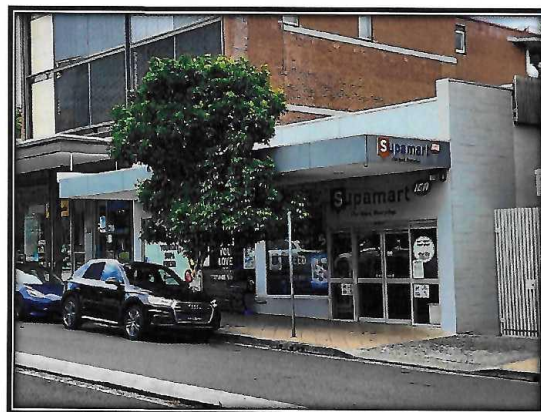




Awning as viewed from southern side.



Awning as viewed from northern side.



1 – 5 Dover Road, Rose Bay

Council Ref: DA 599/2013/1:Ms E Smith:cn
Planning & Development Division

28 May 2014



Mr M Briscas
C/- Construction and Management Services
PO Box 4044
ILLAWONG NSW 2234

Dear Sir/Madam

Development Consent: 599/2013/1
Property: 1-5 Dover Road and 16 Newcastle Street, ROSE BAY
Proposal: Alterations and additions to an existing supermarket building, new awning and signage works.

Please find attached your development consent including development consent conditions, advisory notes, stamped plans and additional information.

Your consent conditions have been structured to not only outline the regulatory framework from this point forward but have been structured so that it is clear what things must happen at each stage between the granting of the consent and the eventual occupation and use of the completed development.

This does not mean that everything you must do to satisfy Commonwealth and New South Wales law is spelt out because many other Acts and Regulations apply to demolition, building, subdivision and the use of developments.

You should check, as may be relevant, with other authorities including but not limited to:

- Workcover NSW (work safety and asbestos requirements)
- Sydney Water (provision of water and sewer services)
- Energy & Gas suppliers (<http://www.deus.nsw.gov.au/gas/index.htm>)
- Department of Fair Trading (advice about builders and licensing)
- Building Professionals Board (advice about private certifiers)
- Roads and Traffic Authority (works on state roads only)
- NSW Police Service's Traffic Sergeant (temporary road closures only)
- Human Rights and Equal Opportunity Commission (access issues)

Further information can be accessed through the NSW Government's home page www.nsw.gov.au and many consent conditions provide further advice.

Where your development results in the necessity to upgrade or connect to footpaths, roads and public drainage systems you will need further approval from Council before you undertake such works. You may also need approval for hoarding and construction (work) zones. Avoid delays by addressing these issues early in the process.

C:\Users\anthony\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\QLJ92VP2\0054DA\CONSENT.doc (003).docx

Page 1

Development Consent Conditions

- a) Stormwater pipes, pits and connections to public stormwater systems within the *road*;
- b) Driveways and vehicular crossings within the *road*;
- c) Removal of redundant driveways and vehicular crossings;
- d) New footpaths within the *road*;
- e) Relocation of existing power/light pole
- f) relocation/provision of street signs
- g) New or replacement street trees;
- h) New footway verges, where a grass verge exists, the balance of the area between the footpath and the kerb or site boundary over the full frontage of the proposed development must be turfed. The grass verge must be constructed to contain a uniform minimum 75mm of friable growing medium and have a total cover of turf predominant within the street.
- i) New or reinstated kerb and guttering within the *road*; and
- j) New or reinstated road surface pavement within the *road*.

Note: Security held by Council pursuant to section 80A(6) of the Act will not be release by Council until compliance has been achieved with this condition. An application for refund of security must be submitted with the *Final Occupation Certificate* to Council. This form can be downloaded from Council's website www.woollahra.nsw.gov.au or obtained from Council's customer service centre.

Standard Condition: H13

H.3 Covenant for Private Works on Council Property

positive covenant, pursuant to Section 88E of the *Conveyancing Act*, must be created on the title of the subject property, providing for the indemnification of Council from any claims or actions, and the on-going maintenance of any private structures on or over Council property for which consent has been given, such as steps, retaining walls, access ways, overhang, balconies, awnings, signs and the like.

The wording of the Instrument must be in accordance with Council's standard format and the Instrument must be registered at the Land Property Information Office prior to the issuance of any Occupation Certificate.

Note: The required wording of the Instrument can be downloaded from Council's web site www.woollahra.nsw.gov.au. The PCA must supply a copy of the WAE Plans to Council together with the *Occupation Certificate*. No *Occupation Certificate* must be issued until this condition has been satisfied.

Standard Condition: H19

I. Conditions which must be satisfied during the ongoing use of the development

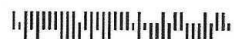
I.1 Waste Management - Commercial

The owner and/or occupier must comply with the approved Site Waste Minimisation and Management Plan (SWMMP) and with Council's Site Waste Minimisation and Management Development Control Plan 2010.

All waste must be presented for collection in a receptacle. Waste receptacles must be presented no earlier than the close of business on the day before collection. Waste and recycling bins/crates must be removed from the road or footpath within 1 hour of collection or otherwise in accordance with the approved SWMMP.

Council Ref: DA 599/2013/2:Mr D Booth:db
Planning & Development Division

30 September 2016



Mr M Briscas
C/- Construction and Management Services
PO Box 4044
ILLAWONG NSW 2234

Approval of a Section 96 Application

Application No: DA 599/2013/2

Property: 1-5 Dover Road & 16 Newcastle Street Rose Bay

Applicant: Mr M Briscas

Proposal: **The modification of the consent to address erroneous Condition H.3 Covenant for Private Works on Council Property**

Please find attached your modified consent in relation to DA599/2013, for alterations and additions to an existing supermarket building (IGA), new awning and signage works, issued on 27 May 2014.

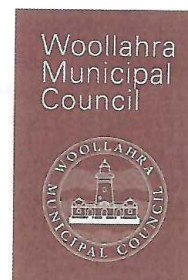
If you are dissatisfied with the determination, you can seek a review of Council's determination provided an application is made to Council within 6 months of the determination.

Alternatively, you can appeal to the Land and Environment Court within 6 months of the date on which you receive this Notice. However, Council generally seeks resolution of such appeals through a Section 34 Conference, site hearings and the use of Court appointed experts, instead of a full Court hearing. This approach is less adversarial, quicker and cheaper for all parties.

If you have any enquiries, please contact our Assessment Officer Mr D Booth on 9391-7119 between 8.30am and 11.00am Monday to Friday.

Signature on behalf of the consent authority

Nick Economou
Manager – Development Control



ABN 32 218 483 245

Redleaf Council Chambers
536 New South Head Road
Double Bay NSW 2028

Correspondence to

General Manager
PO Box 61
Double Bay NSW 1360

DX 3607 Double Bay
records@woollahra.nsw.gov.au

www.woollahra.nsw.gov.au

Telephone: 61 2 9391 7000

Facsimile: 61 2 9391 7044

Section 96 Consent Conditions



Development Consent No. 599/2013/2

Notice of Determination of a Section 96 Application

Sections 80A and 96 of the Environmental Planning and Assessment Act 1979 ('the Act')
Clause 122 of the Environmental Planning and Assessment Regulation 2000 ('the Regulation')

Applicant's Name

Mr M Briscas

Date of Determination

30 September 2016

Land to which this applies

1-5 Dover Road and 16 Newcastle Street Rose Bay

Proposed Modification

The modification of the consent to address erroneous Condition *H.3 Covenant for Private Works on Council Property*

Modified consent

Subject to the provisions of Sections 96(1) & 80A of the Act, this consent has been modified in terms of the modification of Condition H.3 as follows:

H.3 Covenant for Private Works on Council Property

An easement to Council's satisfaction to permit the awning which will encroach onto Council's land to remain must be registered on the title to Council's land being the section of the footpath adjacent to the frontage of the 1-5 Dover Road, Rose Bay over which the approved awning extends (Council Land) pursuant to ss88B of the Conveyancing Act 1919.

The easement must be registered on the title to the Council Land prior to the issuance of an Occupation Certificate.

Notes:

For the easement to be to Council's satisfaction, the terms of the easement will require the owner of the benefited lot to:

Section 96 Consent Conditions

- *maintain the encroaching structure on the terms specified in the easement, and*
- *indemnify Council against any liability arising in respect of damage to any person or property caused by the encroaching structure.*

Review of Determination and Right of Appeal

Within 6 months after the date of determination, a review of this determination can be made under section 82A of the Act or an appeal to the Land and Environment Court can be made pursuant to the provisions of Part 4, Division 8 of the Act.

Plans endorsed by the consent authority

Copies of relevant plans endorsed by the consent authority and as referenced by conditions of consent are annexed.

Endorsed for and on behalf of Woollahra Municipal Council



Nick Economou
Manager – Development Control

30 September 2016
Date of endorsement

CHALONER VALUATIONS

Suite 308, 368 Sussex Street,
Sydney NSW 2000
P.O. Box 20300
World Square NSW 2002
t. +61 2 8064 3434
e. admin@chalval.com.au



ASSESSMENT OF COMPENSATION

EASEMENT FOR SHOP AWNING
WHICH OVERHANGS THE ROAD RESERVE
ADJACENT TO 1 – 5 DOVER ROAD,
ROSE BAY NSW 2029



Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

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9 COMPENSATION	9

Appendices

- Location Map
- Instruction Email
- Section 96 Approval
- Roof Plan of 1 – 5 Dover Road
- Photographs



Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

EXECUTIVE SUMMARY

PROPERTY:	Public Road Reserve, adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029.
PURPOSE OF VALUATION:	Assessment of compensation for the granting of an easement, per Section 88B of the Conveyancing Act 1919.
BRIEF DESCRIPTION:	<p>The land proposed to be subject to an easement to permit the awning, which will encroach onto the Council's land, is the footpath area at the front of 1 – 5 Dover Road, an IGA Supermarket. The awning extends approximately 2.6 metres over the paved footpath, which has a total width of about 3.6 metres.</p> <p>I have received a roof plan drawn by KJR Drafting dated 10 December 2013, which shows the position of the encroaching awning. There are no dimensions shown on this plan and from an on-site measurement, I have calculated the land area encroached upon to be approximately 32 m².</p>
CLIENT:	<p>Woollahra Municipal Council PO Box 61 Double Bay NSW 1360</p> <p>Attn: Mr Anthony Sheedy Senior Property Officer By email only: anthony.sheedy@woollahra.nsw.gov.au</p>
DATE OF INSPECTION/VALUATION:	6 October 2023

CHALONER VALUATIONS

Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

Executive Summary (Cont)

COMPENSATION:

In accordance with the preceding and subject to the comments contained within this report, we are of the opinion suitable compensation payable to the Woollahra Council for the granting of an easement being the section of the footpath adjacent to the frontage of 1 – 5 Dover Road, Rose Bay NSW 2029, over which the existing awning extends pursuant to Section 88B of the Conveyancing Act 1919 for as at 6 October 2023 is:

\$1,000
(ONE THOUSAND DOLLARS)
Exclusive of GST

This summary page must be read in conjunction with the attached report, of which this summary forms part and is subject to my remarks and qualifications therein.

CHALONER VALUATIONS



Paul Chaloner FAPI
Certified Practising Valuer
Email: paul@chalval.com.au
Mobile: 0468 907 880

DATE OF SIGNING: 17 October 2023

IMPORTANT: All data provided in this summary is wholly reliant on and must be read in conjunction with the information provided in the attached report. It is a synopsis only designed to give a brief overview and must not be acted on in isolation.

Authorised By: 

The counter signatory, who has read and signed this report, verifies the report is genuine and is endorsed by Chaloner Valuations Pty Ltd. The opinion of value expressed has been arrived at by the prime signatory alone.

Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

1 INTRODUCTION

1.1 Instructions

We have been instructed by Mr Anthony Sheedy, Senior Property Officer of Woollahra Municipal Council, to assess compensation for the granting of an easement to permit the awning, which encroaches onto Council's land to remain. The easement will be registered on title to Council's land, being the section of footpath adjacent to the frontage of 1 – 5 Dover Road, Rose Bay pursuant to Section 88B of the Conveyancing Act 1919.

1.2 Date of Inspection/Valuation

The valuation date is the same as the inspection date is 6 October 2023.

2 BACKGROUND

In 2016, the owner of 1 – 5 Dover Road, Rose Bay, completed construction of a retail building. As part of this development, an awning covering the part of the footpath of Dover Road was constructed over the Council's Road Reserve.

Development Consent (DC) by way of an Approval of a Section 96 Application was granted on 30 September 2016, with the proposal being "the modification of the consent to address erroneous condition H.3 Covenant for Private Works on Council Property".

The consent has been modified in the terms of Modification of Condition H.3 as follows:

H.3 Covenant for Private Works on Council Property

An easement to Council's satisfaction to permit the awning which will encroach onto Council's land to remain and must be registered on the title of Council's land being the section of footpath adjacent to the frontage of 1 – 5 Dover Road, Rose Bay over which the approved awning extends (Council Land) pursuant to ss88B of the Conveyancing Act 1919.

The easement must be registered on the title to the Council land prior to the issuance of an Occupation Certificate.

Note: For the easement to be to Council's satisfaction, the terms of the easement will require the owner of the beneficial Lot to:

- *Maintain the encroaching structure on the terms specified in the easement and*
- *Indemnify Council against any liability arising in respect of damage to any person or property caused by the encroaching structure.*

Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

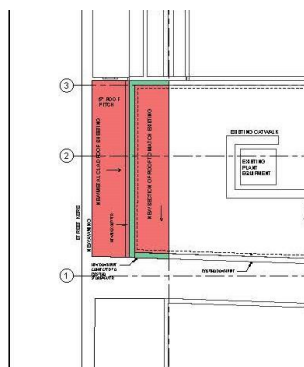
3 DIMENSIONS AND AREA OF ROAD RESERVE ENCROACHED UPON

As previously mentioned, we have been provided with a Roof Plan of 1 – 5 Dover Road, Rose Bay, drawn by KJR Drafting and dated 19 December 2013.

No dimensions are shown on this plan; however, from the measurements taken during the inspection, the width of the awning across the entire frontage of 1 – 5 Dover Road is 12.32 metres. The depth is approximately 2.6 metres (the entire width of the footpath is about 3.6 metres).

Thus, I have assessed the total area of the encroached upon land to be approximately 32 m² from these measurements.

The following is an excerpt from the Roof Plan where I have identified the encroached upon area:



4 LEGAL DESCRIPTION

4.1 Title Details

The awning encroachment is over a public road; therefore, there is no title for the subject land.

The land adjoining being, 1 – 5 Dover Road, Rose Bay, has a Title reference of Lot 5, Section A in Deposited Plan 4244

5 LOCATION

The subject encroached upon land forms part of Dover Road, directly at the front of 1 – 5 Dover Road. It comprises part of the footpath area.

The land is situated on the southwestern side of Dover Road, between its intersections with New South Head Road and Ian Street, within the Rose Bay (New South Head Road) shopping centre. Rose Bay shopping centre is a traditional strip-style centre with shops on either side of New South Head Road and a small section of Dover Road between New South Head Road and near to its intersection with Ian Street.

The surrounding development comprises a mixed-use retail/residential building and the Rose Bay Hotel adjoining on either side.

Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

6 ZONING

The subject land is zoned E1 Local Centre under the provisions of Woollahra Local Environmental Plan (LEP) 2014.

I recommend this zoning and information be verified by application to the Council for the issue of a Planning Certificate pursuant to the Environmental Planning and Assessment Act 1979. Should there be any other adverse notations on the above Certificate, I reserve the right to amend my valuation and report accordingly.

7 IMPROVEMENTS

Presently erected upon the encroached upon land is a cantilevered awning attached to the front of 1 – 5 Dover Road. The awning has a metal roof cover (according to the building plans), fibrous cement lining and downlights installed. There is signage on three (3) sides of the awning.

The existing improvements on the land comprise a paved footpath and a fixed into the ground cast iron/timber bench seat.

8 VALUATION RATIONALE

The encroaching structure, being the footpath awning, is to be formalised by an easement under Section 88B of the Conveyancing Act 1919. Per a modification of DC 559/2013/2, the easement must be registered on the Title of the Council Land prior to the issuance of an Occupation Certificate (N.B, as it appears no Title exists for the footpath, a Title by way of a Lot in a Deposited Plan, will have to be created to allow the registration of the easement on Council land).

Further, my instructions (copy annexed) specifically advise the easement will not be in perpetuity but limited in time to the life of the building or the redevelopment of the structure.

Compensation for imposing an easement is set out in Section 88K of the Conveyancing Act 1919, where the owner of the land burdened by the easement (in this case, Woollahra Council) "*can be adequately compensated for any loss or other disadvantage that will arise from the imposition of the easement*". Note it does not mention compensation is to include any advantage to the Dominant Tenement (i.e. the land advantaged by the easement).

Thus, I have considered what "loss or disadvantage" Woollahra Council may suffer due to the proposed easement, and I can see none.

The awning provides a betterment to the public, obviously providing shelter from rain and sun. This betterment is not offset by the negative features such as maintenance or liability as the owner of the adjoining property, per the easement terms, will be responsible for maintenance of the awning and indemnification of Council against liability arising in respect of damage to any person or property caused by the encroaching structure. Thus, there will be no ongoing costs to the Council.

Therefore, considering these factors, compensation to the Council for creating the easement is a nominal amount. Regarding what quantum is a "nominal amount", there is no formula or set amount to determine such; it is assessed being the informed opinion of the valuer undertaking the assessment.



Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

8 Valuation Rationale (Cont)

In this instance, I have adopted a nominal sum of \$1,000, which I consider to be fair and reasonable.

Finally, I would note I am not aware of any other instance in either the Woollahra Local Government Area or elsewhere in the State where a shop owner pays a fee to the Council to allow for an encroaching awning over a footpath. The only exception is if the encroachment included a balcony or other commercial use above the structure encroaching onto the footpath. This is different from the situation here.

CHALONER VALUATIONS

Easement For Shop Awning which overhangs
The Road Reserve Adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029

9 **COMPENSATION**

Subject to the comments contained within this report, we are of the opinion the amount of compensation payable to Woollahra Council for an easement to permit the awning which encroaches onto the Council's land adjacent to 1 – 5 Dover Road, Rose Bay NSW 2029 as at **6 October 2023 is:**

\$1,000

(ONE THOUSAND DOLLARS)


The above assessment is Exclusive of GST

Chaloner Valuations and the individual valuers involved in the preparation of this valuation do not have pecuniary interests in the subject property that would conflict with the assessment of compensation.

This valuation is current as of the date of valuation only. The value assessed herein may change significantly, unexpectedly, over a relatively short period (including as a result of general market movements or factors specific to the particular property). Chaloner Valuations does not accept liability for losses arising from such subsequent changes in value. Without limiting the generality of the above comment, Chaloner Valuations do not assume any responsibility or accept any liability where this valuation is relied upon after the expiration of three (3) months from the date of valuation, or such earlier date if you become aware of any factors that have any effect on the valuation.

This valuation has been prepared on behalf of Woollahra Municipal Council, with attention to Mr Anthony Sheedy for compensation for the creation of an easement. This report may be relied upon by the instructing party, and the proposed dominant tenement, however, is not to be relied upon by any other person or for any other purpose. I accept no liability to third parties, nor do I contemplate this report will be relied upon by third parties. I invite other parties who may come into possession of this report to seek my written consent to them relying on this report. I reserve the right to withhold consent or to review the contents of this report in the event my consent is sought.

CHALONER VALUATIONS



Paul Chaloner FAPI
Certified Practising Valuer
Email: paul@chalval.com.au

DATE OF SIGNING: 17 October 2023

Authorised By: 

The counter signatory, who has read and signed this report, verifies the report is genuine and is endorsed by Chaloner Valuations Pty Ltd. The opinion of value expressed has been arrived at by the prime signatory alone.

Item No: R2 Recommendation to Council
Subject: **CAPITAL WORKS PROGRAMS - QUARTERLY PROGRESS REPORT
SEPTEMBER 2023**

Authors: Petrina Duffy, Coordinator Strategy & Performance
Henrietta McGilvray, Senior Corporate Accountant

Approvers: Tom O'Hanlon, Director Infrastructure & Sustainability
Sue Meekin, Director Corporate Performance

File No: 23/180993

Purpose of the Report: To provide the Committee with an update on the status of the projects in the FY2023-24 Capital Works Program, for the quarter ended 30 September 2023

Alignment to Delivery Program: Strategy 11.2: Secure Council's financial position.

Recommendation:

THAT Council receives and notes the Capital Works Program – Quarterly Progress Report for the quarter ended 30 September 2023.

Executive Summary:

To provide the Committee with an update on the status of projects in the 2023/24 Capital Works Program, for the quarter ended 30 September 2023.

Discussion:

As part of Council's quarterly reporting under Council's Integrated Planning and Reporting Framework, this report is presented to the Finance, Community & Services Committee detailing the status of projects in the Capital Works Program.

Consistent with the approach adopted for progress reporting on the Priorities and Actions contained in Council's Delivery Program and Operational Plan, the Capital Works Program Status Report is presented by Key Service Area, Strategy and Priority. Specific projects supporting the Priority are then listed in the table under the heading "Actions".

The Capital Works Program Status Report for the period ended 30 September 2023 is attached as **Attachment 1**. It includes, in the introductory pages, a snapshot of the Capital Works Program with a high level summary according to project status, budget, actual expenditure to date and budget remaining, statistics and charts.

Options:

This report is for noting only.

Community Engagement and / or Internal Consultation:

This report has been compiled using information provided by Directors and Managers in relation to their area of budget responsibility.

Policy Implications:

There are no direct policy implications arising from this report.

Financial Implications:

Capital Works actions with budgets that were rolled over from last financial year have been consolidated with the current year 2023-24 budgets. This is a consolidation of existing budget and does not represent any increases or decreases in total funding.

Projects over expended at 30 September 2023 (those with a negative in the budget remaining column) have been addressed in the September 2023 Quarterly Budget Review which also appears on tonight's agenda.


Resourcing Implications:

Resourcing implications are outlined within the report.

Conclusion:

It is recommended the September 2023 Quarterly Capital Works Program Progress Report be received and noted.

Attachments

1. Capital Works Progress Report - Q1 July - September 2023/24 [↓](#) 



CAPITAL WORKS PROGRAM

QUARTERLY PROGRESS REPORT

JULY - SEPTEMBER 2023/24



Finance, Community
& Services Committee
6 November 2023

Item - Attachment 1

Contents

Introduction	iii
Capital Works Actions July - September 2023/24 Progress	iv
Environment & Climate Change	1
<i>Includes Strategies:</i>	
5.4: Reduce impacts of local flooding and improve floodplain risk management	
7.1: Protect trees, streetscapes, natural landscapes and biodiversity including the protection and restoration of bushland areas.	
7.2: Support cleaner, healthier waterways including improved water quality and healthy water catchments, creeks and harbour.	
8.1: Reduce greenhouse gas emissions.	
8.5: Reduce potable water usage by Council and encourage reduced usage on private property.	
Waste & Cleansing	6
<i>Includes Strategy:</i>	
5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.	
Parks, Trees & Recreation	7
<i>Includes Strategy:</i>	
5.3 Provide and maintain clean, attractive, accessible, connected and safe parks, sportsgrounds, foreshore areas and other public spaces and infrastructure such as roads, footpaths, bicycle facilities, stormwater drains and seawalls.	
Land & Building Services	13
<i>Includes Strategies:</i>	
5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.	
9.1: Collaborating to achieve great placemaking outcomes in our local centres which are hubs for jobs, shopping, dining, entertainment, and community activities.	
11.2: Secure Council's financial position.	

Transport & Engineering

Includes Strategies:

17

5.5: Renew and upgrade ageing infrastructure including roads, footpaths, stormwater drains and seawalls.

6.3: Reduce traffic congestion, noise and speeding.

9.1: Collaborating to achieve great placemaking outcomes in our local centres which are hubs for jobs, shopping, dining, entertainment, and community activities.

Corporate Services

Includes Strategy:

32

11.1: Build an efficient organisation that places customers and the community at the heart of service delivery.

Community Services, Culture & Arts

Includes Strategy:

33

5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.

Library Services

Includes Strategy:

35

5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.

Cover image: Spicer Lane Reserve

Introduction

What is our Delivery Program & Operational Plan?

The Delivery Program 2022/23 to 2025/26 and Operational Plan 2023/24 are structured on the Goals and Strategies of our Community Strategic Plan *Woollahra 2032*. The Delivery Program identifies Priorities, whilst the Operational Plan outlines our deliverable projects for the year, including our Capital Works program.

Progress reports for each of Council's key service areas from our Delivery Program and Operational Plan are reported on a biannual basis. In addition a Capital Works Program report is presented quarterly to the Finance, Community & Services Committee.

What is the Capital Works Program – Quarterly Progress Report?

This report provides progress comments against each project in the Capital Works Program. It is designed to provide a snapshot to the Council and the community on the progress against the Capital Works Program as adopted in the Delivery Program 2023/23 to 2025/26 and Operational Plan 2023/24.

Capital Works Program Quarterly Progress Report Statistics to end of September 2023

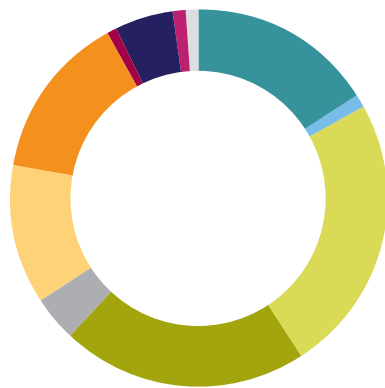
The Capital Works Program delivers actions which support the community priorities identified in our Community Strategic Plan, *Woollahra 2032*. This Capital Works Program progress report lists its project Actions under the key service area it supports:

- Environment & Climate Change
- Waste & Cleansing
- Parks, Trees & Recreation
- Land & Building Services
- Transport & Engineering
- Corporate Services
- Community Services, Culture & Arts
- Library Services.

The following table provides a snapshot of the status of the progress of all Actions as at 30 September 2023.

Capital Works Actions

As at 30 September 2023



N/A - Operational	1%
Works Delayed	1%
Construction Commenced	5%
Completed	16%
Community Consultation	1%
Design / Scope of Works	24%
In Progress	21%
Not Yet Commenced	4%
Preliminary Investigation	12%
Tenders or Quotations Called	14%
Deferred	1%

Status	Current Quarter		Budget (\$)	YTD Expenditure (\$)	Budget Remaining (\$)
	# of Projects	%			
Completed	31	16%	2,649,614	2,972,676	-323,062
Community Consultation	2	1%	492,729	509	492,220
Construction Commenced	9	5%	1,638,463	1,076,370	562,093
Deferred	1	1%	10,000	0	10,000
Design / Scope of Works	45	24%	8,449,792	695,499	7,754,293
In Progress	39	21%	13,604,341	7,749,235	5,855,106
Not Yet Commenced	8	4%	678,550	0	678,550
Preliminary Investigation	23	12%	2,559,497	51,518	2,507,979
Tenders or Quotations Called	27	14%	5,686,869	1,125,300	4,561,569
Works Delayed	1	1%	47,165	38,974	8,191
N/A- Operational	4	1%	200,136	17,385	182,751
TOTAL	190	100%	36,017,156	13,727,467	22,289,689

Environment & Climate Change

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 5.4: Reduce impacts of local flooding and improve floodplain risk management.							
Priority 5.4.2: Develop and implement a five year capital renewal program for stormwater drainage infrastructure.							
5.4.2.1 Stormwater Inlet Capacity Increase - Multiple jobs to improve stormwater capacity (01466) and to identify and rectify small stormwater system works (01492)	In Progress	The Stormwater Inlet Capacity Increase project and Stormwater Small Works Project are carried out concurrently and are on-going projects which involve improving/constructing stormwater kerb inlets or systems to improve overall stormwater capacity. The following works are scheduled for this financial year: <ul style="list-style-type: none"> Stormwater pit upgrade in Underwood Street, Paddington (in progress); Pipe extension near property No.33 Cross Street, Double Bay (in progress); Pipe system extension in Albert Street, Woollahra (in progress); Pipe extension rear of property No.16 Harris Street, Paddington (completed). 	Yes	Completed	504,709	342,223	162,486
5.4.2.2 Condition assessment for the stormwater network by using CCTV inspection (01493)	In Progress	This is an on-going project and involves undertaking CCTV inspections of Council's stormwater network in known problem areas or in critical locations to assess the condition of pipes across the LGA. Any defects identified are recorded and repair works are prioritised. This data is considered when developing Council's future capital and maintenance drainage budgets and is incorporated in Council's Asset and Defects Register. The CCTV inspections are continuing for FY23/24.	No	In Progress	109,551	33,463	76,088
5.4.2.3 Pringle Place at Bellevue Garden, Bellevue Hill - New stormwater pipe connection from Pringle Place to Bellevue Gardens (construction) (01663)	Construction Commenced	Contractors have been engaged to undertake site works for future stormwater improvements. Consultation with Council staff and local residents was undertaken and negotiations are now finalised. Maintenance works which includes removal of vegetation and scaling of rock slope are completed. Construction works which include stabilisation of the rock walls through anchoring will be undertaken in Q2/Q3 of FY23/24. These works will be in conjunction with the Pringle Place rock face stabilisation works (#01664).	Yes	Completed	52,985	16,807	36,178

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

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Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.4.2.4 Bunyula Rd - New stormwater pipe and pit work (01804)	Tenders or Quotations Called	Quotations are being obtained. Expected construction in Q3/Q4 of FY23/24.	Yes	Completed	400,000	0	400,000
5.4.2.5 Queen Street corner Ocean Street, Woollahra - Stormwater pipe rehabilitation - Pipe relining and pit building works (01721)	Completed	Project is complete and remaining invoices were finalised in Q1 FY23/24. Savings on this project will fund over-expenditure on other projects.	No	Completed	98,909	6,734	92,175
5.4.2.6 Ocean Street between William Street and Wiston Gardens - Stormwater pipe rehabilitation and road pavement reconstruction (01722)	In Progress	Pipe liner is on order. Civil works to the road pavement will be undertaken in Q2/3 FY23/24 along with anticipated pipe liner installation. Over expenditure on this project will be funded by savings on other projects.	Yes	Completed	72,050	77,088	-5,038
5.4.2.7 Kiaora Road corner Forest Road, Double Bay - Stormwater improvement works (01662)	In Progress	Project involves augmenting two stormwater pits to improve stormwater drainage. The final design is complete and is ready to commence construction pending approval from Sydney Water for the connection to their stormwater channel. Once approval from Sydney Water is granted, this project will progress to construction in Q3 FY23/24 in conjunction with project #01754.	No	Completed	35,873	20,238	15,635
5.4.2.8 George Street, Paddington - Stormwater component of the works (01720)	Completed	Project is completed. This project is in conjunction with George Street, Paddington (#01512) and the extent of works included a streetscape upgrade with major stormwater infrastructure constructed within the street. Over-expenditure on this project was due to the scope increase in civil works identified as required on site. This will be funded from under-expenditure on other projects.	Yes	Completed	52,117	154,102	-101,985
5.4.2.9 Paddington Street cnr Hopetoun corner Hopetoun Lane, Paddington - Threshold Treatment (01805)	Preliminary Investigation	Investigation for the scope of works are complete. The project will commence the design phase in Q2 of FY23/24.	Yes	Completed	50,000	0	50,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.4.2.10 Cecil St Rushcutters Bay catchment area planning and design works (01806)	Preliminary Investigation	On-site inspections were undertaken to determine the scope of works for stormwater improvements. The project will commence the design phase in Q2 of FY23/24.	Yes	Completed	102,300	0	102,300
5.4.2.11 Watsons Bay Flood Mitigation Project (01409)	Completed	Project is completed. The extent of works included a streetscape upgrade in Cliff Street, Watsons Bay, with major stormwater infrastructure improvements, and re-grading of the roadway, which increased the cost of the project. Over-expenditure on this project was due to the scope increase in civil works on-site and will be funded from under-expenditure on other projects.	Yes	Completed	360,409	418,731	-58,322
5.4.2.12 Caledonian Road Rose Bay - Stormwater outfall upgrade on Rose Bay Beach (design and construct) (01661)	Design / Scope of Works	Project is in detailed design phase. Community and stakeholder consultation will occur in Q3 FY23/24 in order to conclude the design process. Funds have been included in the FY23/24 budget for construction works and these works are anticipated to commence in the winter months following Collins Avenue project (#01818). These works will be in conjunction with the Caledonian Road footpath reconstruction and road resurfacing works (#01821).	Yes	In Progress	134,245	1,092	133,153
Strategy 7.1: Protect trees, streetscapes, natural landscapes and biodiversity including the protection and restoration of bushland areas.							
Priority 7.1.2: Implement a prioritised program of capital improvements to natural areas.							
7.1.2.1 Cooper Park Rehabilitation (01489)	Tenders or Quotations Called	Contractors have been appointed to supply and install an 'Ecosol' gross pollutant trap, which will capture gross pollutants, sediment and hydrocarbons. Installation is planned for the December 2023 / January 2024 school holiday period to minimise disruption to the nearby schools.	Yes	Completed	160,000	141,667	18,333
7.1.2.2 Trumper Park Bush Regeneration (01792)	N/A	This project has been transferred to the operational budget in the September 2023 quarterly review, as no capital assets result from this project.	N/A	N/A	35,000	17,385	17,615
Priority 7.1.4: Implement actions from the Biodiversity Conservation Strategy.							
7.1.4.1 Biodiversity Monitoring - Biodiversity and environmental monitoring (01832)	N/A	This project has been transferred to the operational budget in the September 2023 quarterly review, as no capital assets result from this project.	N/A	N/A	45,000	0	45,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
7.1.4.2 Rose Bay Park Bushland Regeneration - Design (01833)	N/A	This project has been transferred to the operational budget in the September 2023 quarterly review, as no capital assets result from this project.	N/A	N/A	55,000	0	55,000
7.1.4.3 Biodiversity Projects (01488)	N/A	This project has been transferred to the operational budget in the September 2023 quarterly review, as no capital assets result from this project.	N/A	N/A	65,136	0	65,136
Priority 7.2.2: Implement a program of capital works for water quality improvement, including installation of stormwater quality improvement devices such as raingardens and Gross Pollutant Traps.							
7.2.2.1 Water Quality Improvement - Implementation of Water Sensitive Urban Design projects including raingarden (01487) and (01706)	Preliminary Investigation	The raingarden at Watsons Bay which was part of the FY22/23 budget is complete and all invoices paid. Preliminary investigations for another raingarden are underway.	Yes	Completed	68,730	40,000	28,730
7.2.2.3 Water Quality Improvement - Gross Pollutant Trap (01795)	Design / Scope of Works	Consultant stormwater engineers are finalising the design of the GPT proposed for installation at Collins Avenue Rose Bay.	Yes	Completed	160,000	0	160,000
7.2.2.4 Water Quality Improvement - Design and Construction of Gross Pollutant Trap to treat stormwater (01831)	Preliminary Investigation	A drainage outlet at Gibsons Beach Vacluse has been identified as a potential location for a gross pollutant trap. The next step is to engage consultants to assess the feasibility, anticipated Q2 FY23/24.	Yes	In Progress	200,000	0	200,000
Strategy 8.1: Reduce greenhouse gas emissions.							
Priority 8.1.1: Provide programs and projects to reduce local greenhouse gas emissions.							
8.1.1.1 Energy Conservation & Carbon Reduction Projects (01490)	Design / Scope of Works	A number of projects are planned for FY23/24 including: - replacement of lighting at Redleaf Council Chambers with energy efficient LEDS (contractor engaged); replacement of gas appliances in Council owned buildings with energy efficient electric appliances; upgrade of lighting and installation of sensors in Trumper Park changerooms; and pending feasibility, installation of solar panels on 1-2 Council owned facilities. Part of the funding for this project has been transferred to the operational budget in the September 2023	Yes	Completed	320,734	43,020	277,714

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$) **	Budget Remaining (\$)
8.1.1.2 Electric Vehicle Charging - Installation of two onstreet chargers and one charger at Ranger's depot (01703)	Preliminary Investigation	quarterly review, as no capital assets result from some aspects, for example the feasibility study for the transition from gas. An application to the NSW Government for funding through the Electric Vehicle Kerbside Charging Grants is being prepared by the 3 Council Regional Environment Program. The funds allocated to this project will be included in the application as Council's contribution to the grant project.	Yes	In Progress	116,467	0	116,467
Strategy 8.5: Reduce potable water usage by Council and encourage reduced usage on private property.							
Priority 8.5.1 Integrate water sensitive urban design into local infrastructure and development and investigate stormwater re-use.							
8.5.1.1 Stormwater Harvesting (01484)	Design / Scope of Works	The design of a stormwater harvesting system at Collins Avenue Rose Bay required refinement and this is 70% complete. The system will capture stormwater flowing from New South Head Road to Percival Park for use in the amenities block. Construction is planned for Q3 of FY23/24.	Yes	Completed	202,850	0	202,850
8.5.2.1 Water Conservation - Projects to reduce potable water use (00162)	Community Consultation	This project involves the installation of a second rainwater tank at Christison Park to increase the capacity of the existing stormwater harvesting system. This quarter (Q1 FY23/24) community consultation was undertaken, with site notification and a 'Your Say' page.	Yes	Completed	280,729	509	280,220
ENVIRONMENT & CLIMATE CHANGE TOTAL:					\$3,682,794	\$1,313,058	\$2,369,736

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**Actual Expenditure to end of quarter, including commitments.

Waste & Cleansing

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.							
Priority 5.1.2: Implement a prioritised program of capital improvements to community facilities.							
5.1.2.1 Fletcher Street Depot – Amenities Refurbishment (01165)	Not Yet Commenced	Scope of works review commencing in Q2 FY23/24.	Yes	Completed	5,000	0	5,000
5.1.2.2 Fletcher St Depot - Roof box gutters replacement (01843)	Design / Scope of Works	Scope of works being finalised in Q2 FY23/24.	Yes	Completed	50,000	0	50,000
WASTE & CLEANSING TOTAL:					\$55,000	\$0	\$55,000

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

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Woollahra Municipal Council
Capital Works Progress Report - Q1 September 2023/24

Parks, Trees & Recreation

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
Strategy 5.3 Provide and maintain clean, attractive, accessible, connected and safe parks, sportsgrounds, foreshore areas and other public spaces and infrastructure such as roads, footpaths, bicycle facilities, stormwater drains and seawalls.							
Priority 5.3.2 Implement a prioritised program of capital improvements to public open spaces and recreation facilities.							
5.3.2.1 Parks & Open Spaces Project Management (00054)	In Progress	This cost centre is used for consultancy fees on initial investigation works on various projects identified for the FY23/24.	Yes	Completed	75,000	0	75,000
5.3.2.2 Park furniture roll-out (LGA-wide) (00450)	In Progress	Renewal of existing park furniture and new opportunity sites have been identified. Procurement has commenced and rollout will occur throughout FY23/24.	Yes	Completed	175,000	34,991	140,009
5.3.2.3 Park lighting upgrades (00667)	Design / Scope of Works	The upgrade to the Marine Parade lighting is currently being designed and a scope of works developed. Installation anticipated for Q3 FY23/24.	Yes	Completed	132,597	2,519	130,078
5.3.2.4 Park Signage - Renewal and new park signage in parks (00777)	Tenders or Quotations Called	A list of signage renewal is complete and procurement is underway. Installations to occur throughout FY23/24. New interpretative signage is also currently being designed for Gugara Park (Dillion Street Reserve Playground).	Yes	Completed	169,312	71,725	97,587
5.3.2.5 Fencing Upgrade – Various sites (01338)	In Progress	Renewal fencing at Cooper Park is underway. Other sites are currently being scoped for renewal including the renewal of Lough Playing Field fence.	Yes	Completed	162,017	24,950	137,067
5.3.2.6 Park bin replacement (01472)	In Progress	The renewal list for park bins is complete and procurement commenced. Installation of new bins will occur throughout FY23/24.	Yes	Completed	54,000	44,035	9,965
5.3.2.7 Multi-use sports facilities construction (01672)	Preliminary Investigation	The Review of Environmental Factors (REF) is underway for the multi-courts at Lough Playing fields. Once this is complete community consultation will occur in Q3 FY23/24. Additional funding required to undertake this project is provided in Project # 01396.	Yes	In Progress	308,000	6,638	301,362

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**Actual Expenditure to end of quarter, including commitments.

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Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.3.2.8 New/additional street planter boxes in business centres throughout LGA (01682)	In Progress	This budget will be used for replacement plantings in the Woollahra Business Centre planters throughout FY23/24.	Yes	Completed	22,530	0	22,530
5.3.2.9 Accessible matting for beaches (01765)	In Progress	The accessible matting has been received and planning for rollout is underway for this summer.	Yes	Completed	36,000	34,340	1,660
5.3.2.10 Landscape improvements at various sites including Ian St embankment, Spring St laneway, Edward St steps (01866)	Tenders or Quotations Called	A scope of works for Spring Street steps is finalised and procurement commenced. Initial investigation is underway for landscape improvements for other sites.	Yes	Completed	79,000	10,223	68,777
5.3.2.11 Renewal of softfall at various sites (01086)	Tenders or Quotations Called	This budget will be utilised for softfall at the Lyne Park playground upgrade.	Yes	In Progress	152,688	0	152,688
5.3.2.12 Informal and non-traditional play elements at various locations (01771)	Design / Scope of Works	Planning and design options at Epping Reserve are being finalised with play suppliers for imaginative non-traditional play elements. Equipment to be ordered and installed in Q3 FY23/24, subject to availability with suppliers, which has become an ongoing issue.	Yes	Completed	150,000	0	150,000
5.3.2.13 Major sportsfield renovations - Drainage at sportsfields Woollahra 2 & 3 to improve usability during wet weather (01482)	Design / Scope of Works	A scope of works is currently being prepared for sportsfields renovations.	Yes	Completed	137,000	0	137,000
5.3.2.14 Installation of mulch pit at Woollahra 2 & 3 sportfields for Council use (01873)	Design / Scope of Works	A design is complete for the installation of a mulch pit within Woollahra 2 & 3. Procurement will commence in Q2.	Yes	Completed	96,000	0	96,000
5.3.2.15 Bellevue Park extension of pathway and landscaping - Stage 2 Design and Consultation. (01674)	In Progress	Design works, community consultation and a call for quotations are complete for Stage 2 of the Bellevue Park pathway (Project 01759). Construction is being undertaken through project # 01759.	Yes	Completed	11,225	10,647	578

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
5.3.2.16 Bellevue Park continuation of pathway works - Stage 2 (01759)	Construction Commenced	Design works, community consultation and a call for quotations are complete for Stage 2 of the Bellevue Park pathway. A contractor has been engaged to commence works in October. A budget variation will be undertaken in Q1 budget review. The additional costs are associated with the higher quotations received which were above the initial cost estimates of the whole project.	Yes	Completed	357,000	500,666	-143,666
5.3.2.17 Thornton playground design and consultation (01875)	Preliminary Investigation	A consultation plan seeking comments for a new design of the Thornton Street Playground is being prepared. Community consultation to commence in Q2 FY23/24.	Yes	Completed	37,000	0	37,000
5.3.2.18 Multi-use sports facilities construction - Additional funding required for Lough Playing Fields multicourts (01396)	Design / Scope of Works	The Review of Environmental Factors (REF) are underway for the multi-courts at Lough Playing fields. Once this is complete community consultation will occur in Q3 FY23/24. This project is related to Project #01672.	Yes	Completed	400,000	0	400,000
5.3.2.19 Cooper Park Creek Wall - Final stage of creek wall along Tennis Courts (01614)	Completed	The project was rolled over from last years' budget to be used for landscaping along the creek wall. Some of the landscaping was completed last financial year with further landscaping due in Q3 FY23/24.	Yes	Completed	5,474	0	5,474
5.3.2.20 Figtree Reserve landscaping - Landscaping works due to flood damage to Figtree Reserve overlooking Cooper Park (01681)	Completed	This project is complete. Additional costs were required due to storm damage to the embankment during construction. The over-spend on this project will be funded from savings on other projects.	Yes	Completed	0	40,297	-40,297
5.3.2.21 Moncur Reserve landscaping and extension to basketball court (01763)	Construction Commenced	Construction on the renewal of the Spicer Lane Reserve half court basketball court is progressing. The court will be open for use in October 2023.	Yes	Completed	99,825	86,572	13,253
5.3.2.22 Harbourview Park basketball court relocation and improvement (01764)	Tenders or Quotations Called	A contractor has been engaged to commence the basketball court relocation. Construction details are being finalised. Works to commence in Q2 FY23/24.	Yes	Completed	85,799	76,983	8,816
5.3.2.23 Upgrade and redesign Lower Cooper Park cricket nets (01864)	Preliminary Investigation	Initial design work is underway for the upgrade of the Lower Cooper Park cricket nets. Once complete, community consultation will commence which is anticipated for Q3 FY23/24.	Yes	Completed	131,000	0	131,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.3.2.24 Cooper Park Pond upgrade (01766)	In Progress	Removal of sediment from the lower Cooper Park ponds is complete. A scope of works is currently being prepared for works to the top pond at Cooper Park.	Yes	Completed	84,599	47,446	37,153
5.3.2.25 Renewal of the historic sandstone weirs in Cooper Park Creek (01872)	Preliminary Investigation	A Heritage Consultant has been engaged to undertake an historic analysis of the weirs and provide a detailed action plan for possible rectification. Once the action plan and scope of works are developed, procurement for a suitable contractor will commence.	Yes	Completed	187,000	0	187,000
5.3.2.26 Redleaf Plan of Management - Retaining wall and pathway renewal (01336)	Design / Scope of Works	A design and scope of works are currently being undertaken for the retaining wall leading down to Murray Rose Pool. Once complete procurement will commence with suitable contractors. Works to occur after summer in Q4 FY23/24.	Yes	Completed	121,000	4,500	116,500
5.3.2.27 Sayonara Slipway improvements (01340)	Preliminary Investigation	The draft Sir David Martin Reserve Plan of Management proposes to activate the Sayonara Slipway for water based recreation and related maritime purposes, whilst retaining and preserving the heritage fabric of the site. A survey of the site has been completed and a site analysis undertaken. The next stage of works will include community consultation to determine possible improvements and activations which is expected to occur in Q3 FY23/24. Any works to the site would require a Heritage Impact Statement.	Yes	In Progress	150,000	1,225	148,775
5.3.2.28 Yarranabbe Park - Northern Plaza and stairs construction (01399)	Preliminary Investigation	GML Heritage have provided the final draft of the Conservation Management Strategy for the site. This project is included in that Strategy. Investigations are underway to determine the feasibility of the project in regards to its heritage impact on the State Heritage Listed park.	Yes	In Progress	400,000	0	400,000
5.3.2.29 Rushcutters Bay Park landscaping improvements (01769)	Completed	The improvements to the entry garden beds to Rushcutters Bay Park are complete. Overspend on this project will be funded by cost savings on other projects as part of quarterly budget review.	Yes	Completed	0	12,913	-12,913
5.3.2.30 Yarranabbe Fitness Station renewal (01877)	Design / Scope of Works	Request for designs for the renewal of the Yarranabbe Park fitness stations have been received and are currently being reviewed. Community consultation will commence in Q2, with construction to begin in Q4 FY23/24.	Yes	Completed	67,000	899	66,101

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.3.2.31 Synthetic Cricket wicket upgrades (01683)	Completed	Extension of the Woollahra 2&3 cricket nets is complete. A grant application was successful from Cricket Australia to facilitate this project, which will be allocated to the budget when received.	Yes	Completed	22,437	29,100	-6,663
5.3.2.32 Major turfing renewal including Tingira Reserve, Guilfoyle Park (01869)	In Progress	Turf works at Royal Hospital for Women Park are complete. A scope of works is prepared for Moncur Reserve to address the significant wear and tear of the turf coinciding with the dogs off-leash regulations.	Yes	Completed	72,000	35,960	36,040
5.3.2.33 Rushcutters Bay Park Youth Facility (01190)	In Progress	To proceed with the Rushcutters Bay Park Youth Facility a Section 60 application to Heritage NSW is required which is currently being prepared. Following a meeting with Heritage NSW for pre-lodgement advice, the Review of Environmental Factors (REF) and the Aboriginal cultural values assessment is being finalised and will be submitted as part of the S60 application. The S60 application is expected to be submitted to Heritage NSW in Q3 FY23/24.	Yes	In Progress	1,135,002	65,015	1,069,987
5.3.3.2.34 Trumper Park Pathway renewal - Pathway renewal from the Trumper Park Tennis Courts to Edgecliff Train Station (Bowes Avenue) (01678)	Completed	The Trumper Park pathway renewal is complete. The last section of the works included the pathway along Quarry Street which allows pedestrians to walk to Trumper Park without being on the road. This is a major improvement and received great feedback from the community. Overspend on this project related to additional works on site for accessibility to Quarry Street that exceeded original cost estimates, but were considered essential to the completion of the project. The over-spend will be managed via the quarterly budget review.	Yes	Completed	146,823	239,952	-93,129
5.3.2.35 Trumper Oval pathway including retaining walls and seating (01760)	Tenders or Quotations Called	Consultation with stakeholders and the wider community on the Trumper Oval pathway is complete. A contractor has been engaged to undertake the works and will commence in Q2 FY23/24.	Yes	Completed	218,330	160,104	58,226
5.3.2.36 Soudan Street reserve landscape upgrade to improve usability and accessibility (01867)	Preliminary Investigation	Preliminary investigations are underway for the landscape upgrades to Soudan Street to improve usability and accessibility.	Yes	Completed	83,000	0	83,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.3.2.37 Pocket park upgrades including Comber St Reserve and Sutherland St Reserve (01868)	Design / Scope of Works	Preliminary investigations are underway with draft designs prepared for Comber Street Reserve and Sutherland Street Reserve. Once complete community consultation will commence which is expected to occur in Q2 FY23/24. Following consultation improvement works will commence.	Yes	Completed	55,000	0	55,000
5.3.2.38 Royal Hospital for Women Park (RHWP) landscape improvements - terracing, weed matting and garden improvements (01871)	Design / Scope of Works	A scope of works and draft design is currently being prepared for the landscape improvements to Royal Hospital for Women Park. The works are targeted to improving the embankment on the Brown Street side of the park. Community consultation will commence in Q2 FY23/24, with works anticipated to commence when complete.	Yes	Completed	112,000	450	111,550
5.3.2.39 Spring Street Reserve playground renewal and landscaping (01876)	Community Consultation	A community consultation package is currently being prepared for the renewal of the small playground at Spring Street Reserve. This will commence in Q2 FY23/24. All feedback will be considered with works expected to commence in Q3 FY23/24.	Yes	Completed	212,000	0	212,000
5.3.2.40 Lyne Park landscape upgrade - Improved entry garden beds to Lyne Park off New South Head Rd (01676)	In Progress	The extension of concrete pathway near the disabled toilets is complete at the Lyne Park toilets. Further landscaping is scheduled in Q2 FY23/24.	Yes	Completed	10,113	0	10,113
5.3.2.41 Lifeline sign replacements (01709)	Design / Scope of Works	This budget is grant funded from Lifeline. The finalisation of the new standard and formatting of content for these signs was received in March 2023. We are awaiting approval from Lifeline to proceed with the installation.	Yes	Completed	12,600	0	12,600
5.3.2.42 Gap Park CCTV upgrades (01762)	In Progress	The upgrade of the CCTV cameras at Gap Park continue to be implemented. Orders have been placed for replacement cameras with installation to occur in Q3 FY23/24.	Yes	Completed	129,000	76,880	52,120
5.3.2.43 Installation of Coastal Binoculars along Coastal Cliff Walk between Gap Park and Christison Park (01863)	Design / Scope of Works	A suitable supplier has been engaged with three locations agreed upon. Notification on these locations will commence in Q2 FY23/24, with installation to occur in Q3 FY23/24, noting that there is a time delay in supply of binoculars which come from overseas.	Yes	Completed	57,250	2,588	54,662

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
5.3.2.44 Landscape improvements to Robertson Park toilet area including retaining walls and garden beds (01870)	Tenders or Quotations Called	The landscape improvements to the Robertson Park toilet area are procured. Construction to commence in Q2 FY23/24.	Yes	Completed	53,000	31,600	21,400
5.3.2.45 Lyne Park Playground upgrade (01770)	Tenders or Quotations Called	The design of the Lyne Park playground is complete and approved by Council. The procurement of the Lyne Park Playground upgrade is currently being finalised with initial cost coming in over the allocated budget due to increased costs over the whole project. Staff are currently investigating funding mechanisms to be able to deliver the whole project. It is anticipated that construction will occur in Q3 FY23/24.	Yes	In Progress	996,190	1,365	994,826
5.3.2.46 Dinghy storage facility at various sites including Parsley Bay Reserve (01865)	Preliminary Investigation	Preliminary investigations of possible sites for further dinghy storage has commenced. Following a decision on possible locations, quotations will be sought for construction of additional storage bays.	Yes	Completed	121,000	1,384	119,616
5.3.2.47 Installation of further planter boxes and trees along New South Head Road, Rose Bay (01874)	Design / Scope of Works	The investigation of new tree pits in the Business Centre along New South Head Road, Rose Bay are underway. Once these are complete and dependent on feasibility to construct, this will proceed.	Yes	Completed	75,000	0	75,000
PARKS, TREES & RECREATION TOTAL:					\$7,396,811	\$1,655,967	\$5,740,844

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

Land & Building Services

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.							
Priority 5.1.2: Implement a prioritised program of capital improvements to community facilities.							
5.1.2.3 Open Space buildings review - Feasibility study (01836)	Design / Scope of Works	Scope of works review commencing in Q2 FY23/24. This project has been transferred to the operational budget in the September 2023 quarterly review, as no capital assets result from this project.	Yes	Completed	85,000	0	85,000
5.1.2.6 Rushcutters Bay Toilets - Install accessible toilet (01780)	Completed	Works completed.	Yes	Completed	53,200	55,010	-1,810
5.1.2.7 Install new staff workshed - Woollahra Oval 2/3 (01837)	Preliminary Investigation	Scope of works review commencing in Q2 FY23/24.	Yes	Completed	30,000	0	30,000
5.1.2.8 Trumper Park Grandstand & Amenities - Upgrade roof (01838)	Design / Scope of Works	Quotations scheduled to occur in Q3 FY23/24.	Yes	Completed	100,000	0	100,000
5.1.2.9 Colleagues - Upgrade for female friendly changerooms (01840)	Not Yet Commenced	Scope of works review commencing in Q2 FY23/24.	Yes	Completed	40,000	0	40,000
5.1.2.25 Trumper Park - Female Friendly Facility Upgrade (01797)	Design / Scope of Works	Design commenced. DA to be submitted in Q2 FY23/24.	Yes	Completed	387,000	20,000	367,000
5.1.2.27 Christison Park - Replace Hot Water Systems (01839)	Deferred	Internal consultation to be undertaken to confirm whether hot water is required.	Yes	Completed	10,000	0	10,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
5.1.2.11 Cooper Park Workshed (old toilet block) - Refurbish redundant toilet block for staff/volunteers (01779)	In Progress	Purchase Order raised to engage contractor. Awaiting confirmation of installation date anticipated to be in October 2023.	Yes	Completed	55,000	20,780	34,220
5.1.2.12 Blackburn Gardens - Refurbishment of mens and womens toilets; Replacement of roof, gutters and down pipes; Improvements to pathway (00690)	Tenders or Quotations Called	Quotes being sourced and works anticipated for Q3 FY23/24.	Yes	Completed	45,000	0	45,000
5.1.2.4 Property management system (01629)	In Progress	Installation of the system commencing in October 2023.	Yes	Completed	90,380	0	90,380
5.1.2.13 Redleaf - Audio visual upgrade (01564)	In Progress	Various updates have occurred to software in Q1 FY23/24.	Yes	Completed	48,578	18,089	30,489
5.1.2.14 Redleaf - Refurbishment works (01641)	In Progress	Awaiting completion of waterproofing around thermal vents.	Yes	Completed	28,752	15,632	13,120
5.1.2.15 Redleaf - Replace air-conditioning chiller (01784)	In Progress	Contract awarded. Works to be completed in Q2 FY23/24.	Yes	Completed	344,000	338,600	5,400
5.1.2.16 Redleaf - Upgrade air-conditioning management system (BMS) (01785)	In Progress	Contract awarded. Works to be completed in Q3 FY23/24.	Yes	Completed	157,450	3,450	154,000
5.1.2.17 Redleaf Skylights (01796)	Completed	Works completed. Over-expenditure to be funded from savings from other projects.	Yes	Completed	18,207	21,800	-3,593
5.1.2.17 Fire Services Upgrade (General) (01844)	In Progress	Contractor engaged to undertake upgrade of fire doors and emergency lighting at Cross St car park.	Yes	Completed	15,000	7,715	7,285

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.1.2.19 Redleaf - Replacement of Print Room air-conditioning unit (01845)	Completed	Works completed.	Yes	Completed	5,000	3,920	1,080
5.1.2.20 Redleaf - Lower ground floor carpet replacement(01846)	Design / Scope of Works	Options for carpet replacement being investigated with engaged consultant. Works anticipated for Q3 FY23/24.	Yes	Completed	75,000	2,727	72,273
5.1.2.21 Redleaf - Replacement of vinyl flooring (01847)	Design / Scope of Works	Options for vinyl replacement being investigated with engaged consultant. Works anticipated for Q3 FY23/24.	Yes	Completed	25,000	0	25,000
5.1.2.22 Redleaf - Upgrade elevator control mechanisms (01848)	Tenders or Quotations Called	Quotations being sourced and works to be completed in Q3 FY23/24.	Yes	Completed	25,000	0	25,000
5.1.2.23 Hugh Latimer - Replacement of air-conditioning units in Regulatory office (01859)	Completed	Works completed. Savings to be transferred to property reserves.	Yes	Completed	15,000	9,505	5,495

Strategy 9.1: Collaborating to achieve great placemaking outcomes in our local centres which are hubs for jobs, shopping, dining, entertainment, and community activities.

Priority 9.1.1 Encourage economic development in business and retail centres and implement Council's adopted Place Plans.

9.1.1.1 Wilberforce Car Park, Rose Bay redevelopment (01276)	In Progress	The DA for the project will be considered by the Sydney Eastern Planning Panel in November. Pending a successful application, a tender for the works to be advertised in Q3 FY23/24.	Yes	In Progress	1,054,888	631,279	423,609
9.1.1.6 Cross Street Car Park - Redevelopment (01275)	In Progress	Negotiations toward a non-binding Heads of Agreement are continuing with the preferred development partner, Pallas Group/Fortis Consortium. A report on the status of negotiations will be brought to the Property Assets Working Party and Finance, Community & Services Committee in Q2 FY23/24.	Yes	In Progress	653,775	336,324	317,451

Strategy 11.2: Secure Council's financial position.

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
Priority 11.2.3 Maximise return from Council's commercial premises.							
11.2.3.1 Woollahra Golf Club - Replace roof, gutters and downpipes (01685)	Completed	Works completed, Remaining funds to be returned to the property reserves to fund overspend on other projects.	Yes	Completed	139,293	54,999	84,294
11.2.3.2 Lyne Park Tennis - Courts upgrade (01835)	Not Yet Commenced	To be reviewed in conjunction with the tender that is scheduled for Q4 FY23/24.	Yes	Not Yet Commenced	250,000	0	250,000
11.2.3.3 Cooper Park Garage - Replace windows (01834)	Tenders or Quotations Called	Quotations being sought. Works to commence in Q3 FY23/24.	Yes	Completed	15,000	0	15,000
11.2.3.4 Parsley Bay Kiosk - Replace pergola/paving and install waterproof membrane on flat roof (01777)	Design / Scope of Works	RFQ to be finalised and quotations invited in Q2 FY23/24.	Yes	Completed	52,000	4,800	47,200
11.2.3.5 Kiaora Place - Various works (01530)	Completed	Works completed. PO was raised last year with available funding, but budget was not rolled over as invoice was processed late.	Yes	Completed	0	12,938	-12,938
11.2.3.6 Kiaora Place - External façade rendering of Building 2 (01862)	Design / Scope of Works	Engineer engaged to finalise scope of works in Q2 FY23/24, with a tender anticipated for Q3 FY23/24 with works in Q4 FY23/24.	Yes	In Progress	350,000	7,500	342,500
LAND & BUILDING SERVICES TOTAL:					\$4,167,523	\$1,565,068	\$2,602,455

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**Actual Expenditure to end of quarter, including commitments.

Transport & Engineering

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 5.5: Renew and upgrade ageing infrastructure including roads, footpaths, stormwater drains and seawalls.							
Priority 5.5.2 Implement the Infrastructure Capital Works Programs for renewal for all classes of public infrastructure.							
5.5.2.1 Plan and control the Environmental & Infrastructure Renewal Levy Program (00163)	In Progress	The project is ongoing and used to investigate, plan and design Council's Environmental & Infrastructure Renewal Program.	Yes	Completed	221,503	15,306	206,197
5.5.2.2 Design for Forward Program (01496)	In Progress	Design projects for this financial year include; <ul style="list-style-type: none"> • Kerb blister islands in Darling Point Road Darling Point (complete); • Ramp design at Hargrave Street, corner of Cascade Street, Paddington (on-going); • Gibson Reserve, Watsons Bay GPT design (not yet commenced); • Retaining wall in Mitchell Road, Darling Point (not yet commenced); • Stairway at Goomerah Crescent, Darling Point (not yet commenced). 	Yes	Completed	140,332	55,782	84,550
5.5.2.3 Retaining Wall Improvement Works - Retaining walls and safety rails (01523)	In Progress	This project involves retaining wall, handrails and/or fence improvement works across the Municipality. Projects scheduled for FY23/24, include: <ul style="list-style-type: none"> • The installation of a pedestrian guard fence in Kambala Road, Bellevue Hill (in progress); • Handrail in Carlisle Street near Hamilton Street, Rose Bay (in progress); • Handrail in Cranbrook Lane, Bellevue Hill (completed). 	Yes	Completed	200,000	42,603	157,397
5.5.2.4 Minor Capital Road Works - Minor road and footpath works (all wards) (01526)	In Progress	This project involves minor road work and/or footpath work improvements across the municipality. Projects include: <ul style="list-style-type: none"> • Suttie Road, Bellevue Hill, between Northland Road and Bunna Place (construction works underway); • Cooper Paddock from Underwood Street, Paddington (construction works underway); • Near property No.582 Old South Head Road, Rose Bay (construction expected in Q3 of FY23/24); 	Yes	Completed	360,000	357,273	2,727

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
		<ul style="list-style-type: none"> Loftus Street near Annandale Street, Darling Point (construction expected in Q3 of FY23/24); Rose Bay Avenue, Rose Bay (construction expected in summer school holidays); Adelaide Parade, Woollahra (in design stage); New South Head Road, at Ray Avenue, Vaucluse (construction expected in Q3 of FY23/24); Kiaora Road, at New South Head Road, Double Bay (construction expected in Q3 of FY23/24); Darling Point Road, at New South Head Road, Edgecliff (construction expected in Q2 of FY23/24). 					
5.5.2.6 Victoria Road between Rose Bay Avenue and New South Head Road, Bellevue Hill - Footpath widening, retaining wall movement and stormwater system extension (01736)	Design / Scope of Works	Following Local Traffic Committee approval in April 2023, the proposal was presented for the consideration and approval of the Council subsequent to Finance, Community & Services Committee. Council in its meeting on 8 May 2023 recommended staff review design proposal to further minimise parking losses and report back to Finance, Community & Services Committee. This review is progressing into Q1 and Q2 of FY23/24. It is anticipated that the final design will be completed and that the construction works to commence in Q4 FY23/24 and roll over into FY24/25.	Yes	In Progress	322,553	909	321,644
5.5.2.7 Bellevue Road, Bellevue Hill, Authur Street to Streatfield Road - Road pavement resurfacing including stormwater system extension (01750)	Completed	Project is completed. Over-expenditure on this project will be funded from under-expenditure on other projects.	Yes	Completed	269,148	299,124	-29,976
5.5.2.8 Yamba Road, Bellevue Hill Road to Kulgoa Road - Road pavement resurfacing including stormwater system extension (01752)	Completed	Project is completed. Under-expenditure on this project will be distributed to over-expenditure on other projects.	Yes	Completed	254,801	223,657	31,144

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.5.2.9 Bellevue Road Bellevue Hill, Kambala Road to Cooper Park Road - Road pavement resurfacing (01807)	Construction Commenced	Construction is underway and works are expected to be completed in Q2 of FY23/24.	Yes	Completed	220,000	148,693	71,307
5.5.2.10 Vista Lane Bellevue Hill, Latimer Road to End - road repairs and kerb and gutter repair (01808)	Tenders or Quotations Called	Quotations are being obtained. Expected construction in Q2 of FY23/24.	Yes	Completed	120,000	35,409	84,591
5.5.2.11 Birriga Road Bellevue Hill, O'Sullivan Road to Bundara Road - Road pavement resurfacing and footpath repairs (01809)	Tenders or Quotations Called	Quotations are being obtained. Road pavement contractors have been procured and funds committed. Contractors to be engaged for footpath works. Expected construction Q3/4 FY23/24.	Yes	Completed	480,000	222,287	257,713
5.5.2.12 Beresford Road Bellevue Hill, Salisbury Road to Balfour Lane - Road pavement resurfacing including kerb and gutter and footpath repair (01825)	Tenders or Quotations Called	Quotations are being obtained. Expected construction in Q3/Q4 of FY23/24.	Yes	Completed	280,000	46,844	233,156
5.5.2.13 6 Pringle Place - Stabilisation of a Council owned rock face as detailed in GHD geotechnical risk report (01664)	Construction Commenced	Contractors have been engaged to undertake site works for future stormwater improvements. Consultation with Council staff and local residents was undertaken and negotiations are now finalised. Maintenance works which includes removal of vegetation and scaling of rock slope are completed. Construction works which include stabilisation of the rock walls through anchoring will be undertaken in Q2/Q3 of FY23/24. These works will be in conjunction with the Pringle Place rock face stabilisation works (#01663).	Yes	Completed	271,418	107,530	163,888
5.5.2.14 Edward Street Woollahra, Bathurst Street to Suttie Road - Footpath reconstruction and kerb and gutter repairs (01810)	Tenders or Quotations Called	Quotations are being obtained. Expected construction in Q2/3 FY23/24.	Yes	Completed	150,000	0	150,000

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**Actual Expenditure to end of quarter, including commitments.

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Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.5.2.15 Jersey Road Woollahra, Trelawney Street to 113 Jersey Road - Road pavement resurfacing and footpath repair (01811)	Construction Commenced	Construction works are underway and it is anticipated that these works will be completed in Q2 FY23/24.	Yes	Completed	240,000	101,499	138,501
5.5.2.16 Edgecliff Road Woollahra, Adelaide Street to Magney Lan - Road reconstruction (01812)	Design / Scope of Works	Project is currently in design stage for concrete road repair works. Subject to contractor availability, works are planned for Q3/4 in FY23/24.	Yes	Completed	500,000	37,417	462,583
5.5.2.17 Bowden Street Woollahra, Dorhauer Lane to End and Bowden In - Road pavement resurfacing and footpath repair (01813)	Preliminary Investigation	Preliminary investigation are underway. Project will commence designs for road regrading and upgrades to kerb and gutter in Q2 of FY23/24.	Yes	Completed	240,000	0	240,000
5.5.2.18 Fern Place Woollahra, Icasia Lane to End - Road pavement resurfacing and footpath repair (01814)	Tenders or Quotations Called	Quotations are being obtained. Expected construction in Q2/3 of FY23/24.	Yes	Completed	280,000	61,030	218,970
5.5.2.19 Ocean St, Forth Street to Wellington Street – Stormwater improvements (01827)	Design / Scope of Works	Designs are currently underway for stormwater improvements and construction works should be undertaken in Q2/Q3 of FY23/24.	Yes	Completed	250,000	2,368	247,632
5.5.2.20 Double Bay Commercial Centre - Double Bay Lanterns (01481)	In Progress	Council staff are currently liaising with Ausgrid regarding the replacement of damaged existing decorative lighting with similar fixtures. At this stage, it appears Ausgrid will replace and maintain these at their cost. Further discussions will then be held with Ausgrid about the options going forward for new decorative lighting owned by Council.	Yes	In Progress	9,685	7,708	1,977
5.5.2.21 Kiaora Road, Double Bay, Forest Road and Carlotta Road - Road pavement reconstruction including stormwater system extension (01754)	Design / Scope of Works	Design is finalised. Project will progress to construction phase in Q3 FY23/24 in conjunction with project #01662, Kiaora Road corner Forest Road stormwater improvement works.	Yes	Completed	349,580	55,455	294,125

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.5.2.22 Murray Rose - Public bath/Swimming Enclosure (01826)	Tenders or Quotations Called	Quotations are being obtained. Expected construction in Q3/Q4 FY23/24.	Yes	Completed	600,000	0	600,000
5.5.2.23 Wunulla Road, Point Piper, opposite No.14A Wunulla Road (01829)	Construction Commenced	Construction works are underway and it is anticipated that these works will be completed in Q2 FY23/24.	Yes	Completed	60,000	13,294	46,706
5.5.2.24 George Street, Paddington between Underwood Street and Oxford Street - Kerb and gutter, road pavement, footpath and stormwater system upgrade works (01512)	Completed	Project is complete. This project is in conjunction with project # 01720, and the extent of works included a streetscape upgrade with major stormwater infrastructure constructed within the street. Over-expenditure on this project was due to the scope increase in civil works identified as required on site. This will be funded from under-expenditure on other projects.	Yes	Completed	250,551	297,271	-46,720
5.5.2.25 Hampden Street, Royston Lane to Royston Road, Paddington – Road pavement and footpath renewal works (01513)	Completed	Project is complete. The extent of works included a streetscape upgrade in Hampden Street with significant re-grading of the roadway, and included upgrades to kerb and gutter, and footpaths. Over-expenditure on this project was due to the scope increase particularly in relation to the road re-grading in civil works and will be funded from under-expenditure on other projects.	Yes	Completed	594,041	860,868	-266,827
5.5.2.26 Sutherland Avenue, Paddington between Royston Street and Cecil Street - Road pavement re-sheeting (01604)	Design / Scope of Works	Sydney Water have committed to undertake their stormwater infrastructure works in Q1/Q2 of FY23/24. Subsequent to Sydney Water works and completion of the Hampden Street works (project # 01513), road pavement works to Sutherland Avenue will be undertaken and is anticipated for Q2/Q3 of FY23/24.	Yes	Completed	5,780	0	5,780
5.5.2.27 Mahoney Lane, Edgecliff, New South Head Road to Glenmore Road - Road pavement re-sheeting including kerb and gutter, dish drain, footpath and stormwater pit reconstruction (01723)	Construction Commenced	Contractors have been engaged to commence in Q2 of FY23/24.	Yes	Completed	97,235	49,748	47,487

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
5.5.2.28 Liverpool Street, Paddington, Glenview Street to Macdonald Street - Road pavement re-sheeting including repair kerb and gutter, footpath and stormwater system upgrade (01724)	Completed	Project complete.	No	Completed	5,647	0	5,647
5.5.2.29 Lane way between Broughton Street and Norfolk Street Paddington - Road pavement resurfacing (01815)	Tenders or Quotations Called	Quotations are being obtained. Construction works will be undertaken in Q2 FY23/24.	Yes	Completed	25,000	18,182	6,818
5.5.2.30 Elizabeth Street Paddington, Sutherland Street to Windsor Lane - Road pavement resurfacing and footpath repairs (01816)	Tenders or Quotations Called	Quotations are being obtained. Construction works will be undertaken in Q2/Q3 FY23/24.	Yes	Completed	250,000	62,549	187,451
5.5.2.31 Rose Bay Promenade Seawall – Conservation/Rehabilitation (01525)	In Progress	Council staff have obtained approval from NSW Heritage to undertake works to the seawall. An on-going program of works will be scheduled to undertake the works in stages. The next stage of construction works for this financial year is expected to be undertaken in Q3/Q4 of FY23/24.	Yes	In Progress	307,873	0	307,873
5.5.2.32 Parsley Bay Wharf rehabilitation works - Design (01607)	Design / Scope of Works	A heritage consultant has reviewed and advised that only restoration works are recommended to be carried out. Therefore project has changed scope to include restorations only on this historical structure. Project is now out for further advice from Heritage Restoration Engineer prior to commissioning any work. Main budget reallocated to works in PR 01738, with minor budget remaining for heritage advice.	No	Completed	3,487	0	3,487

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.5.2.33 Wharf Road Vaucluse, Hopetoun Avenue to End - Road pavement including kerb and gutter repairs as needed (01725)	Completed	Project is complete. Over-expenditure on this project will be funded from under-expenditure on other projects.	Yes	Completed	50,972	64,920	-13,948
5.5.2.34 Olola Avenue, Vaucluse, Bombillee Avenue to Petrarch Avenue - Road pavement resurfacing including kerb and gutter and footpath repair (01729)	Design / Scope of Works	This project is in design phase and includes major design work and will be completed in Q2 of FY2023/24. Construction works are anticipated in Q3/Q4 of FY2023/24, subject to contractor availability. This project will be delivered in conjunction with project #01731.	Yes	Completed	306,158	18,342	287,816
5.5.2.35 Olola Avenue, Vaucluse, 13 - 29 Olola Avenue - Road pavement resurfacing including kerb and gutter and footpath repair (01731)	Design / Scope of Works	This project is in design phase and includes major design work and will be completed in Q2 of FY23/24. Construction works are anticipated in Q3/Q4 of FY23/24, subject to contractor availability. This project will be delivered in conjunction with project #01729.	Yes	Completed	275,351	197,268	78,083
5.5.2.36 Burrabirra Avenue, Vaucluse, Fitzwilliam Road to Olola Avenue - Road pavement resurfacing including stormwater system upgrade, kerb and gutter and footpath repair (01732)	Design / Scope of Works	This project is in design phase and includes major design work and will be completed in Q2 of FY23/24. Construction works are anticipated in Q3/Q4 of FY23/24, subject to contractor availability.	Yes	Completed	433,151	15,701	417,450
5.5.2.37 Rawson Road to New South Head Road, Rose Bay - Stairway reconstruction (01733)	In Progress	Construction is underway and works are expected to be completed in Q2 FY23/24.	Yes	Completed	211,996	128,597	83,399
5.5.2.38 Bayview Hill Road, Rose Bay - Road pavement and guardrail reconstruction (01734)	Design / Scope of Works	Investigation and design work is underway and is to be completed in Q2 FY23/24. Due to the scope of works and location, construction works are anticipated in Q3 FY23/24 during the school holiday period.	No	Completed	241,681	41,190	200,491

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.5.2.39 Parsley Bay - Jetty rehabilitation works (01738) and swimming net replacement and associated works (01793)	In Progress	Design complete and referred to Heritage staff for comment. The scope of works for this project has been modified to incorporate Heritage staff feedback and this is currently being incorporated into the design. This will result in cost savings as the scope of works will be reduced. Under-expenditure on this project will be spent on the Parsley Bay swimming net replacement (#01793). Application for Development Consent has been approved. Contractors have been appointed for construction works. Construction is expected to commence in Q2/Q3 FY23/24, subject to a construction certificate. Over-expenditure on this project was due to the high cost of quotations received and is being funded from the savings of the Parsley Bay jetty rehabilitation works (#01738).	Yes	Completed	431,921	294,733	137,188
5.5.2.41 Richmond Road, RoseBay, Norwich Road to Newcastle Street - Road pavement resurfacing including kerb and gutter and footpath repair (01817)	Design / Scope of Works	This project is in design phase and stormwater CCTV inspections will be undertaken in Q2 of FY23/24. Construction works will be undertaken in Q3/Q4 of FY23/24.	Yes	Completed	250,000	43,115	206,885
5.5.2.42 Collins Avenue , Rose Bay Caledonian Road to End - Road pavement resurfacing including kerb and gutter and stormwater improvements (01818)	Design / Scope of Works	This project is in design phase and will be completed in Q2/Q3 of FY23/24. It is expected to undertake construction works in Q4 of FY23/24, following the summer months.	Yes	Completed	280,000	0	280,000
5.5.2.43 Chamberlain Avenue , Vaucluse Fernleigh Avenue to Dudley Road - Road pavement resurfacing including kerb and gutter and footpath repair (01819)	Construction Commenced	Construction is underway and works are expected to be completed in Q2 FY23/24.	Yes	Completed	240,000	51,561	188,439
5.5.2.44 Dover Road Rose Bay, Old South Head Road to Spencer Lane - Road pavement resurfacing and footpath repair (01820)	Design / Scope of Works	This project is in design phase and stormwater CCTV inspections will be undertaken in Q2 of FY23/24. Construction works will be undertaken in Q3/Q4 of FY23/24.	Yes	Completed	360,000	80,761	279,239

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
5.5.2.45 Caledonian Road Rose Bay, New South Head Road to End - Footpath reconstruction and road pavement resurfacing (01821)	Design / Scope of Works	The scope of works includes upgrades to the footpath and road pavement, and improvements to the stormwater infrastructure near the harbour. This project is in design phase and will be completed in Q3 of FY23/24. Following the completion of the design, community consultation will be undertaken prior to construction. These works will be in conjunction with the Caledonian Road stormwater outfall upgrade (01661).	Yes	In Progress	700,000	35,182	664,818
5.5.2.46 Cove Street Watson Bay, Pacific Street to Victoria Street - Road pavement resurfacing including kerb and gutter and footpath repair (01822)	Tenders or Quotations Called	Quotations are being obtained. Construction works will be undertaken in Q4 FY23/24.	Yes	Completed	285,000	42,500	242,501
5.5.2.47 Victoria Street, Watsons Bay, Pacific Street to Cliff Street - Road pavement resurfacing including kerb and gutter and footpath repair (01823)	Tenders or Quotations Called	Quotations are being obtained. Construction works will be undertaken in Q4 FY23/24.	Yes	Completed	165,000	48,996	116,004
5.5.2.48 Tivoli Avenue Rose Bay, New South Head Road to End - Road pavement resurfacing including kerb and gutter repair (01824)	Tenders or Quotations Called	Quotations are being obtained. Construction works will be undertaken in Q3 FY23/24.	Yes	Completed	330,000	93,837	236,163
5.5.2.49 Hopetoun Avenue, Vaucluse, near No.10-12 Hopetoun Avenue (01828)	Not Yet Commenced	Due to construction expected to be undertaken at a nearby site, this project has been postponed until Q4 of FY23/24.	Yes	Completed	50,000	0	50,000
5.5.2.50 Gilliver Avenue, Vaucluse, from No.4 Gilliver Avenue to Fish (01830)	Tenders or Quotations Called	Quotations are being obtained. Construction works will be undertaken in Q3 FY23/24.	Yes	Completed	120,000	0	120,000

Strategy 6.3: Reduce traffic congestion, noise and speeding.

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
Priority 6.3.1: Maintain public parking infrastructure, manage parking across the municipality and reduce vehicle speed and traffic congestion through the introduction of traffic management facilities.							
6.3.1.2 Woollahra Cycleways Project - Design - Priority 1 Project to be identified in Active Transport Plan (01660)	Not Yet Commenced	This project will progress to investigation and design phase, once Council has endorsed the Active Transport Plan, expected to be in November 2023.	No	In Progress	97,550	0	97,550
6.3.1.3 Federal Stimulus Road Safety Program – Pedestrian lighting upgrade (01710)	Completed	Project complete.	No	Completed	0	1,768	-1,768
6.3.1.4 Bike Parking Facilities - Upgrade across the LGA (01716)	Preliminary Investigation	This project includes the implementation of bicycle facilities such as bike parking and storage, pumping station and other equipment that would improve cycling use across Municipality. A plan to install various parking facilities at a number of locations is being developed. The plan will consider and prioritise recently constructed cycleways and installation of the bicycle facilities will take place in FY23/24.	Yes	Completed	30,000	0	30,000
6.3.1.5 Minor Capital Traffic Works - Urgent traffic capital works projects (01718)	In Progress	This budget is to cater for traffic facility improvements required in FY23/24. This includes upgrade works to existing traffic facilities and/or the installation of kerb blister islands, kerb extensions and other median islands to improve streetscape amenity and road safety. Traffic facility improvement works planned for FY23/24 include upgrades to speed humps in Hargrave Street, Paddington (completed).	Yes	Completed	100,000	100,603	-603
6.3.1.6 O'Sullivan Road Cycleway - Separated cycleway Design (01574)	Design / Scope of Works	The design phase is currently underway and consultation will be undertaken following the completion of a design which is anticipated to be undertaken in Q2 of FY23/24.	No	Completed	132,607	69,710	62,897
6.3.1.7 Victoria Road, Bellevue Hill - Bicycle route safety treatments (01717) and (01653)	In Progress	Project was reported to Traffic Committee in June 2023 and subsequent Finance, Community and Services Committee in July 2023, and the proposal was deferred for further review of the design. This review is currently underway and is anticipated to be referred back to Traffic Committee in Q2 of FY23/24. Construction works are expected to be undertaken in Q3/Q4 of FY23/24.	Yes	Completed	8,272	3,793	4,479

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
6.3.1.8 Victoria Road at Bundara Street, Bellevue Hill - Intersection improvements (01794)	Design / Scope of Works	Project is in design phase. There is currently major private construction works underway at the corner of Victoria Road and Bundara Street (131A Victoria Road), therefore progress on other projects have taken precedence as construction will not be undertaken until completion of the private works. Construction is expected to be scheduled with Victoria Road project #01800.	Yes	Completed	171,328	4,401	166,927
6.3.1.9 Victoria Rd, Bundara to Rivers, Bellevue Hill - Cyclist Safety & Raised Threshold - Blackspot Grant Funding (01800)	Design / Scope of Works	Funding has been obtained through Blackspot Funding (TfNSW) for this project. The project is in design phase and it is anticipated that community consultation will be undertaken in Q3 of FY23/24. Construction is expected to be scheduled with Victoria Road project #01794.	Yes	Completed	95,840	385	95,455
6.3.1.10 New South Head Road, William Street - Norwich Road shared path (01304)	In Progress	All civil works completed and grant acquittal is submitted. The remaining funds will be used for a full landscaping of the Rose Bay Promenade, which has been deferred to Q3 due to plant availability.	No	Completed	186,174	19,045	167,129
6.3.1.11 Edgecliff Rd & Grosvenor St, Woollahra - Upgrade Control Signals – Blackspot Grant Funding (01799)	Design / Scope of Works	Funding has been obtained through Blackspot Funding (TfNSW) for this project. The project includes the installation of a pedestrian-only phase (scramble) at the traffic signals at Edgecliff Road and Grosvenor Street, Woollahra. The project is in design phase and construction works are anticipated to be undertaken in Q4 of FY23/24.	Yes	Completed	150,000	0	150,000
6.3.1.12 Glenmore Road at Campbell Street, Paddington - Traffic and pedestrian upgrade - Improve pedestrian and traffic safety by raising the existing pedestrian crossing including pedestrian lighting upgrades (01658)	Completed	Pedestrian crossing works completed as part of the Federal Stimulus Road Safety Program (pedestrian crossing and lighting upgrades) (01710). This project is therefore no longer required, resulting in a saving of \$180,000.	No	Completed	180,000	0	180,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
6.3.1.13 O'Sullivan Road, Rose Bay - Threshold & Pedestrian Crossing (01798)	Completed	Project is complete.	Yes	Completed	5,062	5,215	-153
6.3.1.14 Wilberforce Avenue, Rose Bay, at Newcastle Street - Raised Pedestrian Crossing (01861)	Design / Scope of Works	Site inspections and scope of works have been completed for this project and design phase is expected to commence in Q2 of FY23/24. Following the design process, community consultation will be undertaken in Q3 of FY23/24.	Yes	Completed	180,000	0	180,000
Strategy 9.1: Collaborating to achieve great placemaking outcomes in our local centres which are hubs for jobs, shopping, dining, entertainment, and community activities.							
Priority 9.1.1 Encourage economic development in business and retail centres and implement Council's adopted Place Plans.							
9.1.1.2 Plumer Road, Rose Bay - Streetscape upgrade (01404)	Completed	Project is complete.	Yes	Completed	28,046	28,280	-234
9.1.1.3 Queen Street, Woollahra, Oxford Street to Ocean Street - High Pedestrian Activity Area and Streetscape Upgrade Design (01803)	Not Yet Commenced	This project will progress to investigation and design phase, once Council has endorsed the Active Transport Plan, expected to be in November 2023.	Yes	Completed	100,000	0	100,000
9.1.1.4 Bay Street Double Bay Pedestrian Plaza & Active Transport Link- Open Space Legacy Grant (formerly Knox Street Double Bay Pedestrianisation) (01649)	In Progress	Construction works underway at the same time as the Double Bay Ferry Wharf Upgrade construction works delivered by Transport for NSW. It is anticipated that the project will be completed by end of 2023.	No	Completed	3,659,679	2,165,196	1,494,483
9.1.1.5 Marine Parade, Watsons Bay - Shared zone and streetscape upgrade (01719)	Not Yet Commenced	This project will progress to investigation and design phase, once Council has endorsed the Active Transport Plan, expected to be in November 2023.	Yes	In Progress	100,000	0	100,000
TRANSPORT & ENGINEERING TOTAL:					\$17,314,422	\$6,677,905	\$10,636,517

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**Actual Expenditure to end of quarter, including commitments.

Corporate Services

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 11.1: Build an efficient organisation that places customers and the community at the heart of service delivery.							
Priority 11.1.2: Transform Council's business, by optimising the use of technology to support effective business processes and customer journeys.							
11.1.2.1 Replace shared laptop fleet with fit for purpose devices (01577)	Not Yet Commenced	Device assessment and procurement planning to commence in Q2 FY23/24.	Yes	Completed	36,000	0	36,000
11.1.2.2 Replace large Flatbed Scanner (01714)	Completed	Works completed FY22-23. No further expenses.	Yes	Completed	0	11,843	-11,843
11.1.2.3 Replace spare network switch for redundancy (01715)	Completed	Works completed FY22-23. No further expenses.	Yes	Completed	0	2,500	-2,500
11.1.2.4 Replacing End of Life staff mobile phone fleet (04582)	Preliminary Investigation	Telecommunications companies engaged to begin procurement planning. Procurement to commence in Q2 FY23/24.	Yes	Completed	60,000	0	60,000
CORPORATE SERVICES TOTAL:					\$96,000	\$14,343	\$81,657

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**Actual Expenditure to end of quarter, including commitments.

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Community Services, Culture & Arts

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.							
Priority 5.1.2: Implement a prioritised program of capital improvements to community facilities.							
5.1.2.28 Disability Inclusion upgrades to Council buildings (01788) and (01630)	Tenders or Quotations Called	Quotations for wheelchair pathway at the Cottage in Sir David Martin Reserve to be finalised in Q2 FY23/24, works anticipated for Q3 FY23/24.	Yes	Completed	72,550	0	72,550
5.1.2.29 Rose Bay Cottage - Install new air-conditioning (01852)	Tenders or Quotations Called	Quotations obtained and finalising discussions regarding requirements for system before proceeding.	Yes	Completed	10,000	0	10,000
5.1.2.30 Cooper Park Community Hall - Internal and external upgrades (01633)	Completed	Works completed. Some outstanding invoices are due to be finalised in Q2 FY23/24.	Yes	Completed	84,477	69,823	14,654
5.1.2.31 Holdsworth Street Community Centre redevelopment - Feasibility Study (01855)	Preliminary Investigation	Initial meeting with Holdsworth staff and quotations to engage a consultant to undertake the study will be obtained in Q2 FY23/24. This project has been transferred to the operational budget in the September 2023 quarterly review, as no capital assets result from this project.	Yes	Completed	130,000	0	130,000
5.1.2.32 St Brigids (01371)	Completed	Upon completion of the defects liability period, the final payment due to the contractor is currently being negotiated. A further Council report will be provided in Q2 FY23/24 updating Council on the negotiations.	Yes	Completed	0	15,442	-15,442
5.1.2.33 Hugh Latimer Centre - External Windows refurbishment (01849)	Design / Scope of Works	Scope of works to be finalised and RFQ to be invited in Q3 FY23/24.	Yes	Completed	25,000	0	25,000
5.1.2.34 Hugh Latimer Centre - Roofing & Guttering replacement (01850)	Tenders or Quotations Called	Request For Quotation being invited in Q2 FY23/24. Works anticipated for Q3 FY23/24.	Yes	Completed	120,000	0	120,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
5.1.2.35 Kindergarten - Extend Staff Room into Kitchen; Install new toilet; Extend verandah roof over stairs; Refurbish kitchen (01851)	Design / Scope of Works	Scope finalised awaiting final advice to ensure compliance with department of children services.	Yes	Completed	60,000	3,200	56,800
5.1.2.36 McKell Park (Cannonbury Cottage) - Lighting upgrade (01853)	Completed	Works completed.	Yes	Completed	10,000	8,680	1,320
5.1.2.37 Sir David Martin Reserve - Cottage - Replace stormwater pipe (01856)	Preliminary Investigation	Designer to be engaged to prepare scope to reline pipe to undertake works in Q3 FY23/24.	Yes	Completed	30,000	2,230	27,770
5.1.2.38 Sir David Martin Reserve - Drill Hall & Sail Loft - Replace roof sheeting, gutters and downpipes (01857)	Preliminary Investigation	Quotations to be obtained in Q2 FY23/24.	Yes	Completed	50,000	0	50,000
5.1.2.39 Sir David Martin Reserve - Drill Hall & Sail Loft - Replace Hot Water Systems (01858)	Preliminary Investigation	Gas units identified and plans prepared to replace units in Q3 FY23/24.	Yes	Completed	10,000	0	10,000
5.1.2.41 E J Ward Centre - External brick repairs and replacement of timber staircase (01786)	Works Delayed	Purchase order issued and contractor engaged to rectify the brickwork. Contractor still awaiting approvals from Ausgrid for powerline protection (tiger tails) installation before finalising commencement date.	Yes	Completed	47,165	38,974	8,191
5.1.2.42 E J Ward Centre - Install new air-conditioning (01854)	Preliminary Investigation	Scope of works to be finalised in Q2 FY23/24.	Yes	Completed	15,000	0	15,000

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**Actual Expenditure to end of quarter, including commitments.

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)**	Budget Remaining (\$)
5.1.2.43 Vaucluse Bowling Club – Refurbishment and upgrade works to improve physical access and install new kitchen equipment & furniture (01711)	In Progress	Construction scheduled to be completed by end of October 2023 weather permitting.	Yes	Completed	2,630,414	2,316,373	314,041
COMMUNITY SERVICES, CULTURE & ARTS TOTAL:					\$3,294,606	\$2,454,722	\$839,884

*The budget figure includes the current year's original budget plus revotes and rollovers from previous year and any adopted quarterly variations

**Actual Expenditure to end of quarter, including commitments.

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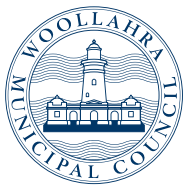
Library Services

Actions	Current Status	Progress Comments	Comment Updated	Projected Status 30 June 2024	Budget (\$)*	YTD Expenditure (\$)***	Budget Remaining (\$)
Strategy 5.1: Enhance council provided community facilities to foster connections between people and place and enhance quality of life.							
Priority 5.1.2: Implement a prioritised program of capital improvements to community facilities.							
5.1.2.44 Woollahra Library - Youth Space Upgrade (01802)	In Progress	Contractor engaged and Purchase Order issued. Works to commence 20 November 2023.	Yes	Completed	0	23,636	-23,636
5.1.2.45 Kiaora Place Library - Replace bench lamps (01860)	Preliminary Investigation	Scope of works to be finalised in Q2 FY23/24.	Yes	Completed	10,000	41	9,959
5.1.2.46 Computer room A/C replacement @ Woollahra Library (01878)	Completed	Works undertaken to complete urgent replacement of server room air condition. Funds to be allocated in quarterly budget review.	Yes	Completed	0	22,727	-22,727
LIBRARY SERVICES TOTAL:					\$10,000	\$46,404	-\$36,404
GRAND TOTAL CAPITAL WORKS:					\$36,017,156	\$13,727,467	\$22,289,689

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**Actual Expenditure to end of quarter, including commitments.

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Item No: R3 Recommendation to Council
Subject: **2023/24 BUDGET REVIEW FOR THE QUARTER ENDED 30 SEPTEMBER 2023**

Authors: Esther Hii, Senior Corporate Accountant
Paul Ryan, Chief Financial Officer
Henrietta McGilvray, Senior Corporate Accountant

Approvers: Sue Meekin, Director Corporate Performance
Craig Swift-McNair, General Manager

File No: 23/181966
Purpose of the Report: To report on the review of the 2023/24 budget forecast position as at the quarter ended 30 September 2023
Alignment to Delivery Program: Strategy 11.2: Secure Council's financial position.

Recommendation:

THAT Council:

- A. Receive and note the report on the Budget Review for the quarter ended 30 September 2023.
- B. Note the statement from the Responsible Accounting Officer, Council's Chief Financial Officer that the projected financial position at 30 September 2023, based on the forecasts outlined in this report, will remain satisfactory.
- C. Adopt the recommended variations to the 2023/24 budget as outlined in this report titled 2023/2024 Budget Review for the Quarter Ended 30 September 2023, resulting in a net operating result before capital grants and contributions of \$4.955 million, an improvement of \$3.875m million from the original budget after revotes & rollovers.

Executive Summary:

The purpose of the report is to review the 2023/24 Budget for the quarter ended 30 September 2023 and present this to the Committee for consideration.

Discussion:

The requirement for a quarterly review of the budget arises from Clause 203 of the Local Government (General) Regulation 2005. It requires the responsible accounting officer of a Council to prepare and submit to the Council a budget review statement that shows, by reference to the estimates of income and expenditure set out in the Operational Plan that the Council has adopted for the relevant year, a revised estimate of the income and expenditure for that year. A budget review statement must include or be accompanied by:

- (a) A report as to whether or not the responsible accounting officer believes that the statement indicates that the financial position of the council is satisfactory, having regard to the original estimates of income and expenditure, and;
- (b) If that position is unsatisfactory, recommendations for remedial action.

The Quarterly Budget Review report includes the statements required under the Office of Local Government's Quarterly Budget Review Statement (QBRS) Guidelines, being:

- Income and Expenses Statement (contained in the body of the report)
- Capital Budget (contained in the body of the report)
- Cash and Investments position (contained in the body of the report)
- Key Performance Indicators (see Overall Financial Position)

- Contracts and Other Expenses

In addition to these Statements, the Committee also receives a Balance Sheet forecast to 30 September 2023 (**Attachment 1**).

The September Quarterly Budget Review is a forecast increase in Council's Net Operating Result from continuing operations of \$4.260m from \$11.632m to \$15.892m. When we exclude Capital Grants & Contributions (we exclude them because capital grants and contributions can only be used on capital projects, i.e. not on Council's day to day expenses) the net result is a surplus of \$4.955m in the Net Operating Result before Capital Grants & Contributions. This is an improvement of \$3.875m from the original budget after re-votes & rollovers \$1.080m, noting that it is primarily due to a \$5.355m increase in Other Revenue.

The table below shows the forecast Operating Performance Ratio, Debt Service Cover Ratio and Unrestricted Current Ratio for 2023/24 compared to 2022/23 and the OLG Benchmarks.

	OLG Benchmark	2022/23 Actual	2023/24 Original Budget	2023/24 Forecast
Operating Performance Ratio	> 0%	3.64%	0.86%	3.49%
Debt Service Cover Ratio	> 2.00x cover	3.63x	3.07x	4.97x
Unrestricted Current Ratio	> 1.50x cover	3.41x	2.73x	3.17x

This shows that the Operating Performance Ratio (OPR) for 2023/24 forecast of 3.49% is above the OLG Benchmark of 0%.

Overall Financial Position

The overall result for the September 2023 quarterly budget review is an anticipated increase in Council's 2023/24 Operating Result from continuing operations (including capital grants & contributions) of \$4.260m to \$15.892m.

Summary of Income & Expense Quarter 1 Changes	September Quarter (Favourable)/ Unfavourable \$'000
Grants & Contributions - Capital	(385)
Grants & Contributions - Operating	(211)
Interest income	(1,384)
Other – Increases in Revenue	(5,247)
Other – Net Increase in Expenditure	2,967
Change in Council's Operating Result	(4,260)

Proposed changes including the utilisation of reserve funds are detailed further in the report and in **Attachment 2**.

The resulting forecast movement in Council's working funds position is an increase for the September 2023 quarter of \$4.996m:

Working Funds Changes for Quarter 1 forecast	September Quarter (Favourable)/ Unfavourable \$'000
Increase in Council's Operating Result	(4,260)
Increase in Capital Works Budget	1,131
Transfers to/from Reserves	(737)
Increase in Depreciation (non-cash expense)	(1,130)
Working Funds Movement for Quarter	(4,996)

This September 2023 quarterly review forecasts an increase in Council's working funds position for 2023/24 of \$3.853m comprising of the original budget working funds deficit of (\$1.143m) and a surplus in the September 2023 quarterly review of \$4.996m. This results in a forecast balance of working funds at 30 June 2024 of \$11.342m. At \$11.342m, working funds will be above benchmark level as at 30 June 2023 (Arrears of Rates + Inventory) of \$3.274m. It is important to remember that we maintain a level of working funds to allow us to respond to issues not foreseen in the budget.

A summary of other major or notable budget variations proposed in the Budget review are provided below.

Other Budget Variations from the September 2023 Quarter Forecast	September Qtr (Favourable)/ Unfavourable \$'000
Other Revenue The original budget of \$11.471m has been forecast to increase to \$16.826m, with the most significant variance related to increased advertising revenue.	(5,355)
Interest and Investment Income To reflect higher interest income forecast due to rising interest rates	(1,384)
Financial Assistance Grant Increase due to a change in the assumption on the level of prepayment from the Office of Local Government (OLG). The change based on the assumption that they will prepay 100% of the grant, consistent with 2022/23 year.	(204)
Temporary Staff Partially offset by reduction in Salaries & wages Partially offset by reduction in Material Goods & Services Net impact of the above items is \$154k and funds two temporary Development Engineers for the remaining 8 months of the financial year to help reduce the current Development Assessment backlog.	488 (197) (137)
General Consultants - Engineering For independent valuations, survey and condition assessment of infrastructure property plant and equipment (IPPE) which occurs once every 5 years	354
Material: Goods & Services Increase in I&DT system costs for Microsoft365 licensing software costs, TechnologyOne system upgrade, licensing SaaS fees and Civica Authority system upgrade project costs.	318
Depreciation Increased following the asset revaluations that occurred at 2022/23 financial year end which saw the value of Council's infrastructure assets increase by around 9%.	1,130
Material Goods and Services - Environment & Sustainability Transferred from the capital budget for projects that are operational in nature and as such are expense (feasibility costs and implementing the Biodiversity Conservation Strategy - no capital assets result from these projects).	270
General Consultants - Property and Projects management Transferred from the capital budget for projects that are operational in nature and as such are expense (feasibility study costs - no capital asset results from this project).	215
Capital Project – 01770 - Lyne Park Playground Upgrade, offset by Additional government funding Additional funding from s.7.12 Reserve - Developer Contributions	1,006 (500) (506)

Other Budget Variations from the September 2023 Quarter Forecast	September Qtr (Favourable)/ Unfavourable \$'000
<p>Heavy Vehicle Purchases Budget increase request relates to the purchase of 3 x Road Suction Sweeper vehicles that went to tender. The costs to purchase these Sweepers were higher than budget (\$68k each) due to significant price increases and supply chain issues. The budget allocated for one of the vehicles was inadvertently returned in the March 2023 quarterly budget review.</p>	456

Further notable movements in capital works projects are detailed in the next section.

The recommended variations to the 2023/24 Budget for the September quarter, result in a favourable increase in the forecast unrestricted current ratio from the original budget of 3.07:1 to 3.17:1 forecast for 30 June 2024.

The unrestricted current ratio provides an indication of the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of Council. The OLG benchmark is that the ratio should not fall below 1.5:1 on an ongoing basis. Council's forecast ratio of 3.17:1 is above the OLG benchmark.

Overall, based on projected levels of restricted cash and liquidity, and having regard to the projected estimates of income and expenditure, Council's Responsible Accounting Officer advises that Council's projected financial position at 30 June 2024 remains satisfactory, noting the continuing focus of Council on achieving long term financial sustainability.

Income & Expenses Budget Review Statement

Woollahra Council
Budget review for the quarter ended 30 September 2023
Income & Expenses

	ORIGINAL	Approved Changes		Recommended changes for Council Resolution (000's)	PROJECTED year end		% of REVISED Budget
	23/24 Budget (000's)	Revotes (000s)	REVISED Budget (000's)		result 23/24 (000's)	ACTUAL YTD (000's)	
Income							
Rates and annual charges	66,124	0	66,124	37	66,161	66,362	100.4%
User charges and fees	13,201	0	13,201	27	13,228	3,961	30.0%
Other revenue	11,471	0	11,471	5,355	16,826	7,281	63.5%
Grants and contributions provided for operating purposes	4,384	412	4,796	211	5,007	950	19.8%
Grants and contributions provided for capital purposes	2,900	7,652	10,552	385	10,937	2,912	27.6%
Interest and investment income	1,929	0	1,929	1,384	3,313	1,308	67.8%
Other income	17,370	0	17,370	-173	17,197	4,478	25.8%
Fair value increment on investment properties	1,150	0	1,150	0	1,150	0	0.0%
Total Income from continuing operations	118,528	8,064	126,592	7,227	133,820	87,252	68.9%
Expenses							
Employee benefits and on-costs	49,252	0	49,252	44	49,296	9,767	19.8%
Materials and services	42,811	1,012	43,823	1,755	45,578	11,105	25.3%
Borrowing costs	1,809	0	1,809	0	1,809	493	27.3%
Depreciation, amortisation and impairment for non-financial asse	14,834	0	14,834	1,130	15,964	4,086	27.5%
Other expenses	4,792	0	4,792	45	4,837	1,166	24.3%
Net losses from the disposal of assets	1,229	-778	451	-7	445	66	14.6%
Total Expenses from continuing operations	114,726	234	114,960	2,967	117,928	26,682	23.2%
Net Operating Result from continuing operations	3,802	7,830	11,632	4,260	15,892	60,570	
Net Operating Result before Capital Grants & Contributions	902	177	1,080	3,875	4,955	57,658	
Working Funds Reconciliation:							
				4,260			
LESS:							
Forecast increase in Capital Expenditure				-1,131			
Transfers to Reserve from Operating				-1,115			
ADD:							
Transfers from Reserves for Operating				1,605			
Transfers from Reserves for Capital				247			
Increase in Depreciation				1,130			
Working Funds Movement				4,996			

Notes:

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget
REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

The Income & Expenses Budget Review Statement presents a revised forecast increase in Council's Net Operating Result from continuing operations of \$4.260m to \$15.892m. When we exclude Capital Grants & Contributions (we exclude them because capital grants and contributions can only be used on capital projects, i.e. not on Council's day to day expenses) the net result is a surplus of \$4.955m in the Net Operating Result before Capital Grants & Contributions. This is an improvement of \$3.875m from the revised budget of \$1.080m. A reconciliation between the working funds movement and operating result is provided within the Income & Expenses Statement above.

Recommended quarter changes to the Revised Budget

Budget variations being recommended this quarter include the following material items:

	Proposed variation		Details
	Fav / (Unfav)		
	\$'000	%	
Income			
Rates & Annual Charges	37	0.1%	No material individual items to note.
User Charges & Fees	27	0.2%	No material individual items to note.
Other Revenue	5,355	46.7%	The most significant variance relates to increased advertising revenue. .
Grants & Contributions provided for Operating Purposes	211	4.4%	The increase in Grants & Contributions provided for Operating Purposes is due to: <ul style="list-style-type: none"> \$204k increase in the Financial Assistance Grant (FAG). This is based on a change in the assumption on the level of prepayment from the Office of Local Government (OLG). The change based on the assumption that they will prepay 100% of the grant, consistent with 2022/23 year.
Grants & Contributions provided for Capital Purposes	385	3.6%	The increase in Grants & Contributions provided for Capital Purposes is due to: <ul style="list-style-type: none"> \$500k for the project 'Lyne Park Playground upgrade' (with corresponding increase in grant funded expenditure) Partially offset by decreases in: <ul style="list-style-type: none"> \$125k for Repair Grant as the Government has announced this grant is discontinued
Interest and investment income	1,384	71.8%	Increases in Interest and investment Income include the following items of note: <ul style="list-style-type: none"> \$1,384k increase in interest income, driven by rising interest rates
Other Income	(173)	(1.0)%	Decreases in Other Income is predominantly due to: <ul style="list-style-type: none"> \$150k reduction in commercial property rental income due to a vacant tenancy at a council property.
Total Income variations	7,227	5.7%	
Expenses			
Employee benefits and on-costs	(44)	(0.1)%	Increases in Employee benefits include the following items of note: <ul style="list-style-type: none"> \$218k budget transfer from Material Goods & Service for staffing for SRV projects (Library \$88k and Information & Digital Transformation \$130k) Offset by: <ul style="list-style-type: none"> \$197k transfer to temporary staff within Materials & Services in the following areas (Governance & Risk \$97k, Open Space & Trees \$70k, Strategic Planning & Place \$30k).
Materials & Services	(1,755)	(4.0)%	The increase in Materials & Services include the following items of note:

Proposed variation		Details
Fav / (Unfav)		
	\$'000	%
		<ul style="list-style-type: none"> • \$488k increase in Temporary staff, of which \$197k was transferred from salaries and wages. The net increase was \$291k. • It was predominantly in the following areas: Two temporary Development Engineers for the remaining 8 months of the financial year to help reduce the current Development Assessment backlog • \$80k in Information & Digital Transformation and \$57k in Finance. Both areas fully funded from a reduction in Material Goods and Services of \$137k, which is SRV funded expenditure as these staff relate to new systems. • \$356k increase in Engineering General Consultant costs for the independent valuations, survey and condition assessment of IPPE assets, which occurs once every 5 years. At the time of developing the original budget, this work was incorrectly scheduled for 2024/25. In order to meet statutory timeframes, funding has been brought forward to 2023/24. • \$318k increase in I&DT system costs for Microsoft365 licensing software costs, TechnologyOne system upgrade including licensing fees and Civica Authority system upgrade. • \$270k in Environment & Sustainability Material Goods and Services transferred from the capital budget for projects that are operational in nature and hence an expense (feasibility costs and implementing the Biodiversity Conservation Strategy - no capital assets result from these projects) • \$215k in Property and Projects management General Consultants transferred from the capital budget for projects that are operational in nature and hence an expense (feasibility study costs - no capital asset results from this project) • \$154k in Property lifecycle maintenance costs. A budget system error resulted in their omission from the original budget. • \$135k increase in legal fees in Development Control. This is offset by a decrease in \$135k in advertising in Development Control from ceasing to advertise DAs in the Wentworth Courier • \$90k in Open Space and Trees for general contracts - verge mowing. The contract has been re-tendered, with the lowest tenderer's price materially higher than the previous contract price. The budget has been increased accordingly.

	Proposed variation		Details
	Fav / (Unfav)		
	\$'000	%	
Depreciation, amortisation and impairment for non-financial assets	(1,130)	(7.6)%	Depreciation expense has been increased to take account the asset revaluations that occurred at 2022/23 financial year end which saw the value of Council's infrastructure assets increase by around 9%. Depreciation expense has been increased for Roads \$360k, Buildings \$240k, Open Space and Trees assets \$170k, Footpaths \$130k, Plant \$100k, Kerbs & Gutters \$65k, Drainage \$65k.
Other expenses	(45)	(0.9)%	No material individual items to note.
Net losses from the disposal of assets	7	1.5%	No material individual items to note.
Total Expenses variations	(2,967)	(2.6%)	
Total Recommended changes to income and operating expenses	4,260	36.6%	

Capital Budget Review Statement

The Capital Budget Review Statement below presents recommended changes to both capital expenditure and capital funding. The total increase in capital expenditure arising from recommended changes is \$1.131m, offset by a total funding increase of \$1.131m, resulting in no net change to general revenue required to fund the program of works.

Woollahra Council
Budget Review for the quarter ended 30 September 2023
Capital Budget

	ORIGINAL	Approved Changes		Recommended changes	PROJECTED		
	23/24 Budget (000's)	Revotes (000's)	REVISED Budget (000's)		year end result 23/24 (000's)	ACTUAL YTD 23/24 (000's)	% of REVISED Budget
Capital Funding							
Rates and other untied funding	(6,379)	0	(6,379)	(375)	(6,754)	(10,813)	169.5
Capital Grant	0	(7,652)	(7,652)	(510)	(8,162)	(1,944)	25.4
REPAIR Grant	(125)	0	(125)	125	0	0	0.0
Block Grant ROADS	(75)	0	(75)	0	(75)	0	0.0
Transfer from Property Reserve	(2,070)	(1,795)	(3,865)	195	(3,670)	(178)	4.6
Transfer from Open Space & Community Facilities	0	(654)	(654)	0	(654)	(19)	2.9
Transfer from Kiaora Reserve	(350)	0	(350)	(13)	(363)	0	0.0
Transfer from Section 7.12	(3,247)	(3,905)	(7,152)	(639)	(7,792)	(880)	12.3
T/fr from Environmental & Infrastructure Levy	(4,415)	(4,104)	(8,519)	259	(8,260)	(1,131)	13.3
T/fr from Stormwater management Charge	(455)	(449)	(904)	0	(904)	(55)	6.1
Transfer from Computer Reserve	(73)	0	(73)	0	(73)	(3)	4.3
Transfer from General Reserve	(49)	(301)	(350)	0	(350)	(2)	0.6
Transfer from Grant Reserve	0	0	0	(17)	(17)	0	100.0
Transfer from Section 7.11	(500)	(20)	(520)	0	(520)	(21)	4.1
Transfer from DWM Reserve	(787)	(739)	(1,526)	0	(1,526)	0	0.0
T/fer from Revotes/Rollovers Reserve	0	(2,792)	(2,792)	(49)	(2,840)	(460)	16.5
Transfer from SRV Reserve	0	0	0	(100)	(100)	0	100.0
Computer Equipment Sales	0	0	0	0	0	0	100.0
Passenger Vehicles Sales	(437)	(231)	(668)	(27)	(695)	(121)	18.1
Light Commercial Vehicle Sales	(126)	(83)	(209)	0	(209)	0	0.0
Heavy Vehicles Sales	(300)	(454)	(754)	2	(752)	(24)	3.2
Misc.Plant/Equip Sales	(2)	(10)	(12)	18	6	(0)	3.0
Total Capital Funding	(19,450)	(23,225)	(42,675)	(1,131)	(43,806)	(15,651)	36.7
Capital Expenditure							
Business Centres Capital	126	0	126	0	126	2	1.4
Traffic Infrastructure	460	877	1,337	(180)	1,157	163	12.2
Flood Plain Management	60	0	60	0	60	0	0.0
Open Space Project Management	75	0	75	(53)	22	0	0.0
Parks & Reserves	2,294	3,253	5,547	198	5,746	1,614	29.1
Playgrounds	401	1,214	1,615	1,006	2,621	2	0.1
Sportsfields	137	22	159	10	169	29	18.3
Streetscapes	100	3,788	3,888	0	3,888	2,235	57.5
Infrastructure Renewal Program	7,635	4,455	12,090	(198)	11,892	4,212	34.8
Environmental Works Program	620	1,090	1,710	(270)	1,440	223	13.0
Stormwater Levy Works	967	946	1,913	73	1,986	1,070	56.0
Computers & Office Equipment	96	0	96	0	96	14	14.9
Commercial/Leased Properties	265	191	456	0	456	60	13.1
Investment Properties	350	0	350	13	363	20	5.8
Parks / Ovals Buildings	310	495	805	(83)	722	96	11.9
Depots	55	0	55	0	55	0	0.0
Council Offices	160	639	799	47	846	421	52.8
Community Facilities	610	2,685	3,295	(133)	3,161	3,059	92.9
Library Buildings	10	0	10	49	59	46	464.0
Car Parks	870	839	1,709	0	1,709	968	56.6
Library IT Technology	26	0	26	100	126	0	0.0
Library General	331	0	331	(9)	321	71	21.4
Library - Paddington	98	0	98	(5)	92	18	18.4
Plant Replacement Program	3,395	2,732	6,127	566	6,693	1,327	21.7
Total Capital Expenditure	19,450	23,225	42,675	1,131	43,806	15,651	36.7

Details of Recommended Changes

The following table details by project proposed budget variations that are \$50k or greater recommended in the Capital Budget Review Statement. For a full listing of capital project proposed budget variations refer to **Attachment 4**.

Project No/ Project Name	Current Budget \$'000s	Budget Variation + INCR / (DECR) \$'000s	Revised Budget \$'000s	Detail	Funding Source
01770 - Lyne Park Playground Upgrade	996	1,006	2,002	The procurement of the Lyne Park Playground upgrade is currently being finalised with initial cost coming in over the allocated budget due to increased costs over the whole project.	Externally Restricted - s.7.12 Developer Contributions \$506k and Grants & Contributions \$500k
01759 - Bellevue Park Stage 2 Pathway Stage 2 works	357	145	502	Budget increase requested due to additional costs associated with the higher quotations received which were above the initial cost estimates of the whole project.	Externally Restricted - s.7.12 Developer Contributions
Heavy Vehicles Purchases	1,205	456	1,661	Budget increase request relates to the purchase of 3 x Road Suction Sweeper vehicles that went out to tender. The costs to purchase these Sweepers were higher than budget (\$68k each) due to significant price hikes and supply chain issues. The budget allocated for one of these Sweepers was inadvertently returned in the March 2023 quarterly budget review.	Working Funds
Misc. Plant/Equip Purchases	-	88	88	Budget increase request relates to the purchase of an electric ride on mower. This purchase was budgeted in 2022/23 and the item procured in 2022/23 with payment not made until the current 2023/24 year, after the July 2023 cut off period.	Working Funds
01855 - Holdsworth Street Community Centre - Feasibility Study	130	(130)	-	This project has been transferred to the operational budget, as no capital assets result from this project.	Internally Restricted - Property Reserve

Project No/ Project Name	Current Budget \$'000s	Budget Variation + INCR / (DECR) \$'000s	Revised Budget \$'000s	Detail	Funding Source
01827 - Ocean St, Forth Street to Wellington Street	250	(125)	125	Budget reduction due to the Government announcing the Repair Grant being discontinued.	Grants & Contributions
01836 - Open Space Property review - Feasibility studies	85	(85)	-	This project has been transferred to the operational expense budget, as no capital assets result from this project.	Internally Restricted - Property Reserve
01490 - Energy Conservation & Carbon Reduction Projects	321	(70)	251	Part of the funding for this project has been transferred to the operational expense budget as no capital assets result from some aspects, for example the feasibility study for the transition from gas.	Externally Restricted - Environment & Infrastructure Levy Reserve
01488 - Biodiversity Projects	65	(65)	-	This project has been transferred to the operational expense budget, as no capital assets result from this project.	Externally Restricted - Environment & Infrastructure Levy Reserve
01833 - Rose Bay Park Bushland Regeneration	55	(55)	-	This project has been transferred to the operational expense budget, as no capital assets result from this project.	Externally Restricted - Environment & Infrastructure Levy Reserve
01658 - Glenmore Road, at Campbell Street Paddington - Traffic	180	(180)	-	Project is now finished, remaining budget returned.	Working Funds
01738 - Parsley Bay - Jetty Replacement Jetty replacement with upgrade	259	(150)	109	The scope of works for this project has been modified to incorporate Heritage staff feedback and this is currently being incorporated into the design. This will likely result in cost savings as the scope of works will be reduced. Under budget expenditure on this project will be spent on the Parsley Bay swimming net replacement (#01793).	Internally Restricted - Revotes Reserve
01721 - Pipe replacement - Queen Street cnr Ocean Street Woollahra	99	(92)	7	Project is complete and remaining invoices were finalised in Q1 2023/24. Savings on this project will fund over expenditure on other projects.	Externally Restricted - Stormwater Management Charge

Project No/ Project Name	Current Budget \$'000s	Budget Variation + INCR / (DECR) \$'000s	Revised Budget \$'000s	Detail	Funding Source
01819 - Chamberlain Avenue , Vaucluse Fernleigh Avenue to Dudley Road	240	(80)	160	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	Externally Restricted - Environment & Infrastructure Levy Reserve
01814 - Fern Place Woollahra, Icasia Lane to End , and Icasia Lane	280	(75)	205	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	Externally Restricted - Environment & Infrastructure Levy Reserve
01822 - Cove Street Watson Bay, Pacific Street to Victoria Street	285	(75)	210	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	Externally Restricted - s.7.12 Developer Contributions
01823 - Victoria Street,Watson Bay, Pacific Street to Cliff Street	165	(75)	90	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	Externally Restricted - s.7.12 Developer Contributions
01824 - Tivoli Avenue Rose Bay, New South Head Road to End	330	(75)	255	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	Externally Restricted - s.7.12 Developer Contributions
01807 - Bellevue Road Bellevue Hill, Kambala Road to Cooper Park Road	220	(65)	155	Project completed with cost saving. Remaining budget transferred to other Engineering projects.	Externally Restricted - s.7.12 Developer Contributions
01811 - Jersey Road Woollahra, Trelawney Street to 113 Jersey Road	240	(50)	190	Project scope reduced. Budget transferred to other Engineering projects.	Externally Restricted - Stormwater Management Charge
00163 - Plan and control the E&IR Program	222	(50)	172	Budget transferred to other Engineering projects.	Externally Restricted - Stormwater Management Charge
01513 - Hampden Street Royston Lane to Royston Road Paddington	594	266	860	Project completed. Over budget expenditure on this project was due to the scope increase particularly in relation to the road re-grading in civil works and will be funded from under budget expenditure on other projects.	Externally Restricted - s.7.12 Developer Contributions (\$232k) & Internally Restricted - Revotes Reserve (\$34k)
01793 - Parsley Bay - Swimming Net Replacement Works Net and Pylon Replacement	173	150	323	Over budget expenditure on this project was due to the high cost of quotations received and is being funded from the savings of the Parsley Bay jetty rehabilitation works (#01738).	Externally Restricted - Environment & Infrastructure Levy Reserve

Project No/ Project Name	Current Budget \$'000s	Budget Variation + INCR / (DECR) \$'000s	Revised Budget \$'000s	Detail	Funding Source
01723 - Mahoney Lane Edgecliff, New South head road to Glenmore Road	97	130	227	Contractors have been engaged to commence in Q2 of 2023/24. Revised estimate requiring more funds. This will be funded from under budget expenditure on other projects.	Externally Restricted - Environment & Infrastructure Levy Reserve (\$104k) & Internally Restricted - Revotes Reserve (\$26k)
01720 - George Street Paddington Stormwater Component of the works	52	102	154	Project is complete. Over budget expenditure on this project was due to the scope increase in civil works identified as required on site. This will be funded from under budget expenditure on other projects.	Externally Restricted - Stormwater Management Charge (\$29k) & Internally Restricted - Revotes Reserve (\$73k)
01409 - Watsons Bay Flood Diversion Wall - new stormwater diversion	360	58	419	Project is complete. Over budget expenditure on this project was due to the scope increase in civil works on-site and will be funded from under budget expenditure on other projects.	Externally Restricted - Stormwater Management Charge
01750 - Bellevue Road Bellevue Hill, Authur St to Streathfield Rd	269	55	324	Project is complete. Over budget expenditure on this project will be funded from under budget expenditure on other projects.	Externally Restricted - Environment & Infrastructure Levy Reserve (\$7k) & Internally Restricted - Revotes Reserve (\$48k)
00054 - POS Project Management	75	(53)	22	Budget transfer of \$40k to 01681 Figtree Reserve landscaping and \$13k to 01769 - Rushcutters Bay Park landscaping.	Working Funds
01630 - Trumper Pk Tennis Disabled Toilets access	50	(50)	-	\$48k transferred to project 01788 - Disability inclusion upgrades. \$2k transferred to project 01780 - Rushcutters Bay accessible toilet	Internally Restricted - Property Reserve

In addition to the Income and Expenses and Capital Budget Review Statements above, Council's Balance Sheet and Reserve levels summarise the results of the budget review and appear as **Attachments 1 and 2** respectively.

Cash and Investments Budget Review Statement

The Cash and Investments Budget Review Statement combines Council's restricted cash reserves with total cash and investments from the Balance Sheet to show any impact on unrestricted available cash.

The Cash and Investments Budget Review Statement shown below carries the net total of recommended changes to the Budget through to the Unrestricted and Available Cash Balances. It also shows the various movements in restricted cash recommended in the Budget Review.

As reported in the Monthly Financial Report presented to the Finance, Community & Services Committee at this meeting, Council's total investment portfolio is invested in accordance with Council's Investment Policy and the bank reconciliation to 30 September 2023 has been completed.

Woollahra Council
Budget review for the quarter ended 30 September 2023
Cash & Investments

	ORIGINAL	Approved Changes		Recommended changes for Council Resolution (000's)	PROJECTED	ACTUAL YTD (000's)
	23/24 Budget (000's)	Revotes (000s)	REVISED Budget (000's)		year end result 23/24 (000's)	
Unrestricted	19,276	0	19,276	4,996	24,273	13,974
Externally Restricted						
Section 7.11 Contributions	993	(20)	973	0	973	1,492
Section 7.12 Contributions	6,042	(3,905)	2,136	(639)	1,497	7,213
Unexpended Grants	17	(17)	0	0	0	5,840
Environmental & Infrastructure Levy	4,155	(4,104)	51	(12)	40	7,719
Special Rate Variation: Environmental & Infrastructure Levy	0	0	0	460	460	460
Stormwater Levy	502	(449)	52	1	54	903
Domestic Waste	5,384	(739)	4,644	0	4,644	8,128
Total Externally Restricted	17,092	(9,234)	7,858	(189)	7,669	31,755
Internally Restricted						
Employee Leave Entitlements	2,278	0	2,278	0	2,278	2,278
Plant Replacement	0	0	0	0	0	0
Insurance	445	0	445	0	445	561
Workers Compensation Insurance	117	0	117	0	117	0
Computer	234	0	234	0	234	378
Library IT	687	0	687	9	696	647
Election	322	0	322	0	322	157
Deposits	41,561	0	41,561	0	41,561	41,784
Preschool	599	0	599	(10)	589	602
Property	8,736	(1,795)	6,941	(20)	6,921	10,628
Open Space & Community Facilities	654	(654)	0	0	0	637
Kiaora Place Reserve	4,577	0	4,577	(63)	4,514	4,480
Revotes & Rollovers	3,943	(3,412)	532	(49)	483	3,401
Oxford Street	206	0	206	0	206	206
Open Space Projects	299	(298)	1	0	1	299
Property Development	22	(3)	19	0	19	22
Special Rate Variation (SRV)	1,788	0	1,788	(429)	1,359	4,302
General Reserve	2,318	0	2,318	14	2,332	1,880
Total Internally Restricted	68,784	(6,161)	62,622	(548)	62,074	72,261
Total Restricted	85,876	(15,396)	70,480	(737)	69,743	104,016
Total cash and investments	105,152	(15,396)	89,756	4,259	94,016	117,990
Available Cash	19,276	0	19,276	4,996	24,273	13,974

Notes:

The **available cash** position excludes restricted funds. External restrictions are funds that must be spent for a specific purpose and cannot be used by Council for general operations. Internal restrictions are funds that Council has determined will be used for a specific future purpose.

ORIGINAL Budget +/- approved budget changes in previous quarters = REVISED Budget
REVISED Budget +/- recommended changes this quarter = PROJECTED year end result

Budget Review Contracts and Other Expenses Statement

The Budget Review Contracts and Other Expenses Statement, provided in **Attachment 3**, requires Council to disclose 'Contracts' and 'Consultancy and Legal Expenses' as part of the Quarterly Budget Review.

As per requirements set out by the Office of Local Government, the Contracts disclosure includes:

- Contracts that were entered into during the quarter under review but have not been fully performed or completed; and
- Have a value equal to or more than \$50,000, (or, 1% of Council's estimated income from continuing operations).

Contracts for employment and contracts entered into from Council's "preferred contracts list" are not included.

The consultancy and legal expenses disclosure shows year to date budget and year to date expenditure for these items.

Options:

Council can resolve to approve the budget changes recommended in this report or choose to resolve in some other manner.

Community Engagement and / or Internal Consultation:

This report has been compiled using information provided by Directors and Managers in relation to their area of budget responsibility.

Policy Implications:

There are no direct policy implications arising from this report.

Financial Implications:

The September 2023 quarterly review forecasts an increase in Council's working funds position for 2023/24 of \$3.853m, comprising of the original budget working funds deficit including rollovers of (\$1.143m), and a surplus of \$4.996m in this September review.

The September Quarterly Budget Review is a forecast increase in Council's Net Operating Result of \$4.260m from \$11.632m to \$15.892m. When we exclude Capital Grants & Contributions (we exclude them because capital grants and contributions can only be used on capital projects, i.e. not on Council's day to day expenses) the net result is a surplus of \$4.955m in the Net Operating Result before Capital Grants & Contributions. This is an improvement of \$3.875m from the revised budget of \$1.080m.

The Capital Budget Review Statement shows an increase in capital expenditure of \$1.131m and an increase in funding of \$1.131m. Changes giving rise to these variations have been detailed in the report.

The Balance Sheet (**Attachment 1**) shows Unrestricted Current Ratio of 3.17:1 with a working funds position at 30 June 2024 of \$11.342m.

Resourcing Implications:





Resourcing implications are outlined within the report. Budget changes recommended in relation to resourcing implications have been managed against other budget recommended changes.

Conclusion:

As noted throughout this report, the September Quarterly Budget Review is a forecast increase in Council's Net Operating Result of \$4.260m from \$11.632m to \$15.892m. When we exclude Capital Grants & Contributions (we exclude them because capital grants and contributions can only be used on capital projects, i.e. not on Council's day to day expenses) the net result is a surplus of \$4.955m in the Net Operating Result before Capital Grants & Contributions. This is an improvement of \$3.875m from the revised budget of \$1.080m. The Capital Budget Review Statement shows an increase in capital expenditure of \$1.131m and an increase in funding of \$1.131m. Changes giving rise to these variations have been detailed in the report.

Having regard to the original estimates of income and expenditure, and the proposed variations, the projected restricted cash levels and liquidity position indicate that Council's overall financial position will remain satisfactory at 30 June 2024.

Attachments

1. Forecast Balance Sheet as at 30 September 2023 [↓](#) 
2. Forecast 30 June 2024 Reserve Levels as at 30 September 2023 [↓](#) 
3. Budget Review Contracts and Other Expenses Statement [↓](#) 
4. Capital Budget Proposed Project Variations as at 30 September 2023 [↓](#) 

BUDGET 2023/24
Balance Sheet

	Actual 22/23	Revote & 22/23 Revotes	Revolves & Rollovers into 23/24	23/24 Budget	Original Budget & Revotes	September Review 23/24	September Review 23/24
Current Assets							
Cash & Investments	107,670,643	(15,395,521)	92,275,122	(2,518,637)	89,756,485	4,259,063	94,015,548
Receivables	7,234,296		7,234,296		7,234,296		7,234,296
Inventories	337,272		337,272		337,272		337,272
Other	2,305,820		2,305,820		2,305,820		2,305,820
	117,548,032	(15,395,521)	102,152,511	(2,518,637)	99,633,874	4,259,063	103,892,937
Current Liabilities							
Payables	56,075,554		56,075,554		56,075,554		56,075,554
Interest Bearing Liabilities	3,794,276		3,794,276	130,565	3,924,841		3,924,841
Provisions	12,384,734		12,384,734	856,921	13,241,656		13,241,656
Other	12,468,534		12,468,534		12,468,534		12,468,534
	84,723,098	0	84,723,098	987,486	85,710,584	0	85,710,584
NET CURRENT ASSETS	32,824,933	(15,395,521)	17,429,413	(3,506,123)	13,923,290	4,259,063	18,182,353
Non-Current Assets							
Receivables	152,261		152,261		152,261		152,261
Inventories & Other Assets	454,266		454,266	(261,770)	192,496		192,496
Investment Properties	191,420,000		191,420,000	1,149,500	192,569,500		192,569,500
Property, Plant & Equipment	1,056,284,624	23,225,033	1,079,509,657	2,648,137	1,082,157,794	880	1,082,158,674
	1,248,311,151	23,225,033	1,271,536,184	3,535,867	1,275,072,051	880	1,275,072,931
Non-Current Liabilities							
Interest Bearing Liabilities	56,520,634		56,520,634	(3,935,545)	52,585,089		52,585,089
Provisions	582,637		582,637		582,637		582,637
Other	18,893		18,893		18,893		18,893
	57,122,165	0	57,122,165	(3,935,545)	53,186,620	0	53,186,620
NET ASSETS	1,224,013,920	7,829,512	1,231,843,432	3,965,289	1,235,808,721	4,259,943	1,240,068,664
EQUITY							
Opening Equity	561,456,731		582,962,604		582,962,604		582,962,604
Asset Revaluation Reserves	641,051,316		641,051,316		641,051,316		641,051,316
Operating Result	21,505,873		7,829,512		11,794,801		16,054,744.1
Closing Equity	1,224,013,920	0	1,231,843,432	0	1,235,808,721	0	1,240,068,664
Working Funds							
Current Assets	32,824,933		17,429,413		13,923,290		18,182,353
ADD:							
Current Prov'n for ELE	12,384,734		12,384,734		13,241,656		13,241,656
Current Deposits	45,736,000		45,736,000		45,736,000		45,736,000
Current Loan Liability	3,794,276		3,794,276		3,924,841		3,924,841
LESS:							
External Restrictions	(18,277,981)		(9,043,749)		(7,857,889)		(7,668,501)
Internal Restrictions	(68,973,183)		(62,811,895)		(62,622,385)		(62,074,479)
	7,488,779	0	7,488,779	0	6,345,511	0	11,341,868
Movement in Working Funds			0		(1,143,268)		4,996,357
Unrestricted Current Ratio	3.41		3.17		3.01		3.17
Current Assets - External Restrictions	90,018		83,857		82,524		86,972
Current Liabilities - Restricted Liabilities	26,417		26,417		27,404		27,404

WOOLLAHRA MUNICIPAL COUNCIL
Forecast Restricted Cash Balances - 30th June 2024

WOOLLAHRA MUNICIPAL COUNCIL Forecast Restricted Cash Balances - 30th June 2024											
Externally Restricted Cash		REVOTES		ORIGINAL BUDGET & REVOTES				SEPTEMBER REVIEW			
Purpose	Restricted Cash Balance Jun 23	Transfers From	Closing Balance Jun 24	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 24	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 24
Section 7.11 Contributions	1,513,778	19,951	1,493,827	0	200	520,564	973,463				973,463
Section 7.12 Contributions	7,125,145	3,905,353	3,219,792	2,700,000	1,000	3,784,375	2,136,417			639,398	1,497,019
Unexpended Grants	16,749	16,749	0				0				0
Environmental & Infrastructure Levy	4,085,401	4,103,728	(18,327)	4,764,555		4,695,000	51,228			11,602	39,626
Special Rate Variation: Environmental & Infrastructure Levy	0		0				0	460,304			460,304
Stormwater Levy	464,065	449,251	14,814	492,500		455,000	52,314	1,308			53,622
Domestic Waste:											
General Reserve	4,038,944	739,200	3,299,744	1,000,000		787,000	3,512,744				3,512,744
Employee Leave Entitlements	1,033,900		1,033,900	97,824			1,131,724				1,131,724
	18,277,981	9,234,232	9,043,749	9,054,879	1,200	10,241,939	7,857,889	461,612	0	651,000	7,668,501
Internally Restricted Cash											
Purpose	Restricted Cash Balance Jun 23	Transfers From	Closing Balance Jun 24	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 24	Transfer To	Interest Earned	Transfers From	Closing Balance Jun 24
Employee Leave Entitlements	2,277,726		2,277,726				2,277,726				2,277,726
Plant Replacement	128		128				128				128
Insurance	444,648		444,648				444,648				444,648
Workers Compensation Insurance	116,556		116,556				116,556				116,556
IT Reserve											
General Reserve	381,227		381,227			146,763	234,464				234,464
Library IT	646,778		646,778	66,000		26,000	686,778	9,000			695,778
Election	157,436		157,436	164,100			321,536				321,536
Deposits	41,560,762		41,560,762				41,560,762				41,560,762
Preschool											
General Reserve	438,079		438,079	22,679		60,000	400,758	(10,000)			390,758
Employee Leave Entitlements	163,561		163,561	34,234			197,795				197,795
Property	10,806,327	1,795,325	9,011,002			2,070,000	6,941,002			19,832	6,921,170
Open Space & Community Facilities	655,442	653,618	1,824			1,824	0				0
Kiaora Place Reserve	4,479,890		4,479,890	793,056		695,541	4,577,405	(50,124)		12,938	4,514,343
Revotes & Rollovers	3,943,167	3,411,569	531,599				531,599			48,578	483,021
Oxford Street Placemaking	205,529		205,529				205,529				205,529
Open Space Projects	298,861	298,093	768				768				768
Property Development	21,684	2,684	19,000				19,000				19,000
Special Rate Variation (SRV)	0		0	4,301,843		2,513,742	1,788,101	(429,262)			1,358,839
General Reserve											
Public Art Gallery	252,261		252,261				252,261				252,261
FAG Prepayment	1,972,866		1,972,866	852,664		852,664	1,972,866	1,134,030		1,120,202	1,986,694
Old Section 94	92,140		92,140				92,140				92,140
General	58,115		58,115	3,000		60,552	563				563
	68,973,183	6,161,289	62,811,895	6,237,576	0	6,427,086	62,622,385	653,644	0	1,201,550	62,074,479
Total Restricted Cash	87,251,165	15,395,521	71,855,644	15,292,455	1,200	16,669,025	70,480,275	1,115,256	0	1,852,550	69,742,981

Woollahra Council

Budget review for the quarter ended - 30 September 2023

Contracts

Contractor	Contract detail & purpose	Contract value (\$) (Incl. GST)	Commencement date	Duration of contract	Budgeted (Y/N)	Explanation if not included in the budget
Melhemcorp Pty Ltd	Edgecliff Road GPT installation and associated works	\$101,088.35	20/12/2023	3 weeks	Y	
SGS Economics & Planning Pty Ltd	Request For Consultancy Services: Edgecliff Commercial Centre Affordable Housing Contributions Scheme	\$87,164.00	28/07/2023	4 months	Y	
Infrastructure Management Group Pty Ltd	Road Assets Condition Assessment (Pavement; Footpath; Kerbgutter; Stairs; Signs; Islands and Other)	\$106,293.66	18/09/2023	19 weeks	Y	
Oztech Intelligent Systems Pty Ltd	Redleaf Council Chambers - Building Management System (BMS) Upgrade	\$155,474.00	Week ending 30/09/2023	12 weeks	Y	
Unicorn Landscaping and Stonemasonry Pty Ltd	Mini Basketball Court and Surrounds Upgrade - Spicer Lane Reserve Woollahra	\$86,020.00	21/08/2023	4 weeks	Y	
Growth Civil Landscapes Pty Ltd	Relocate and Upgrade Basketball mini court and surrounds - Harbourview Park, Woollahra	\$64,193.89	28/08/2023	1 month	Y	
State Civil Pty Ltd	Quarry Street Pathway improvements – Part B	\$84,040.00	Proposed start date 17/07/2023	1 week	Y	
Melhemcorp Pty Ltd	Wolseley Crescent Point Piper - Construction of kerb and gutter and road pavement reconstruction	\$153,216.80	25/09/2023	4 weeks	Y	
Synchronicity Consulting. T/A Spark Strategy	Proposal: Woollahra Children, Youth and Families Strategy 2023-28	\$105,475.70	End of June 2023	4 months	Y	
Ezko Property Services (Aust) RETAIL Pty Ltd	Provision of Cleaning Services at Kiaora Place Double Bay	\$718,752.20	1/07/2023	3 years	Y	
Stantec Australia Pty Ltd	Survey and Condition Assessment of Structures (Seawalls; Retaining Walls; Bridges; Public Baths; Pontoon; Jetty and Others)	\$247,238.20	26/09/2023	16 weeks	Y	
Stateline Asphalt Pty Ltd	Road and stormwater improvement works in Yamba Road, Bellevue Hill between Kulgoa Road and Bellevue Road	\$227,799.00	31/07/2023	6 weeks	Y	
Dalski Pty Ltd	Trumper Park Oval - New pathway and retaining wall - Pathway and retaining wall construction at Trumper Oval	\$179,858.14	Proposed start date 21/08/2023	TBC	Y	
Data3	Provision of our Microsoft Licence renewals	\$1,073,128.23	Jul-23	3 years	Y	
KOR Equipment Solutions Pty Ltd	Supply and delivery of 2 (two) regenerative air sweepers	\$766,150.00	Jul-23	N/A	Y	
R.A. Bell Pty Ltd	Supply and delivery of 1 (one) vacuum drainage truck	\$414,249.00	Aug-23	N/A	Y	

Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser.
2. Contracts to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's preferred supplier list).
3. Contracts for employment are not required to be included.
4. Where a contract for services etc was not included in the budget, an explanation is to be given (or reference made to an explanation in another Budget Review Statement).

This disclosure forms part of Woollahra Council's Quarterly Budget Review and should be read in conjunction with other documents in the Quarterly Budget Review.

Woollahra Council

Budget review for the quarter ended - 30 September 2023

Consultancy and Legal expenses

Expense	Budget YTD \$	Expenditure YTD \$	Budgeted (Y/N)
Consultancies	512,773	332,970	Y
Legal Fees	353,200	251,877	Y
Total Consultancies & Legal Fees	865,973	584,847	

Definition of consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision-making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

NOTES:

Council engages consultants as part of delivering capital projects but does not budget specifically for them, rather budgets for the project as a whole. To avoid distorting budget and year to date expenditures above, they have been limited to Council's operating budget. Where any expenses for Consultancy or Legal fees have not been budgeted for, an explanation is provided below:

N/A

This disclosure forms part of Woollahra Council's Quarterly Budget Review and should be read in conjunction with other documents in the Quarterly Budget Review.

Capital Budget Proposed Project Variations as at 30 September 2023

The following table details by project the proposed budget variations that are recommended in the Capital Budget Review Statement.

Project No	Project Name	Budget Variation + INCR / (DECR) \$'000s	Detail	s.7.12 Developer Cont'ns \$'000s	Externally Restricted \$'000s	Internally Restricted \$'000s	Grants & Cont'ns (Capital) \$'000s	Working Funds \$'000s	Vehicle Sales \$'000s
BUDGET FUNDING REALLOCATION BETWEEN PROJECTS / FUNDING SOURCES									
01738	Parsley Bay - Jetty Replacement Jetty replacement with upgrade	(150)	The scope of works for this project has been modified to incorporate Heritage staff feedback and this is currently being incorporated into the design. This will result in cost savings as the scope of works will be reduced. Under-expenditure on this project will be spent on the Parsley Bay swimming net replacement (#01793).			(150)			
01721	Pipe replacement - Queen Street cnr Ocean Street Woollahra	(92)	Project is complete and remaining invoices were finalised in Q1 FY23/24. Savings on this project will fund over expenditure on other projects.		(92)				
01819	Chamberlain Avenue , Vaucluse Fernleigh Avenue to Dudley Road	(80)	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.		(80)				
01814	Fern Place Woollahra, Icasia Lane to End , and Icasia Lane	(75)	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.		(75)				
01822	Cove Street Watson Bay, Pacific Street to Victoria Street	(75)	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	(75)					
01823	Victoria Street, Watson Bay, Pacific Street to Cliff Street	(75)	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	(75)					

Project No	Project Name	Budget Variation + INCR / (DECR)	Detail	s.7.12 Developer Cont'ns	Externally Restricted	Internally Restricted	Grants & Cont'ns (Capital)	Working Funds	Vehicle Sales
01824	Tivoli Avenue Rose Bay, New South Head Road to End	(75)	Quotations received resulted in cost savings. Budget transferred to other Engineering projects.	(75)					
01807	Bellevue Road Bellevue Hill, Kambala Road to Cooper Park Road	(65)	Project completed with cost saving. Remaining budget transferred to other Engineering projects.	(65)					
01811	Jersey Road Woollahra, Trelawney Street to 113 Jersey Road	(50)	Project scope reduced. Budget transferred to other Engineering projects.		(50)				
00163	Plan and control the E&IR Program	(50)	Budget transferred to other Engineering projects.		(50)				
01752	Yamba Road, Bellevue Hill Road to Kulgoa Road Road Pavement	(31)	Project is completed. Under expenditure on this project will be distributed to over expenditure on other projects.			(31)			
01724	Liverpool Street, Paddington, Glenview Street to Macdonald Street	(6)	Project completed. Under expenditure on this project will be distributed to over expenditure on other projects.		(6)				
01607	Parsley Bay Wharf rehabilitation works - Design	(3)	Project completed. Remaining budget transferred to other Engineering projects.		(3)				
01513	Hampden Street Royston Lane to Royston Road Paddington	266	Project completed. Over expenditure on this project was due to the scope increase particularly in relation to the road regrading in civil works and will be funded from under expenditure on other projects.	232		34			
01793	Parsley Bay - Swimming Net Replacement Works Net and Pylon Replacement	150	Over expenditure on this project was due to the high cost of quotations received and is being funded from the savings of the Parsley Bay jetty rehabilitation works (#01738).		150				
01723	Mahoney Lane Edgecliff, New	130	Contractors have been engaged to commence in Q2 of FY23/24. Revised estimate requiring more funds. This will		104	26			

Project No	Project Name	Budget Variation + INCR / (DECR)	Detail	s.7.12 Developer Cont'ns	Externally Restricted	Internally Restricted	Grants & Cont'ns (Capital)	Working Funds	Vehicle Sales
	South head road to Glenmore Road		be funded from under-expenditure on other projects.						
01720	George Street Paddington Stormwater Component of the works	102	Project is complete. Over expenditure on this project was due to the scope increase in civil works identified as required on site. This will be funded from under-expenditure on other projects.		29	73			
01409	Watsons Bay Flood Diversion Wall - new stormwater diversion	58	Project is complete. Over expenditure on this project was due to the scope increase in civil works on-site and will be funded from under-expenditure on other projects.		58				
01750	Bellevue Road Bellevue Hill, Authur St to Streatfield Rd	55	Project is complete. Over-expenditure on this project will be funded from under expenditure on other projects.		7	48			
01512	George Street Paddington b/w Underwood Street and Oxford St	47	Project completed. Over expenditure on this project was due to the scope increase in civil works identified as required on site. This will be funded from under expenditure on other projects.	47					
01725	Wharf Road Vaucluse, Hopetoun Avenue to End Road Pavement	14	Project is complete. Over expenditure on this project will be funded from under expenditure on other projects.		14				
01722	Ocean Street btw William Street and Wiston Gdns Stormwater	5	Budget shortfall transferred from other Engineering projects.		5				
00054	POS Project Management	(53)	Budget transfer of \$40k to 01681 Figtree Reserve landscaping and \$13k to 01769 - Rushcutters Bay Park landscaping.					(53)	
01681	Figtree Reserve landscaping- Landscaping works due to flood	40	This project is complete. Additional costs were required due to storm damage to the embankment during construction. The over spend on this project will be funded from savings on					40	

Project No	Project Name	Budget Variation + INCR / (DECR)	Detail	s.7.12 Developer Cont'ns	Externally Restricted	Internally Restricted	Grants & Cont'ns (Capital)	Working Funds	Vehicle Sales
			other projects (Project 00054 - POS Project Management).						
01769	Rushcutters Bay Park Landscaping upgrades	13	Project complete, overspend on this project will be funded by cost savings on other projects (project 00054 - POS Project Management).					13	
01487	WSUD - Construction	(31)	Budget transfer to project 01706		(31)				
01706	Rose Bay Working Party Actions-Implementation	31	Budget transfer from project 01487		31				
01630	Trumper Pk Tennis Disabled Toilets access	(50)	\$48k transferred to project 01788 - Disability inclusion upgrades. \$2k transferred to project 01780 - Rushcutters Bay accessible toilet			(50)			
01788	Disability Inclusion Upgrades	48	Budget transfer from project 01630			48			
01780	Rushcutters Bay Toilets Install accessible toilet	2	Budget transfer from project 01630			2			
TOTAL BUDGET FUNDING REALLOCATION BETWEEN PROJECTS/ FUNDING SOURCES		0	Total increase funded through recovered funds.	(12)	12	(0)	0	0	0
INCREASE IN CAPITAL WORKS BUDGET									
01770	Lyne Park Playground Upgrade	1,006	The procurement of the Lyne Park Playground upgrade is currently being finalised with initial cost coming in over the allocated budget due to increased costs over the whole project.	506			500		
01759	Bellevue Park Stage 2 Pathway Stage 2 works	145	Budget increase requested due to additional costs associated with the higher quotations received which were above the initial cost estimates of the whole project.	145					

Project No	Project Name	Budget Variation + INCR / (DECR)	Detail	s.7.12 Developer Cont'ns	Externally Restricted	Internally Restricted	Grants & Cont'ns (Capital)	Working Funds	Vehicle Sales
01683	Synthetic Cricket wicket upgrades	10	Further grant from Cricket Australia. Project is complete.				10		
E016	SRV - AV Upgrade Paddington	42	Budget transferred from the operational budget. Funded from the Special Rate Variation (SRV).			42			
E018	SRV - AV Upgrade Watsons Bay	29	Budget transferred from the operational budget. Funded from the Special Rate Variation (SRV).			29			
E022	SRV - Watsons Bay CCTV & Secure Access	29	Budget transferred from the operational budget. Funded from the Special Rate Variation (SRV).			29			
N/A	Heavy Vehicles Purchases	456	Budget increase request relates to the purchase of 3 x Road Suction Sweeper vehicles that went out to tender. The costs to purchase these Sweepers were higher than budget (\$68k each) due to significant price hikes and supply chain issues. The budget allocated for one of these Sweepers was inadvertently returned in the March 2023 quarterly budget review.					458	(2)
N/A	Misc.Plant/Equip Purchases	88	Budget increase request relates to the purchase of an electric ride on mower. This purchase was budgeted and the item procured in 2022-23 with payment not being made until after the July cut off period.					106	(18)
N/A	Passenger vehicle & light commercial vehicle purchases	22	Budget increase requested due to increased purchase prices on a number of vehicles.					(4)	27
01564	Audio visual upgrade Redleaf	49	This project was budgeted for in 2022-23 and was unspent in that financial year.			49			
01802	Woollahra Library - Youth Space Upgrade	27	Budget transferred from the Library operating budget.				17	10	

Project No	Project Name	Budget Variation + INCR / (DECR)	Detail	s.7.12 Developer Cont'ns	Externally Restricted	Internally Restricted	Grants & Cont'ns (Capital)	Working Funds	Vehicle Sales
01878	Computer room A/C replacement @ Woollahra Library	23	Budget increase requested for works undertaken to complete urgent replacement of server room air conditioner. Project is complete.			23			
01530	Kiaora Place Various works	13	Works completed. PO was raised last year with available funding, but budget was not rolled over as invoice was processed late.			13			
01796	Redleaf Skylights	5	Works completed. Budget increase requested.			5			
TOTAL INCREASE IN CAPITAL WORKS		1,944		651	0	189	527	570	7
DECREASE IN CAPITAL WORKS BUDGET									
01658	Glenmore Road, at Campbell Street Paddington - Traffic	(180)	Project is now finished, remaining budget returned.					(180)	
01855	Holdsworth Street Community Centre - Feasibility Study	(130)	This project has been transferred to the operational budget, as no capital assets result from this project.			(130)			
01827	Ocean St, Forth Street to Wellington Street	(125)	Budget reduction due to the Government announcing the REPAIR GRANT being discontinued.				(125)		
01836	Open Space Property review - Feasibility studies	(85)	This project has been transferred to the operational budget, as no capital assets result from this project.			(85)			
01490	Energy Conservation & Carbon Reduction Projects	(70)	Part of the funding for this project has been transferred to the operational budget as no capital assets result from some aspects, for example the feasibility study for the transition from gas.		(70)				
01488	Biodiversity Projects	(65)	This project has been transferred to the operational budget, as no capital assets result from this project.		(65)				

Project No	Project Name	Budget Variation + INCR / (DECR)	Detail	s.7.12 Developer Cont'ns	Externally Restricted	Internally Restricted	Grants & Cont'ns (Capital)	Working Funds	Vehicle Sales
01833	Rose Bay Park Bushland Regeneration	(55)	This project has been transferred to the operational budget, as no capital assets result from this project.		(55)				
01832	Biodiversity Monitoring from 2023/24 FY	(45)	This project has been transferred to the operational budget, as no capital assets result from this project.		(45)				
01792	Trumper Park Rehabilitation Implementation of bushland regen	(35)	This project has been transferred to the operational budget, as no capital assets result from this project.		(35)				
Various	Library CD, DVD, AV Material	(15)	Transfer to the Library operational budget for e resources and maker kits					(15)	
01845	Redleaf - Replacement of Print Room split units	(1)	Project Complete			(1)			
01859	Hugh Latimer - Replacement of a/c units in Regulatory office	(5)	Project complete			(5)			
01853	McKell Park (Cannonbury Cottage) - Lighting upgrade	(1)	Project complete			(1)			
TOTAL DECREASE IN CAPITAL WORKS		(813)		0	(270)	(223)	(125)	(195)	0
TOTAL VARIATIONS		1,131		639	(259)	(34)	402	375	7

Item No: R4 Recommendation to Council
Subject: **FINANCIAL IMPACT OF COST SHIFTING FROM OTHER LEVELS OF GOVERNMENT 2022-2023**
Author: Esther Hii, Senior Corporate Accountant
Approvers: Paul Ryan, Chief Financial Officer
Sue Meekin, Director Corporate Performance
File No: 23/194892
Purpose of the Report: This report details information relating to the financial impact on Council of Cost Shifting from other levels of government for 2022/23
Alignment to Delivery Program: Strategy 11.2: Secure Council's financial position.

Recommendation:

THAT Council:

- A. Receive and note the annual update of the Financial Impact of Cost Shifting from other levels of Government for 2022-2023.
- B. Note that estimated value of cost shifting from other levels of government impacting on Woollahra Council for 2022-2023 was \$14.461million, an increase of \$84k from the impact in 2021-2022 of \$14.377million.

Executive Summary:

Local Government NSW (LGNSW) define 'Cost Shifting' as follows:

Cost Shifting occurs when the responsibility for, or merely the cost of, providing a certain service, concession, asset or regulatory function is shifted from one sphere of government to another, without corresponding funding or revenue raising ability required to deliver that new responsibility.

Councils in NSW have been subject to Cost Shifting for many years and as LGNSW have stated, Cost Shifting is one of the most significant problems faced by Councils in NSW. Along with rate pegging, Cost Shifting from federal and state government undermines the financial sustainability of the local government sector by forcing Councils to assume responsibility for the provision and cost of infrastructure and services, without sufficient corresponding offsetting revenue. Cost Shifting diverts ratepayers' funds away from much-needed local infrastructure projects to meet additional demands placed on a Council by state and federal governments.

Having undertaken an enormous body of work to improve Council's long-term financial position, including the approved Special Rate Variation (SRV), the issue of Cost Shifting is important to Council and needs to be clearly understood by Councillors, Council staff and the community. , Faced with increasing cost of conducting Council operations, Cost Shifting and the rate peg impact dramatically on Councils, where there is little opportunity for Councils to raise sufficient corresponding revenue when assuming responsibility for more functions and or services.

The estimated impact of Cost Shifting to Woollahra Council for 2022-2023 is \$14.461 million, an increase of \$84k from \$14.377million in 2021-2022 with the majority of the Cost Shifting impacts coming from the NSW State Government.

Discussion:

Background

Cost shifting to local government is not a new issue, as it has been taking place for decades. However, as Councils (like most businesses) are forced to do more with less, the challenge of financial sustainability becomes more complex, therefore it is important to provide some context around what the impact of cost shifting is on Council and ultimately the community.

The major types of cost shifting are generally considered to be:

- The withdrawal or reduction of financial support once a program is established and or transferred to local government.
- The transfer of assets without appropriate funding support.
- The requirement to provide concessions and rebates without adequate compensation payments.
- Increased regulatory and compliance arrangements and
- Failure to provide for indexation of fees and charges for services prescribed under various pieces of State legislation or regulation.

Cost shifting clearly impacts on Council's available funds with which it is able to deliver quality services and infrastructure for the community. If Council was not impacted by cost shifting or to the degree that it is currently impacted by cost shifting, this would mean Council could spend additional funds on:

- Additional services to the community.
- Increasing existing service levels to the community.
- New capital / renewal infrastructure works.
- Increased spending on maintenance of Council assets.

Local Government NSW (LGNSW) recommenced the NSW-wide Council Cost Shifting survey in 2021-2022. This saw the inclusion of additional items in the calculation more accurately reflect the true impact of Cost Shifting. In March 2022 prior to the changes, Council estimated the impact for 2021-2022 to be \$3.977million and subsequently revised to \$14.377million using the new basis. The main differences between the two were:

- Public Library Operations (net) \$3.256million
- Shortfall in Cost of Processing Development Applications \$2.505million
- Provision of Community support services including those provided through Holdsworth Centre and Domestic Violence housing \$1.215million
- Rate Exemptions to both government owned and non-government owned properties \$2.187million

2022-2023 has seen an increase of \$84k (1%) bringing the total for 2022-2023 to \$14.461million. The following table provides the breakdown of the components of the \$14.461million and shows the comparison to the prior 2021-2022 year:

	Impacts of Cost Shifting from NSW Government	2021/22 Actual \$	2022/23 Actual \$
1	Net contribution to Emergency Services Levy (Fire & Rescue NSW, Rural Fire Service NSW and State Emergency Service)	2,160,523	2,591,907
2	Net Pensioners Rate Rebates (mandatory + voluntary)	123,388	123,473
2	Public library operations ¹	6,724,916	6,567,783
3	Flood mitigation program	1,270	0
4	Shortfall in cost recovery for regulatory functions/services under the Companion Animal Act (NSW) 1998	176,916	214,405
5	Shortfall in cost recovery for regulatory functions/services under the Contaminated Land Management Act (NSW) 1997	20,065	61,091
6	Shortfall in cost recovery for functions under the Protection of the Environment Operations Act (NSW) 1997	105,137	183,274
7	Shortfall in cost recovery for functions as control authority for noxious weed	0	25,121
8	Shortfall in cost recovery for processing of development applications	2,504,556	2,364,491
9	Immigration services and citizenship ceremonies	5,624	9,340
10	Aged care	853,463	452,262
11	Disability care	2,000	0
12	Childcare	792,750	846,825
13	Transport	4,000	6,289
14	Rate exemptions – Government-owned property exemptions	793,517	800,589
15	Rate exemptions – Non-government-owned property exemptions	1,358,141	1,329,187
16	Rate exemptions – Community housing	35,468	35,468
17	Waste Levy charged by state government	1,539,931	1,609,310
18	Additional committee governance	228,350	244,671
19	Social and affordable housing	360,000	331,694
20	Development and Planning Assessment (Planning portal)	56,250	58,781
	TOTAL	17,846,265	17,855,961
21	Less 50% of Library as per Note 1 below	(3,468,999)	(3,395,021)
	Net impact of Cost Shifting	14,377,266	14,460,940

¹Public Library Operations – In the original state government funding arrangement Council would have been eligible for funding for half the amount expended by Council on the operation of libraries sourced from rate income.

Grant Funding:

Whilst the focus of this report is on the value and impact of cost shifting from other levels of government on Council, it should be acknowledged that Council does receive a level of grant funding each year from the State and Australian Government.

The key grant received from the Australian Government by Councils across Australia is known as the Financial Assistance Grants (FAGs). These grants are paid to Councils to help deliver services to our community and are paid annually.

In the context of Woollahra Council, for the 2022-2023 financial year, Council received \$1.893m in FAGs from the Australian Government, with part of that amount being a general component of \$1.391m, with the other portion being a local roads component of \$502k. Importantly, these grants are what are known as untied grants, meaning Council can spend them at their discretion, rather than on specific services etc.

In 2014, the Australian Government made a decision to pause the indexation of the FAGs for three years commencing on 1 July 2014. This meant that FAGs were frozen at the 2013-2014 level for three years, with the Australian Government resuming indexation of this funding in its 2017-2018 budget. The impact of the paused indexation between 2013-2014 and 2017-2018 meant that there was no increase in the funding to Council over these years and to the end of the 2022-2023, the

FAG funding to Council only increased by approximately \$40k. If we assume a +2% year-on-year growth from 2013-2014 to 2022-2023, the foregone FAG funding would be approximately \$670k, as there was no catch-up funding provided by the Australian Government.

In relation to other grants, during any given year, local Councils have an opportunity to apply for a range of grant funding from the State and / or Australian Government. These grants are generally around specific government initiatives and programs and it is up to each individual Council to decide whether a grant is appropriate to their needs or not. The majority of one-off grants require some form of financial and or in-kind contribution from Council, noting that grants that are successfully applied for by a Council, can only be used for the specific purpose that the grant was provided for and not for general operational purposes.

The key purpose behind including information in this report around grant funding, is to ensure there is some balance in the conversation around cost shifting, with the key point being that whilst this report highlights the negative impacts of cost shifting from other levels of government, Council does apply for and receive a range of grant funding from these same levels of government.

However, the reality is that outside of the FAGs as detailed above, there is very little guaranteed recurrent funding available to Councils from other levels of government. This means that the majority of grant funding available to Councils is competitive, where one Council is competing against the next Council for limited grant funds for specific purposes, with no guarantee of success.

This leads on to one of the fundamental issues facing local government, being the funding model for Councils. The funding model for local government is effectively broken and no level of one-off successful grant applications can take away from the fact that issues such as cost shifting and rate pegging constrain a Council from being able to achieve long-term financial sustainability, with any degree of certainty.

Options:

This report is largely for noting, however Council can resolve in line with the recommendations included in this report or resolve in some other manner.

Community Engagement and / or Internal Consultation:

There has been no community engagement in relation to this report. The methodology adopted in this survey is consistent with LGNSW with further internal consultation with Managers and Director, where appropriate

Policy Implications:

There are no specific policy implications as a result of this report, noting that the impact of Cost Shifting is a matter that must be taken into account when considering what services Council provides to the community and in the development of Council's Long Term Financial Plan.

Financial Implications:

As detailed earlier in this report, the impact of Cost Shifting on Woollahra Council for 2022-2023 is estimated to be \$14.461million and this clearly impacts on Council's available funds with which it is able to deliver quality services and infrastructure for the community. If Council was not impacted by Cost Shifting or to the degree that it is currently impacted by Cost Shifting, this would mean Council could spend additional funds on:

- Additional services to the community.
- Increasing existing service levels to the community.
- New capital / renewal infrastructure works.

- Increased spending on maintenance of Council assets.

Whilst the estimated value of Cost Shifting as detailed in this report is currently absorbed into Council's annual budget, any increase in the level of Cost Shifting from other levels of government will negatively impact on Council's budget, affordability of future projects and future financial sustainability.

Resourcing Implications:

There are no direct resourcing implications as a result of this report.

Conclusion:

As can be seen from the information included in this report, the impact of Cost Shifting from other levels of government to Council is substantial. This impacts our ability to continue to deliver the range and quality of services our community deserve. Of equal importance is the fact that Cost Shifting continues to impact negatively on the financial sustainability of Council.

It is acknowledged that as detailed in this report, Council does receive a range of grant funding from other levels of government. However these grants do little to offset Cost Shifting, nor do they address the fundamental issues that exist around the funding model for local government.

Importantly, none of the information included in this report takes anything away from the fact that Council needs to continue to do what it can to ensure its own financially sustainable future.

Attachments

Nil

Item No: R5 Recommendation to Council
Subject: **MONTHLY FINANCIAL REPORT - 30 SEPTEMBER 2023
INVESTMENTS HELD AS AT 31 OCTOBER 2023**
Author: Abdullah Rayhan, Team Leader Financial Services
Approvers: Paul Ryan, Chief Financial Officer
Sue Meekin, Director Corporate Performance
File No: 23/189587
Purpose of the Report: To present the monthly financial report for September 2023 and to present a list of investments held as of 31 October 2023.
Alignment to Delivery Program: Strategy 11.2: Secure Council's financial position.

Recommendation:

THAT Council:

- A. Receive and note the Monthly Financial Report – September 2023.
- B. Note that the Council's 12-month weighted average return for September 2023 on its direct investment portfolio of 4.70% (LM: 4.63%, LY: 2.15%) exceeds the benchmark 90-day AusBond Bank Bill Index of 4.35%.
- C. Note that the interest revenue for the year to date September is \$1.2M, exceeding our original budget of \$455K for the same period.
- D. Receive and note the list of Council's investments held as of 31 October 2023 (provided as late correspondence).

Executive Summary:

The purpose of this report is for the Responsible Accounting Officer (RAO), the Council's Chief Financial Officer to provide the Council with a written report for September 2023 as per the Local Government Regulation 2005 (Clause 212), setting out details of all money that the Council has invested.

As previously noted by the Committee, due to the end of the month occurring after the closure of the meeting agenda and business papers, the full report for that month is unable to be prepared for the meeting and is instead presented at the following meeting. In order to meet the investments reporting obligations under the Local Government (General) Regulation noted above, a list of investments held at the end of the month will be presented to the Committee at its meeting as 'late correspondence'. Therefore this report presents the full monthly financial report for September 2023. A list of investments held as of 31 October 2023 will be presented to the Committee at its meeting on 06 Nov 2023 as "late correspondence".

The 12-month weighted average return for September 2023 rose by 0.07bps to 4.70% (last month: 4.63%; last year's same month 2.15%) on the back of rising deposit rates. The interest revenue is ahead of our budget and will be reviewed as part of our quarterly forecast.

Discussion:

The Monthly Financial Report for September 2023 is submitted to the Committee for consideration and includes the following:

- ◆ Investment Transactions for the month.
- ◆ Restricted Cash (Reserves).

- ◆ Summary of Receipts, Payments, and Bank Balance.
- ◆ Details of Investment Portfolio.
- ◆ Investment Policy Compliance Report.
- ◆ Charts: Weighted Average Days to Maturity, Weighted Average Return, Weighted Average Return v 90-day AusBond Bank Bill Index, Actual Interest Earned v Original Budget & Revised Forecast.
- Movements in Book Value (Fair Value) of Investments.
- Arrears of Rents & Fees.

Investment Transactions for September 2023

Date	Investment Description	Term	Rate	Transaction	Amount
Opening Balance as at 1 September 2023					116,178,768.67
19/09/2023	Westpac Banking Corporation TD	308	4.13	Maturity	-3,000,000.00
19/09/2023	AMP Bank TD	308	4.65	Maturity	-2,000,000.00
20/09/2023	National Australia Bank TD	369	5.30	Purchase	8,000,000.00
28/09/2023	CBA Online movement			Withdrawal	-2,567,844.85
29/09/2023	NAB Online movement			Withdrawal	-347,495.41
Net movement in Portfolio for the month					84,659.74
Closing Balance as at 30 September 2023					116,263,428.41

Commentary:

Council's investment portfolio remains steady, and the total new investment for the month equates to \$8 million.

Restricted Cash

Restricted Cash is funds set aside for future expenditure and is established either by a legislative requirement or Council resolution. Reserves established by a legislative requirement are called "External Restrictions" while those established by Council are "Internal Restrictions".

The breakdown below shows that of the Council's total cash and investments of \$117.99M* at the end of September'23, \$104.02M was restricted leaving \$13.97M in unrestricted cash.

	30/09/2023 \$'000
Total Cash, Cash Equivalents and Investments	117,990 *
Less: Restricted Cash:	
External Restrictions	31,755
Internal Restrictions	<u>72,261</u>
Unrestricted Cash	<u>13,974</u>

*Includes on call cash in operating bank accounts not included in the investments balance above.

Details of restricted cash balances are provided each quarter in the quarterly budget review.

Summary of Receipts, Payments, and Bank Balance

Cash Book Balance as at 31 August 2023		3,670,464.48
	General Fund Acct	2,341,878.01
	Kiaora Bank Acct	1,328,586.47

Receipts		
Rates		5,495,838.00
Investment Maturities		5,000,000.00
Transfers In from At Call Accounts		4,000,000.00
Other		6,530,341.89
Total Receipts		21,026,179.89

10 Largest Receipts during the month

Description	This month	Current YTD	Previous YTD
Kiaora Place	1,017,166	3,018,995	3,170,850
Deposits & Bonds	1,271,976	2,599,072	2,861,698
Sundry Debtors	635,659	6,860,637	2,685,633
Parking Fines	614,574	1,934,351	1,479,762
S7.21 Contributions	454,765	981,067	914,032
GST Refund	379,109	1,142,526	584,182
Work Zone Charges	267,070	837,262	716,884
Parking Meter Charges	215,046	621,674	545,387
Trade Waste	131,720	432,995	418,923
DA Fees	110,797	278,868	300,270
	5,097,881	18,707,447	13,677,621

Payments		
Cheque Payments		-64,790.58
EFT Payments		-10,447,632.99
Returned EFT Payments		73.82
Total Payments before Direct Debits		-10,512,349.75

10 Largest Payments during the month

Reference	Payment Date	Payee	Description	Amount
169124	14/09/2023	NSW Revenue	Q1 RFS, SES & F&RNSW Contribution	-803,377.97
0000104788	28/09/2023	Stalene Asphalt	General Works - Capital Projects	-706,266.00
0000104290	14/09/2023	Rogers Construction	General Works - Capital Projects	-515,226.75
0000104522	21/09/2023	Civeco Pty Ltd	General Works - Capital Projects	-488,728.77
0000104122	7/09/2023	PayClear Services	Superannuation Payment	-406,983.68
0000104155	7/09/2023	State Civil	General Works - Capital Projects & R&M	-383,630.47
0000104526	21/09/2023	Veolia Environmental Services	Tipping fees - Municipal/Commercial	-371,314.71
0000104047	7/09/2023	DATA#3 Ltd	Microsoft Licensing EA Online	-219,263.85
0000104746	28/09/2023	KK Consultants	General Works - Capital Projects	-181,863.00
0000104325	14/09/2023	URM Environmental Services	Waste recycling collection	-177,149.79

Payments - Direct Debits From Bank A/c

Payroll	-2,314,787.47
PAYG Tax	-823,515.00
Bank Charges	-9,716.24
Revenue Collection Charges	-32,872.91
Investment Purchases	-8,000,000.00
Transfers to At Call Accounts	-1,400,000.00
Credit cards	-7,325.32
Total Direct Debits for period	-12,588,216.94
Total Payments	-23,100,566.69

Cash Book Balance as at 30 Sep 2023

	General Fund Acct	980,925.00
	Kiaora Bank Acct	615,152.68
Unpresented Cheques	Value:	58,243.79
Outstanding Deposits & Miscellaneous Items		22,337.41
Reconciled Cash Book Balance as at 30 Sep 2023		1,676,658.88
Bank A/c Balances as at 30 Sep 2023		1,676,658.88

	General Fund Acct	1,061,506.20
	Kiaora Bank Acct	615,152.68

Unpresented Cheques > \$30,000.00

Cheque No.	Cheque Date	Payee	Description	Amount

Commentary:

This statement presents Council's bank reconciliation as of 30 September 2023. The top ten receipts and payment items are provided. The sundry debtors' receipt includes a \$4.95 million receipt in accordance with the Bus Shelter advertising contract. Excluding investment transactions, payments exceeded receipts this month by approximately \$1.67M and together with movements in cash at the bank resulted in the \$84K increase in our total portfolio value.

DETAILS OF INVESTMENTS PORTFOLIO AS AT 30 SEPTEMBER 2023

RATING	BANK & SECURITY	PURCHASE DATE	MATURITY DATE	TOTAL TERM (DAYS)	REMAINING DAYS TO MATURITY	%	BOOK VALUE \$
	1. OAKVALE CAPITAL Limited						
	Emerald Reverse Mortgage Backed Security Face Value 1 Million						727,156.28
	2. WMC DIRECT INVESTMENTS						
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	19/01/2021	16/10/2023	1000	16	0.67	2,000,000.00
AA	WESTPAC BANKING CORPORATION						
	TERM DEPOSIT	8/12/2022	12/12/2023	369	73	4.35	4,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	19/01/2021	15/12/2023	1060	76	0.68	1,000,000.00
AA	WESTPAC BANKING CORPORATION						
	TERM DEPOSIT	19/01/2021	15/12/2023	1060	76	0.53	1,000,000.00
A	ING DIRECT						
	TERM DEPOSIT	21/12/2022	19/12/2023	363	80	4.63	6,000,000.00
AA	COMMONWEALTH BANK						
	TERM DEPOSIT	21/12/2022	19/12/2023	363	80	4.65	6,000,000.00
AA	COMMONWEALTH BANK						
	TERM DEPOSIT	10/01/2023	10/01/2024	365	102	4.73	3,000,000.00
BBB	BANKVIC						
	TERM DEPOSIT	10/01/2023	10/01/2024	365	102	4.66	3,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	19/01/2021	19/01/2024	1095	111	0.70	2,000,000.00
A	ING DIRECT						
	TERM DEPOSIT	18/01/2023	23/01/2024	370	115	4.63	2,000,000.00
A	ING DIRECT						
	TERM DEPOSIT	24/01/2023	24/01/2024	365	116	4.50	2,000,000.00
AA	WESTPAC BANKING CORPORATION						
	TERM DEPOSIT	14/02/2023	14/02/2024	365	137	4.97	6,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	27/02/2023	27/02/2024	365	150	5.02	4,000,000.00
A	ING DIRECT						
	TERM DEPOSIT	9/03/2023	11/03/2024	368	163	4.98	3,000,000.00
AA	WESTPAC BANKING CORPORATION						
	TERM DEPOSIT	9/03/2023	11/03/2024	368	163	4.81	5,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	9/03/2023	11/03/2024	368	163	4.85	5,000,000.00
AA	WESTPAC BANKING CORPORATION						
	TERM DEPOSIT	29/03/2023	28/03/2024	365	180	4.39	4,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	13/04/2023	15/04/2024	368	198	4.50	3,000,000.00
BBB	BENDIGO ADELAIDE BANK						
	TERM DEPOSIT	27/04/2023	26/04/2024	365	209	4.70	5,000,000.00
BBB	BANKVIC						
	TERM DEPOSIT	29/05/2023	29/05/2024	366	242	5.11	5,000,000.00
BBB	AMP BANK						
	TERM DEPOSIT	8/06/2023	11/06/2024	369	255	5.45	4,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	19/07/2023	22/07/2024	369	296	5.44	5,000,000.00
BBB	AMP BANK						
	TERM DEPOSIT	19/07/2023	22/07/2024	369	296	5.75	3,000,000.00
AA	COMMONWEALTH BANK						
	TERM DEPOSIT	21/08/2023	20/08/2024	365	325	5.53	5,000,000.00
A	ING DIRECT						
	TERM DEPOSIT	21/08/2023	21/08/2024	366	326	5.21	5,000,000.00
AA	NATIONAL AUSTRALIA BANK						
	TERM DEPOSIT	20/09/2023	23/09/2024	369	359	5.30	8,000,000.00
	AT CALL:						
AA	COMMONWEALTH BANK						
	ONLINE SAVER A/C					4.10	12,763,099.33
AA	NATIONAL AUSTRALIA BANK						
	LOANS REPAYMENT A/C					4.50	773,172.80
	Total WMC Direct Investments						115,536,272.13
	Weighted Average Days to Maturity of WMC Direct Investments				190		
	Weighted Average Return of WMC Direct Investments					4.70	
	PORTFOLIO TOTALS						116,263,428.41

I hereby certify that the above investments have been made in accordance with Section 625 of the Local Government Act 1993, Clause 212 of the Local Government (General) Regulation 2005 and Council's investment policy.

P. Ryan
CHIEF FINANCIAL OFFICER

Commentary:

As of the end of September, Council was within the policy limits for each individual ADI. Overall, the portfolio is well diversified across the entire credit rating spectrum. The majority of the portfolio is directed to fixed-term deposits and cash.

**Investment Policy Compliance Report
as at 30 September 2023**

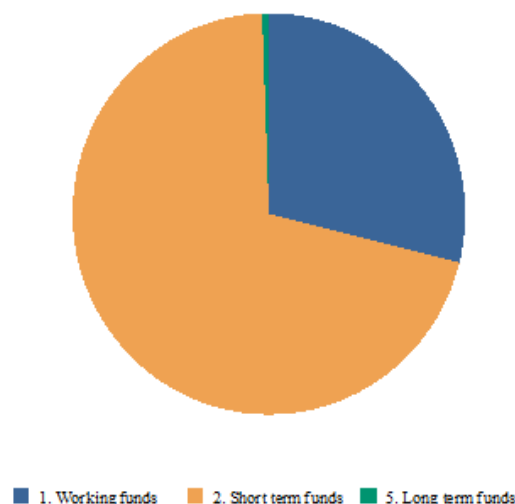
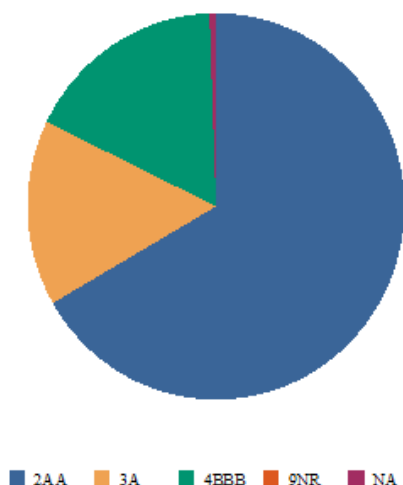
Acct	Bank	Rating Cat.	%	Policy Limit \$	Current Holding	% of Total	Compliance
Counterparty Limits:							
AMP	AMP Bank	BBB	10%	11,626,343	7,000,000	6%	Complies - \$ 4,626,342 available
BAB	Bendigo Adelaide Bank	BBB	10%	11,626,343	5,000,000	4%	Complies - \$ 6,626,342 available
CBA	Commonwealth Bank	AA	30%	34,879,029	26,763,099	23%	Complies - \$ 8,115,929 available
ING	ING Direct	A	15%	17,439,514	13,000,000	11%	Complies - \$ 4,439,514 available
NAB	National Australia Bank	AA	30%	34,879,029	30,773,173	26%	Complies - \$ 4,105,855 available
OAK	Oakvale Capital	NA		0	727,156	1%	Grandfathered - Complies
SUN	Suncorp	A	15%	17,439,514	5,000,000	4%	Complies - \$12,439,514 available
VIC	BankVic	BBB	10%	11,626,343	8,000,000	7%	Complies - \$ 3,626,342 available
WBC	Westpac Banking Corporation	AA	30%	34,879,029	20,000,000	17%	Complies - \$14,879,028 available
					116,263,428		

Credit Quality Limits:

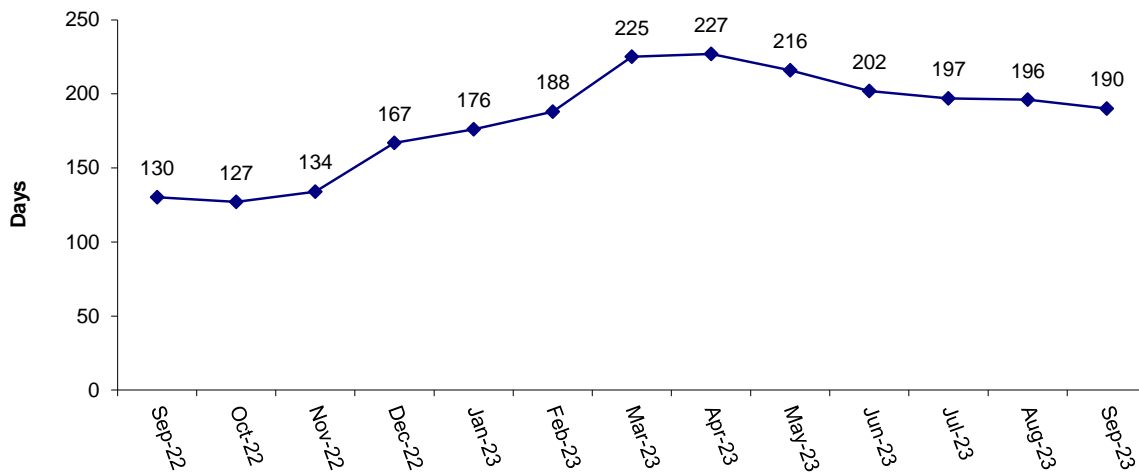
Rating Cat.	Limit	\$	%	
AA	100%	77,536,272	67%	Complies
A	60%	18,000,000	15%	Complies
BBB	40%	20,000,000	17%	Complies
NA		727,156	1%	Grandfathered
		116,263,428		

Term to Maturity Limits:

Term	Limit	\$	%	
1. Working funds	10-100	33,536,272	29%	Complies
2. Short term funds	20-100	82,000,000	71%	Complies
5. Long term funds	0-20	727,156	1%	Complies
		116,263,428		



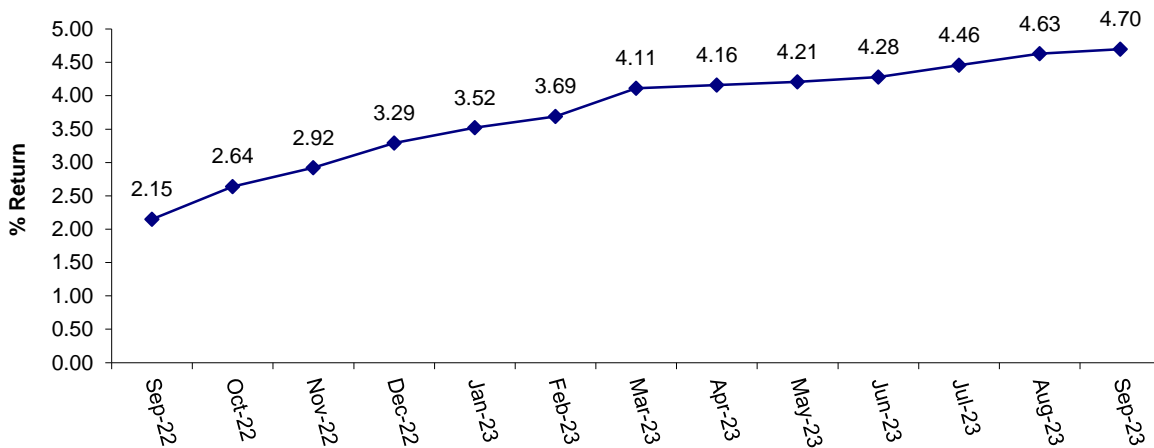
Weighted Average Days to Maturity



Commentary:

The weighted average days to maturity decreased by 6 days over the previous month with the portfolio moving towards maturity and new investments placed on terms no greater than 369 days.

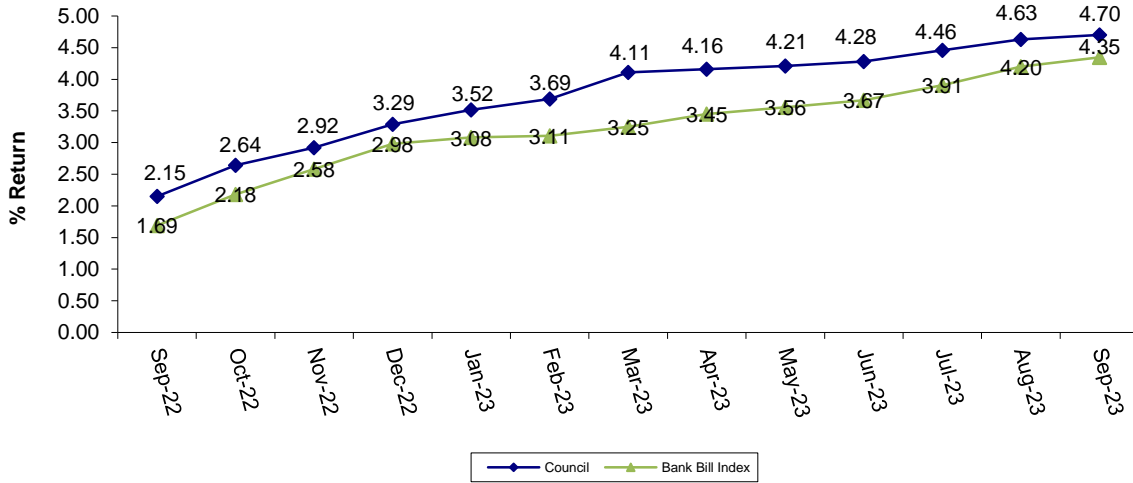
Weighted Average Return



Commentary:

The weighted average return for September saw an increase of 0.07bps with new investments placed on interest rate terms of 5.30% per annum.

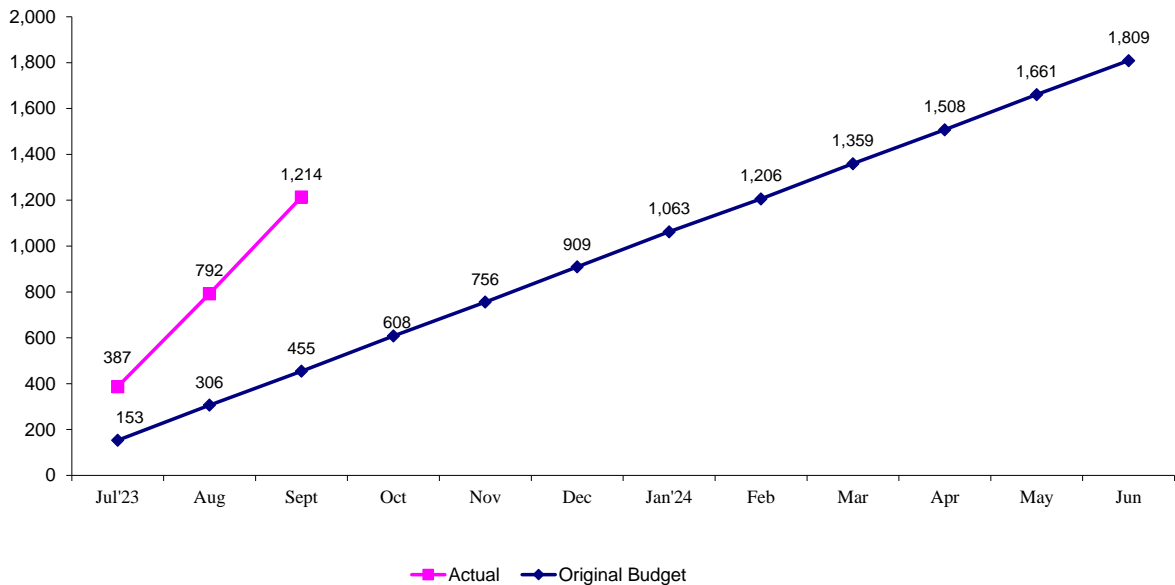
Weighted Average Return v Bank Bill Index



Commentary:

This chart tracks the Council’s weighted average return on its direct investment portfolio against a 90-day AusBond Bank Bill Index. The Council’s weighted average increased to 4.70% per annum with the 3mth AusBond Bank Bill Index increasing to 4.35% per annum.

**Actual Interest Earned v Budget
 \$'000**



Commentary:

Council’s year to date interest revenue came in at \$1.2M, ahead of our original budget and will continue the trend. The interest income for the full year has been revised as part of Council’s Quarterly Budget Review which is also on this evening’s Agenda.

Movements in Book Value (Fair Value) of Investments

EMERALD MBS2007-1B

	Securities	Total Book Value
30/06/2023 Balance brought forward	727,156.28	727,156.28
	727,156.28	

Commentary:

The table above details movements in the Council's portfolio formerly managed by Oakvale Capital. It typically includes the maturity or sale of securities, quarterly coupon payments and fair value (market) adjustments. No coupon was due in September.

Arrears of Rent & Fees

The table below summarises the arrears (greater than 30 days) of rents and fees as of 30 September 2023. This information is provided quarterly along with details of any unpaid debts greater than \$50,000 outstanding over 60 days.

Comparative information is also provided for the previous quarter and the same quarter last year. Noting an improvement in all past due categories.

Type	Total Collectible (23/24 Revenue + Arrears)	> 30 days			> 60 days			> 90 days		
		Sep'23	Jun'23	Sep'22	Sep'23	Jun'23	Sep'22	Sep'23	Jun'23	Sep'22
General	8,824,473	243,452	87,463	166,134	40,673	23,878	48,135	287,064	136,387	660,754
% of Total Collectible		2.8%	0.6%	3.7%	0.5%	0.2%	1.1%	3.3%	0.9%	14.6%
Environmental Health	33,787	1,492	3,631	0	190	3,452	326	30,123	21,819	5,774
% of Total Collectible		4.4%	3.5%	0.0%	0.6%	3.3%	18.4%	89.2%	20.9%	327.0%
Preschool	71,689	0	0	0	0	0	0	0	0	0
% of Total Collectible		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Trade Waste	471,591	500	20,334	40,483	9,437	1,787	7,499	4,886	253	1,484
% of Total Collectible		0.1%	1.2%	6.8%	2.0%	0.1%	1.3%	1.0%	0.0%	0.2%
Kiaora Place	2,740,247	26,984	2,135	67,041	11,147	-4,496	-56,202	214,672	208,468	461,968
% of Total Collectible		1.0%	0.0%	3.3%	0.4%	-0.1%	-2.8%	7.8%	2.3%	22.6%
Total	12,141,787	272,428	113,563	273,658	61,447	24,621	-242	536,746	366,927	1,129,984
% of Total Collectible		2.2%	0.4%	4.0%	0.5%	0.1%	1.1%	4.4%	1.4%	12.9%

Outstanding Rent and Fees Debts greater than \$50,000 as of 30 September 2023.

Name	Amount	Remarks
Local Government NSW	55,946.00	Grant milestone payment overdue, reminder has been sent.
A Council Tenant	59,957.63	Deferred Rent Amount under the National Code of Conduct - COVID - Commercial & Retail Leases, General discussion continues and follow up action is currently being undertaken.

Options:

This report is presented to the Committee for noting.

Community Engagement and/or Internal Consultation:

There has been no community engagement or internal consultation in the preparation of this report.

Policy Implications:

There are no Policy implications arising from this report.

Financial Implications:

Over the financial year depending on economic conditions and bank interest offerings, Council will continue to invest in the longer term by placing a slightly larger proportion of deposits across 12 months or more. Over a cycle and in a normal market environment, this may earn up to ¼-½% p.a. higher compared to investing in shorter terms.

Conclusion:

Despite more potential rate rises on the horizon, given an upward-sloping deposit curve, maintaining a slightly longer average duration position on deposits will continue to outperform shorter durations. The deposit market has largely already factored in the current rate hike cycle, reflected by the flattening of the curve demonstrated by the longer-term holdings over the past few months. Interestingly, amongst the major banks, 2 to 5-year deposit rates are now being offered slightly below 12-month rates. Therefore, Council continues to place new investments on terms no greater than 12 months with rates on offer continuing to increase along this part of the curve.

Due to the timing of the November 2023 FC&S Committee meeting being so close to October month end, the October 2023 Monthly Financial Report will be tabled at the December 2023 FCS Committee in line with the Committee resolution.

To meet the minimum investments reporting obligations under the Local Government (General) Regulation a list of investments held as of 31 October 2023 will be presented to the Committee at its meeting on 06 November 2023 as late correspondence.

Attachments

Nil

Item No: R6 Recommendation to Council
Subject: **CONSIDERATION OF TENDER RESPONSES FOR THE LEASE & OPERATON OF THE COOPER PARK TENNIS COURTS & CAFE - TENDER NO. SC7193**
Author: Zubin Marolia, Manager Property & Projects
Approver: Tom O'Hanlon, Director Infrastructure & Sustainability
File No: 23/187689
Purpose of the Report: To consider the tender for the Lease and Operation of the Cooper Park Tennis Courts, tender no. SC7193
Alignment to Delivery Program: Strategy 11.2: Secure Council's financial position.

Recommendation:

THAT Council:

- A. Accepts the tender submitted by Sydney Sports Management Group Voyager Operations and enters into a lease agreement for a seven (7) year initial term plus a seven (7) years option term, at a commencement rent of \$280,000 per annum plus GST, with CPI annual increases and a review to market upon exercise of the option.
- B. Ensures the lease agreement includes a refurbishment commitment of \$926,408 plus GST, subject to any necessary development approval.
- C. Authorises the General Manager to execute all legal agreements required to enter into a lease agreement with Sydney Sports Management Group Voyager Operations.

Executive Summary:

Council at its meeting on 9 October 2023 while considering the tender for Cooper Park Tennis Centre resolved to defer the matter and resolved as follows:

THAT Council defer this matter to the next Finance, Community & Services Committee on the 6 November 2023 to enable staff to notify interested parties of the meeting.

Staff have notified the interested parties and the report is now resubmitted for the Committee's review.

Discussion:

The Finance, Community & Services Committee on 3 October 2023 recommended that Council accepts the tender submitted by Sydney Sports Management Group Voyager Operations (SSMGVO). The proposed lease agreement is for a seven (7) year initial term plus a seven (7) years option term, at a commencement rent of \$280,000 per annum plus GST. The lease agreement would include a commitment from SSMGVO to expend \$926,408 plus GST for the capital works, submitted as part of their tender.

Following the publication of the Council Agenda, Council has received representation from a tenderer who was not recommended and also received late correspondence from the public. The main theme of the correspondence was that the tenderers were not afforded the opportunity to speak at the FC&S Committee meeting and that the tender should be awarded to a local resident. In order to ensure that all interested parties had the opportunity to address the FC&S Committee, the Council resolved to defer the matter.

In accordance with the Council resolution, all tenderers were notified of the FC&S meeting on 6 November 2023.

The attached report with its confidential attachment are resubmitted for the Committee members to review.

Options:

The Committee can accept the tender evaluation panel's recommendation or choose to select another tenderer

Community Engagement and / or Internal Consultation:

The specification for the tender was developed following consultation with Council's Open Space and Recreation Planning team and was informed by Council's recently adopted Recreation Strategy, most notably the following action;

3.16: Upon renewal of a license for the management of a tennis court facility staff investigate other uses of the courts to be more multi-purposed.

Recent correspondence in relation to this matter points to community concern regarding a supposed significant change of use at the site, including possible removal of tennis courts in favour of other uses. This is not accurate. The preferred tender, which reflects Council's requirements, simply allows for some courts to have additional line marking to allow for other sports in addition to tennis. There is no reduction in the number of tennis courts and no significant change proposed at the site.

Policy Implications:

There are no policy implications as a result of this report.

Financial Implications:

The current rent for the Cooper Park Tennis Courts is \$215,750 excl GST per annum. The rent offered by Sydney Sports Management Voyager Operations is \$280,000, which is \$64,250 higher than what is currently being received and \$95,250 less than the offer from the second highest scoring tenderer in the first year of the lease. This represents a 30% increase from the current rental. SSMGVO has also committed to outlay \$926,408 excl GST in capital investment works at the tennis courts and cafe.

Resourcing Implications:

Council's Property & Projects staff will manage the lease with the chosen tenderer.


Conclusion:

The three highest ranking tenderers, Sydney Sports Management Group Voyager Operations, Young Aces Cooper Park and Sports Management Group, are all qualified to satisfy the requirements of the Tender. All three of the above offered to undertake extensive renovation works at their cost in addition to the mandatory works.

Sydney Sports Management Group Voyager Operations have demonstrated an overall better understanding of the operations, have a better program of multi-court uses and have offered the largest overall capital works investment in the first term of the lease.

The tender evaluation panel recommends that Council accepts the tender proposal received from Sydney Sports Management Group Voyager Operations for the lease and operation of the Cooper Park Tennis Courts and Cafe, with an annual rent of at least \$280,000 plus GST for a 7 year term with an option to extend for a further 7 years.

Attachments

1. Report to Finance, Community & Services Committee dated 3 October 2023 [↓](#) 
2. Tender SC7193 - Scores, evaluation and summary of tenderers (*circulated under separate cover*) - **Confidential**

Woollahra Municipal Council
Finance, Community & Services Committee

03 October 2023

Item No: R8 Recommendation to Council
Subject: **CONSIDERATION OF TENDER RESPONSES FOR THE LEASE AND OPERATION OF THE COOPER PARK TENNIS COURTS AND CAFE - TENDER NO. SC7193**
Author: Zubin Marolia, Manager Property & Projects
Approver: Tom O'Hanlon, Director Infrastructure & Sustainability
File No: 23/144537
Purpose of the Report: To consider the tender for the Lease and Operation of the Cooper Park Tennis Courts, tender no. SC7193
Alignment to Delivery Program: Strategy 11.2 Secure Council's financial position.

Recommendation:

THAT Council:

- A. Accepts the tender submitted by Sydney Sports Management Group Voyager Operations and enters into a lease agreement for a seven (7) year initial term plus a seven (7) years option term, at a commencement rent of \$280,000 per annum plus GST, with CPI annual increases and a review to market upon exercise of the option.
- B. Ensures the lease agreement includes a refurbishment commitment of \$926,408 plus GST, subject to any necessary development approval.
- C. Authorises the General Manager to execute all legal agreements required to enter into a lease agreement with Sydney Sports Management Group Voyager Operations.

Executive Summary:

Woollahra Municipal Council (Council) invited tenders from experienced commercial operators to lease, equip, operate and manage the Cooper Park Tennis Centre located at 1 Bunna Place, Bellevue Hill.

The Tennis Centre comprises eight (8) tennis courts, the surrounding and dividing fencing, court lighting, on-court cabanas; and that part of the building which comprises the Kiosk (Café) and storeroom erected on community land at Cooper Park that is owned by the Council.

The successful Tenderer will be required to enter into a lease of the Tennis Centre with the Council for seven (7) years with an option to renew the Lease for a further seven (7) years). There will be no rent free period.

At the commencement of the Lease, the Kiosk (Café) will be in a clean painted state. The Court Upgrade Works specified in the Lease (court resurfacing, fencing, café fitout & internal painting) are the minimum works required by the Council to be undertaken by the successful Tenderer. The Courts require resurfacing within 24 months.

The request for tender encouraged tenderers to provide additional innovative proposals in relation to any capital investment into the fitout of the Kiosk and/or the operation and maintenance of the Courts including multi-function sport and recreation uses.

Council will be responsible for cleaning and maintaining the public toilets within the Tennis Centre.

Woollahra Municipal Council
Finance, Community & Services Committee

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Discussion:

Tender SC7193 for the Lease and Operation of the Cooper Park Tennis Centre was advertised in the Wentworth Courier and Sydney Morning Herald from 24 April 2023. The tender was also made available on the procurement platform VendorPanel and Council's website. As the tennis courts and cafe are situated on Community land, a notice to inform the public was displayed at the premises from this date.

A mandatory Pre-Tender meeting was held on 11 May 2023 at 10.30am at the premises. All tenderers who had registered their interest in the tender were invited to attend. Questions raised by attendees were answered and a record of the questions and answers was circulated to all interested parties who attended.

The tender included the following mandatory requirements:

- a) Attendance at the above mentioned pre-tender meeting.
- b) Agreement to undertake Lessee's Works including but not limited to resurfacing the courts, repainting the interior of the café and assessing and replacing the fencing surrounding the courts;

The Tender closed at 3pm on Thursday 25 May 2023. Nine (9) tender responses were received prior to the closing date & time as follows:

Tenderer	Tendered Year 1 Rent (excluding GST)
Young Aces Tennis Pty Ltd	\$375,250
The Scots College	\$300,000
Sydney Sports Management Voyager Management Pty Ltd	\$280,000
Papa,a Pty Limited T/A Wentworth Tennis**	\$265,000
Sports Management Group Pty Ltd	\$240,000
NP Leisure Pty Ltd	\$200,000
Cooper Park Tennis Centre Pty Ltd	\$162,000
Tennis Gear Management Pty Ltd	\$93,710
Super Safe Hire Pty Ltd	Non-Conforming

** an alternative tender was also received

Tender Assessment:

The evaluation panel included Zubin Marolia, Manager – Property & Projects, Roger Faulkner, Team Leader-Open Space and Recreation Planning and Joshua Margeson, Senior Property Officer.

Council has previously resolved that a probity adviser should be included during the tender assessment stage for high risk, high value or sensitive projects. Paul Ryan, Chief Financial Officer was appointed as the Probity advisor for this tender.

Prior to the tender closing date, the tender evaluation panel agreed on the following selection criteria:

Rent to Council (financial offer) [in Year 1 of the term of the Lease]
Documented experience in fulfilling the requirements of similar tennis court contract(s) with references
Comprehensive business plan for operation of the Tennis Centre complex
Proposals for upgrade of the Tennis Centre including itemised cost estimates and presentation
Capability to provide an online booking service
Other types of sports and community based activities to be offered
Detailed Work Health and Safety plan for the Tennis Centre complex and
Environmental Plan of Management for the site

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The tender evaluation panel carried out an initial evaluation of the response documents and deemed eight of the nine tenders to be conforming with the requirements in the RFT.

Response documents (tenders) were assessed by the selection panel in accordance with the selection criteria stated in the tender documents. The tenderers were given a preliminary score on each item of the selection criteria, which resulted in their total score.

Detailed scores and rankings of all the conforming tenders evaluated have been provided in the confidential Annexure 1. This information is considered confidential in line with Section 10A(2)(d)(i) of the NSW Local Government Act 1993, as Attachment 1 contains *'commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it.'*

Tender Evaluation:

The top three scoring (3) respondents were invited to an interview with the evaluation panel and the incumbent tenant was also interviewed.

The tender evaluation panel reviewed the responses received and agreed after the interviews that no change should be made to the scores that were originally awarded.

The highest ranked tender overall is Sydney Sports Management Voyager Operations, followed by Young Aces Pty Ltd and Sports Management Group Pty Ltd. The incumbent operator and current tenant (Cooper Park Tennis Centre Pty Ltd) scored lower.

A summary of the highest scoring tenderers and the incumbent operator is provided in the confidential Annexure 1.

Options:

Sydney Sports Management Group Voyager Operations has submitted a very comprehensive tender and scored considerably higher than the Young Aces in the non-pricing criteria. Young Aces made a very high financial offer and accordingly scored second highest overall. They are both very experienced tennis centre operators.

Council can either choose to accept the highest ranked offer from SSMGVO or the offer from Young Aces who scored the second overall. The risks with Young Aces are noted in the confidential report.

Identification of Income & Expenditure:

The current rent for the Cooper Park Tennis Courts is \$215,750 excl GST per annum. The rent offered by Sydney Sports Management Voyager Operations is \$280,000, which is \$64,250 higher than what is currently being received and \$95,250 less than the offer from the second highest scoring tenderer in the first year of the lease. This represents a 30% increase from the current rental. SSMGVO has also committed to outlay \$926,408 excl GST in capital investment works at the tennis courts and cafe.

Conclusion:

The three highest ranking tenderers, Sydney Sports Management Group Voyager Operations, Young Aces Cooper Park and Sports Management Group, are all qualified to satisfy the requirements of the Tender. All three of the above offered to undertake extensive renovation works at their cost in addition to the mandatory works.

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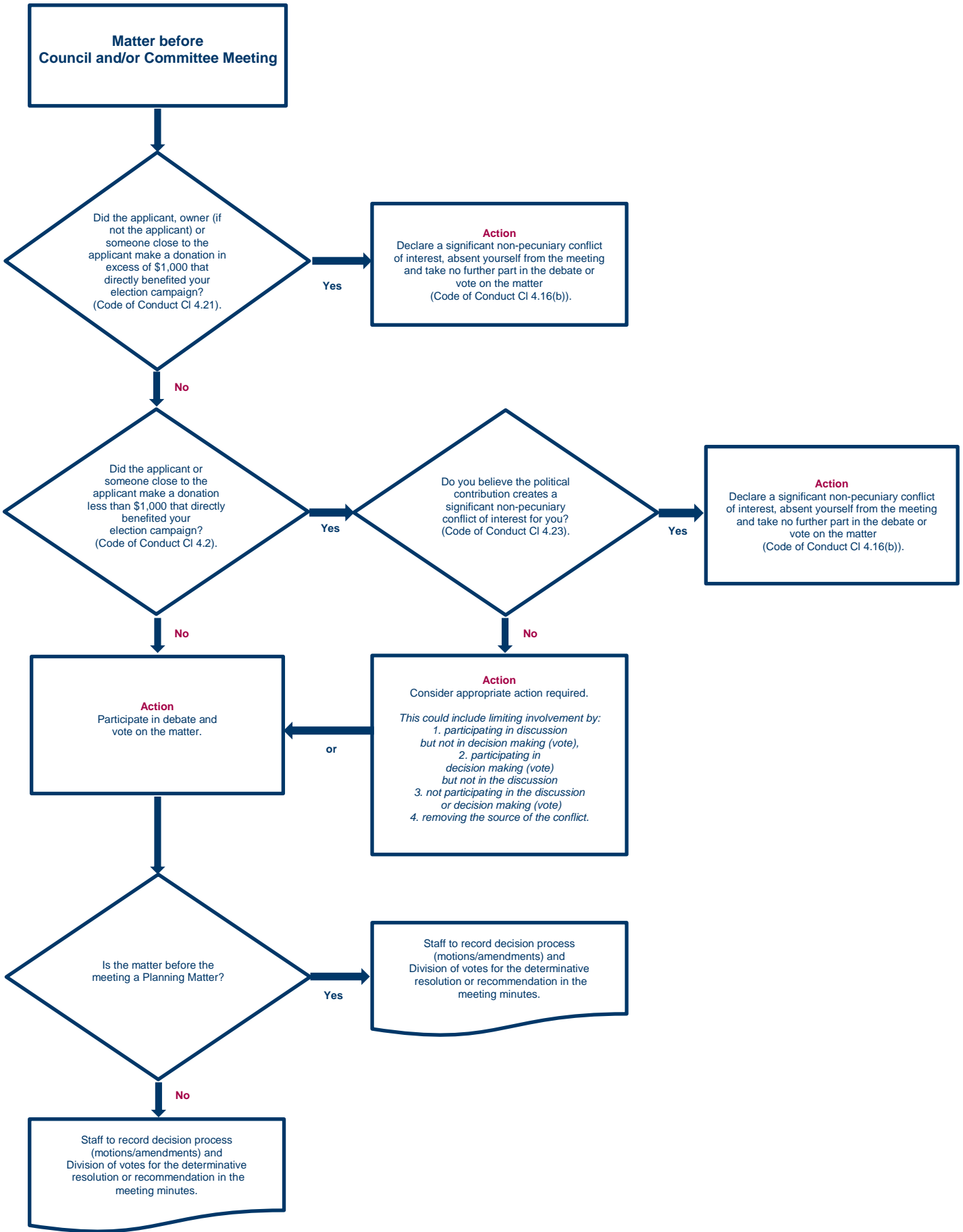
Sydney Sports Management Group Voyager Operations have demonstrated an overall better understanding of the operations, have a better program of multi-court uses and have offered the largest overall capital works investment in the first term of the lease.

The tender evaluation panel recommends that Council accepts the tender proposal received from Sydney Sports Management Group Voyager Operations for the lease and operation of the Cooper Park Tennis Courts and Cafe, with an annual rent of at least \$280,000 plus GST for a 7 year term with an option to extend for a further 7 years.

Attachments

1. Tender SC7193 - Scores, evaluation and summary of tenderers (*circulated under separate cover*) - **Confidential**

Political Donations: Matters to be considered by Councillors at Council and/or Committee Meetings



Matter before Council and/or Committee Meeting

Did the applicant, owner (if not the applicant) or someone close to the applicant make a donation in excess of \$1,000 that directly benefited your election campaign? (Code of Conduct Cl 4.21).

Yes

Action
 Declare a significant non-pecuniary conflict of interest, absent yourself from the meeting and take no further part in the debate or vote on the matter (Code of Conduct Cl 4.16(b)).

No

Did the applicant or someone close to the applicant make a donation less than \$1,000 that directly benefited your election campaign? (Code of Conduct Cl 4.2).

Yes

Do you believe the political contribution creates a significant non-pecuniary conflict of interest for you? (Code of Conduct Cl 4.23).

Yes

Action
 Declare a significant non-pecuniary conflict of interest, absent yourself from the meeting and take no further part in the debate or vote on the matter (Code of Conduct Cl 4.16(b)).

No

Action
 Participate in debate and vote on the matter.

or

Action
 Consider appropriate action required.
 This could include limiting involvement by:
 1. participating in discussion but not in decision making (vote),
 2. participating in decision making (vote) but not in the discussion
 3. not participating in the discussion or decision making (vote)
 4. removing the source of the conflict.

Is the matter before the meeting a Planning Matter?

Yes

Staff to record decision process (motions/amendments) and Division of votes for the determinative resolution or recommendation in the meeting minutes.

No

Staff to record decision process (motions/amendments) and Division of votes for the determinative resolution or recommendation in the meeting minutes.