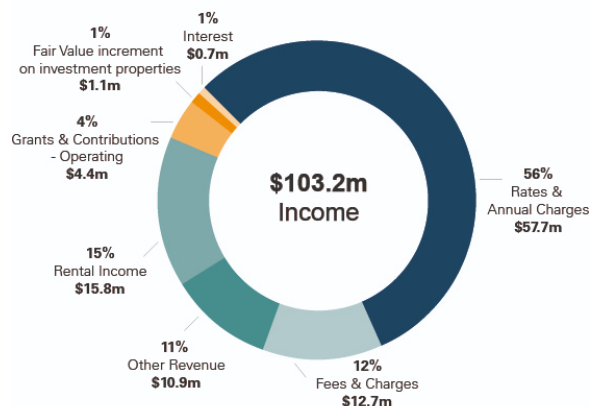


WOOLLAHRA MUNICIPAL COUNCIL

Income & Expenses

September 2021

Income 2021/22



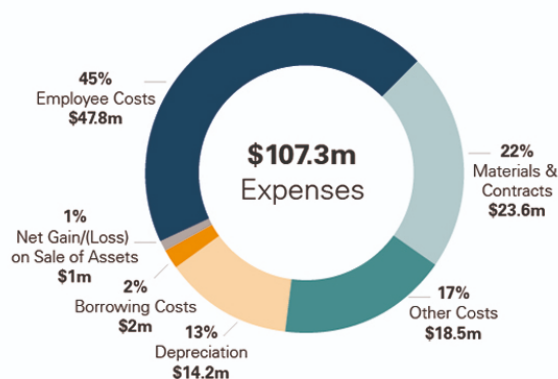
The majority of our income comes from our ratepayers through rates and annual charges. At 56% of our income it's a very important part of funding the council's operations.

The chart shows the user charges fees, other revenues and rental income which is generally the money we bring in from the different services that Council offers for a fee like the hire of our community centres, preschool fees, parking stations and rental from our buildings including Kiaora Place, a mix of retail and hospitality businesses, carpark and our flagship Woollahra Library at Double Bay. This is 38% of our income.

4% of our income comes from grants and contributions. Grants are payments received by Council, usually from the Federal or State government. The majority of contributions are developer contributions which are charged by Council when a new development occurs. Contributions are used to provide infrastructure including open space, community facilities, local roads, footpaths and stormwater drainage. We have excluded from our income the \$11.3 million in capital grants and contributions which we receive from the Federal and State Governments for capital projects; we do this because they can only be used on capital projects, i.e. not on Council's day to day expenses.

1% of the remaining income comes from Interest earned from our Cash & Investments. Over recent years significantly lower interest rates have resulted in a reduction in interest earnings of \$1.3 million per annum. This is a contributing factor to Council's 21/22 operating deficit.

Expenses 2021/22



Our operating expenses are incurred in providing Council's services including our libraries, our community venues and maintaining our parks and open spaces, playgrounds, roads and footpaths and commercial centres.

As a service organisation, Council's greatest costs are associated with staff. Our 2021/22 budget includes \$47.8m in Employee Costs including salaries, superannuation, workers compensation and training covering both permanent and casual staff. This represents 45% of our total costs.

Materials and contracts and other costs is generally the money we spend on the day to day operations of Council like street cleaning, waste collection and pickup as well as electricity and the levies we pay to other levels of government, for example the emergency services levy, which is Council's contribution paid to the NSW Government towards the cost of fire and emergency services. This totals 39% of our expenditure.

13% of our expenditure is for depreciation which reflects the reduction in the value of Council's assets over time, due in particular to wear and tear, such as local roads, footpaths, kerbs and gutters, buildings and playgrounds.

2% of the remaining expenditure is borrowing costs which is predominantly the interest on Council's loans. In early 2021, we took advantage of the lower interest rates on offer and refinanced our largest loan, the Kiaora Lands Redevelopment loan at a fixed rate for 20 years. This will save us around \$700,000 per annum and \$7.87m over the life of the

loan, net of the one-off break costs incurred of \$6.45m.



Woollahra
Municipal
Council