

WARRINGAH COUNCIL

# annual report

Bringing our vision to life

2010 - 2011



Warringah Council

# How to Read This Report

This Annual Report compares our performance against what we said we'd do in the 2010 – 2011 financial year, which was outlined in our Strategic Community Plan 2010: 140,000 residents one shared vision.

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Desk with Four Fathers: Belinda Holland - Warringah Art Exhibition entrant

## Key

To ensure we meet our community's vision for Warringah we need to plan for and perform against our five Strategic Community Outcomes, which are outlined below. These provide a clear strategic direction and help ensure we are delivering real outcomes for our community and Warringah in the short, medium and long term.



Living Environment



Living Communities



Living Spaces






Living Enterprises







Living Organisation

## Status

Our progress against each satisfaction indicator is illustrated by the following symbols:

-  – statistically significant increase
-  – statistically insignificant change
-  – statistically significant decrease

Our progress against each of our commitments is illustrated by the following symbols:

-  – at least 90% of completion target achieved
-  – between 70% - 90% of completion target achieved
-  – less than 70% of completion target achieved
-  – action has been completed

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Sydney Bushland: Suzanne Lane - Warringah Art Exhibition entrant

# 1

## OVERVIEW

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# About Us

# Our Purpose

## Who We Are

We are Warringah Council, a local government organisation that administers 152 square kilometres on Sydney's northern beaches.

## Our History

Originally home to the Guringai people, Warringah is thought to mean 'middle harbour'. Warringah Council was established in 1906.

## Our Home

We are home to over 140,000 residents. We are a coastal community bordered by 14 kilometres of stunning coastline, which is the gateway to large estuaries and a further 6,000 hectares of natural bushland and open space. Vivid shades of native green blanket steep slopes, giving way to grassy lowlands and popular waterways.

## What We Do

We are responsible for delivering 16 key services to our community:

- Certification Services
- Children's Services
- Community and Safety Services
- Compliance Services
- Cultural Services
- Development Assessment Services
- Glen Street Theatre
- Information and Library Services
- Kimbriki Environmental Enterprises Pty Ltd
- Natural Environment
- Parks, Reserves and Foreshores
- Roads, Traffic and Waste
- Strategic Planning
- Warringah Aquatic Centre
- Corporate Support Services
- Good Governance

## Our Corporate Vision

- Lead our community
- Protect our environment
- Create our future

## Our Corporate Mission

A better and exciting Warringah through innovative leadership, partnerships and outstanding service.


## Our Corporate Values


- Respect
- Integrity
- Teamwork
- Excellence
- Responsibility


## Community Vision

A vibrant community, improving our quality of life by living and working in balance with our special bush and beach environment.


## Strategic Community Outcomes

 **Living Environment**  
[Read more on page 34](#)

 **Living Communities**  
[Read more on page 48](#)

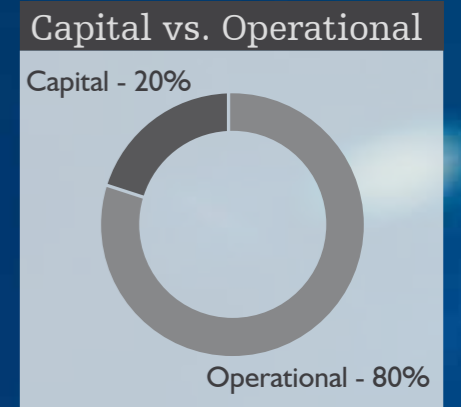
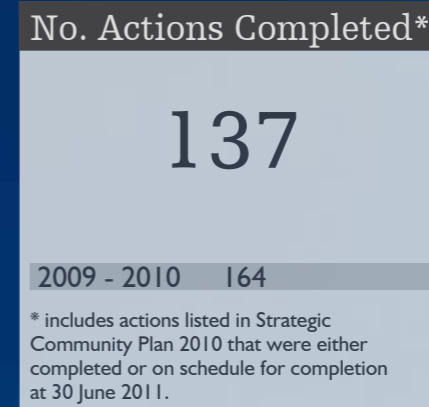
 **Living Spaces**  
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# At a Glance





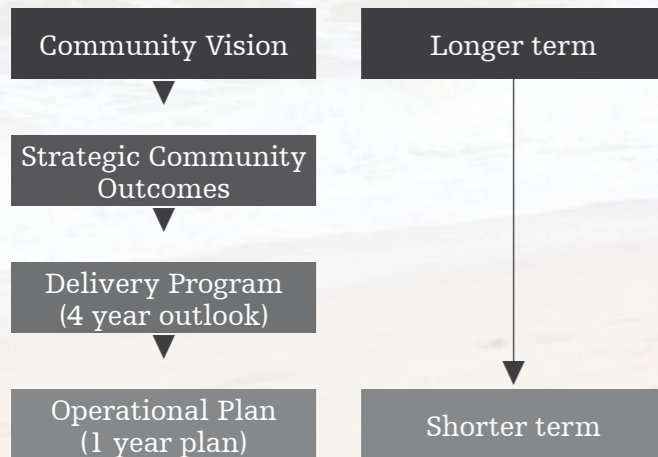
# Purpose of Annual Report

## What is an Annual Report?

Far from being a mere legislative requirement the Annual Report is an opportunity for us to communicate our story, a snapshot of how we have performed over the 2010 – 2011 financial year. It's a medium that allows us to report back how we performed against what we said we'd do.

The Annual Report is the key reference document for our community, stakeholders, Councillors and employees. At Warringah we leverage the Annual Report to help build greater community capacity, informing our community through increased transparency, accountability and disclosure. We believe having knowledge of what Council has done and what it plans to do helps empower our community within the decision making process and helps encourage participatory democracy.

Internationally, better practice standards have evolved. Private and public organisations exhibiting better practice are using more transparent, accountable and meaningful approaches to build a more comprehensive picture of their annual performance – both financial and non-financial.



## What is a Strategic Community Plan?

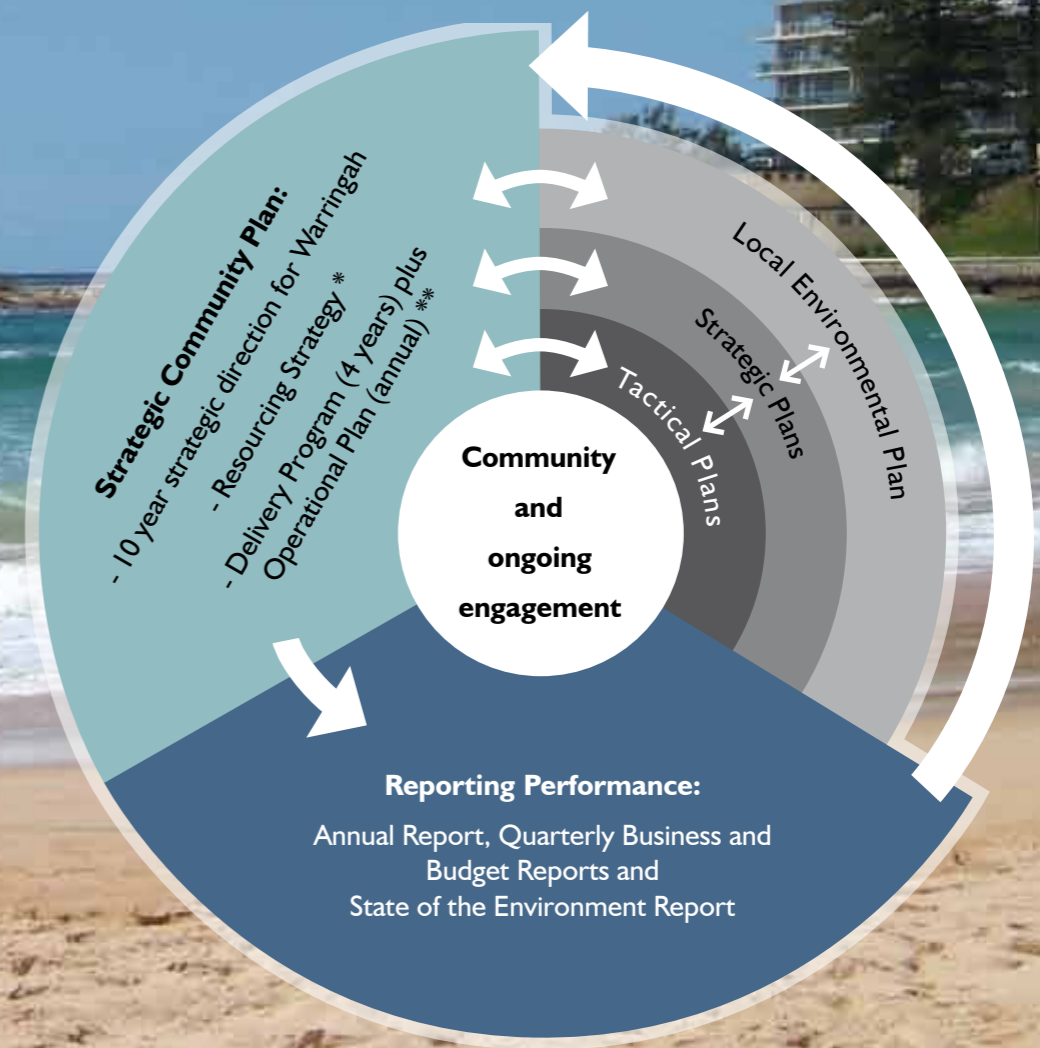
While the purpose of the Annual Report is to tell the story in retrospect, the Strategic Community Plan (SCP) is responsible for planning ahead. The SCP is our primary forward planning document and aligns our community's vision with a clear strategic direction for Warringah's long term future. So what's in it?

- a ten year strategic direction for Warringah,
- a Resourcing Strategy (including Asset Management Planning, Workforce Plan and Ten Year Financial Plan)
- detailed four year delivery programs for each service, including budgets

Produced annually, the SCP brings our strategic and tactical planning documents together. Significant social, cultural, economic, environmental and political factors – including regional, State and Federal plans and policies – are also considered, which helps position our planning within a much broader context, considers current and emerging community needs, and identifies key stakeholders and interdependencies which may affect delivery of appropriate services to our community over time.

Importantly, the SCP negotiates a range of internal and external factors unique to local government. This helps us plan for the long term by prioritising and determining actions and funding for each of our key services. The SCP acts as a central repository, helping to ensure various planning documents complement and speak directly to each other in more integrated, meaningful and streamlined ways to become more holistic, manageable and effective.

Put simply, the SCP outlines what we plan to do while the Annual Report discusses our progress against this at the end of each financial year.



\* Financial Planning  
Workforce Planning  
Asset Management Planning  
Risk Management

\*\* Outlines how each of our 16 services will contribute towards achieving our Strategic Community Outcomes, Goals and Strategies. Includes: Key Activities and Programs, Key Initiatives, Budget, Capital Works and Key Performance Measures.

**Strategic Plans:** Environmental Sustainability Strategy, Recreation Strategy, Social Plan, Bike Plan, Cultural Plan and other key strategies.

**Tactical Plans:** Asset Management Plans, Capital Works Program, Plans of Management, Estuary and Flood Plain Management Plans and other key tactical plans.



# Mayor's Message

This has been a challenging but rewarding year. Council navigated itself well through the global financial crisis and now has one of the soundest financial positions of all NSW councils. The 2010 – 2011 budget of some \$153 million included a works program of about \$32 million which enabled us to deliver a comprehensive range of services, including a significant expansion of online services and some innovative projects. We are now working towards new standards of business excellence and are building a platform for sustainable growth. We have continued to listen to our community and key stakeholders through a variety of engagement activities to make sure that current and future needs are met. Below, I highlight some of our achievements.

## Improving Our Spaces

We have created two new community spaces within dense urban areas: A new park and playground in Green Street, Brookvale and our first community garden at Innes Road, Manly Vale. This showcase garden brings together children, families and neighbours to enjoy and learn practical ways of growing their own food plants and living more sustainably.

The three year joint project with Pittwater Council, 'Narrabeen Lagoon: Creating a Sustainable Catchment', finished this year. This project included creek bank remediation, bush regeneration, a targeted education program, and biodiversity survey. Council has also continued to build a multi-use track around the lagoon with interpretive signage and walks so people can enjoy this wonderful attraction in an environmentally friendly way.

Over \$620,000 was spent improving and extending footpaths as part of our Pedestrian Access and Mobility Plan and another \$570,000 funded new cycleways and the Bike Plan Implementation Program. \$3.75 million of major streetscape improvements at The Strand in Dee Why and at Freshwater Village will improve pedestrian access, alfresco dining and parking.

Improvements at Weldon Oval in Curl Curl are nearing completion with \$3.33 million spent over the last few years. Having addressed the site issues of subsidence and contamination, this is now a high quality facility for AFL and cricket with improved drainage, irrigation, soil, turf, lighting and equipment. We also improved the playing surface of Brookvale Oval and held extensive community consultation about its future. Over 3,000 people participated in this exercise, providing us with valuable directions for the long term future of this iconic emblem.

## Connecting Our Vibrant Community

We extended the "Hop Skip and Jump" bus into Balgowlah to support a healthier and more active lifestyle. The success of this initiative will be reviewed in November. Free community WiFi hot spots have now been provided in Council libraries and The Strand, Dee Why to help people stay connected. Our online services now include social media such as Facebook and Twitter to get information direct to you, and a range of other services are now accessible via our website.

We provided a diverse range of festivals and special events to enrich our community. These included Australia Day celebrations, the inaugural New Year's Eve fireworks at Collaroy Beach, and the Beachley Classic Weekend in May which attracted over 25,000 visitors. The Forest Community Arts Centre celebrated 35 years of operation in 2010 and YoYos Youth Centre hosted the annual Northern Composure Band Competition. Music, literature, arts and our wonderful flora and fauna also featured in other special events and exhibitions.

## Working on the Future

We have been working collaboratively with partners across the region to get the facts about climate change and how we may need to respond to its challenges. This includes risk mapping and flood planning, participating in some ground-breaking coastal erosion research, and developing a Coastal Erosion Emergency Action Plan. People have shown their interest in this issue by record-breaking attendance at a recent 'Hilltop to Headland' forum on climate change which was delivered by Professors Tim Flannery and Bruce Thom. Our website has a podcast of the forum as well as plenty of hints on what you can do about climate change.

Council is also looking forward to working closely with the new State government and making real infrastructure changes for the region including transport and the Frenchs Forest Hospital. One early initiative is a feasibility study into a Rapid Bus Transit System which will provide a faster and more reliable public transport connection between the Northern Beaches and the City and also from Chatswood to Dee Why.

Finally, I want to thank the Councillors and officers for their hard work and support, and also thank everybody else in the community that has engaged with us to help build a better Warringah. I look forward to doing more of the same over the next financial year.



Mayor Michael Regan



## Community Engagement

Our community has done a great job over the last year in letting us know what it wants in terms of making Warringah a better place to live, work and play in. We have invited people to comment on specific projects such as Freshwater Village, Brookvale Oval, Narrabeen Lagoon and Manly Dam. We have also asked the community to provide strategic directions on more general matters such as housing, economic development, transport, hospitals, heritage and the environment. We also invited comment on setting the annual budget and the Strategic Community Plan (see page 30) and also conducted an Annual Community Survey (see page 28) to find out how the community rates our services and where we need to improve.

Furthermore, Council now has an ongoing, online forum entitled 'Your Say Warringah' which enables community members to have their say on any number of issues in a confidential manner.

Council won three professional awards for its community engagement in 2010 and does listen to residents' views. Following community engagement last year, Council prepared a Draft Housing Strategy for accommodating Warringah's future population. However, in response to significant community concern about some elements of the strategy, Council resolved in June 2011 to withdraw it whilst the State Government confirms housing numbers and commits to funding the additional infrastructure that will be required to support the new development.

Similarly, following concerns about the quality and quantity of sportsfields that were raised during the budget consultation, Council brought forward a capital project to create a new sportsfield and lighting to complement the proposed new all-weather surface at Cromer Park.

Council is committed to working with the community, local partners and the State Government to strike the right balance between accommodating a growing population and providing suitable infrastructure.

# General Manager's Message

This last year has seen some major achievements with a continued focus on improving the way we do business and improving outcomes for our community. We increasingly play an important role in the region and continue to maintain a sound financial position. Our performance against key indicators is generally good and our community rates us well.

## Doing Business Better

Council has been using the Business Excellence framework for a number of years now and it is building a culture that facilitates change, innovation and improvement. We have introduced systems to help us work smarter and equip people with the skills they need to lead the organisation. This year has witnessed 22 improvement initiatives alone.

We are increasingly seen as an "Employer of Choice" as we seek to attract and retain skilled staff. Council is recognised as a values-based organisation, embracing equal opportunities and having a prime focus on the values of Respect, Integrity, Teamwork, Excellence and Responsibility throughout the organisation. Earlier this year, 190 staff received Staff Service Awards for continual service of 10 to 25 years plus.

## Business Continuity Planning

The recent natural disasters in Queensland and abroad in Japan caused catastrophic loss of life and major disruption to businesses and communities. Smaller scale disasters can also cause severe disruption to an organisation's functions – for instance, two NSW council buildings have been destroyed by fire within the last two years. Therefore, Council continues to roll out its Business Continuity Program to ensure that it can recover quickly from a disastrous event that could disrupt service delivery. Our IT capability plays a crucial role in supporting all service areas, so we have established a Disaster Recovery Facility that enables recovery of any lost data within 4 hours of any such event occurring. Warringah is one of the first councils to implement this approach.

## Finance

Our financial planning has been rated as 'exemplary' by the Department of Local Government. Our finances are sound and we have delivered a good surplus that is sustainable for the medium term. We have successfully adopted the new Integrated Planning and Reporting Framework and provide quarterly business reports at both detailed and executive levels. This adds a greater level of transparency and timeliness in providing business information to the community.

However, moving forwards, if costs continue to rise at a faster pace than the revenue we are allowed to collect through rates, we will have some difficult decisions to make before too long. Council has always made efficiencies where it can, but it is likely that we will have to seek a Special Rate Increase in 2014 – 2015 if we want to maintain services and community infrastructure at present levels.

## Governance Structure

In 2010 we established four Strategic Reference Groups (SRGs) that along with the 22 Community Committees form an important part of Council's Community Engagement Framework. These groups give interested, committed and community-minded people of Warringah an opportunity to contribute to the decision-making process of Council. Covering the four areas of Community and Culture, Infrastructure and Development, Recreation and Open Space, and Environmental Sustainability, the SRGs provide strategic advice and recommendations to Council on a periodic basis. Members include community representatives, Council staff and Councillors.

## Sustainable Living

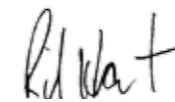
Council has been reducing its environmental footprint and yielding cost savings as well. This year saw the launch of Soy-Diesel conversion for our diesel fleet, producing 19% less greenhouse gases. We also continue to monitor the fleet and source more fuel-efficient vehicles. We progressed many initiatives under our Water and Energy Savings Plans, including solar panels now in operation on five Council buildings and the purchasing of 25% GreenPower for our eight major sites, including the Civic Centre, Libraries, and Warringah Aquatic Centre. We also continue to use online training developed with TAFE to find more sustainable ways of undertaking all our operations.

## Regional Issues

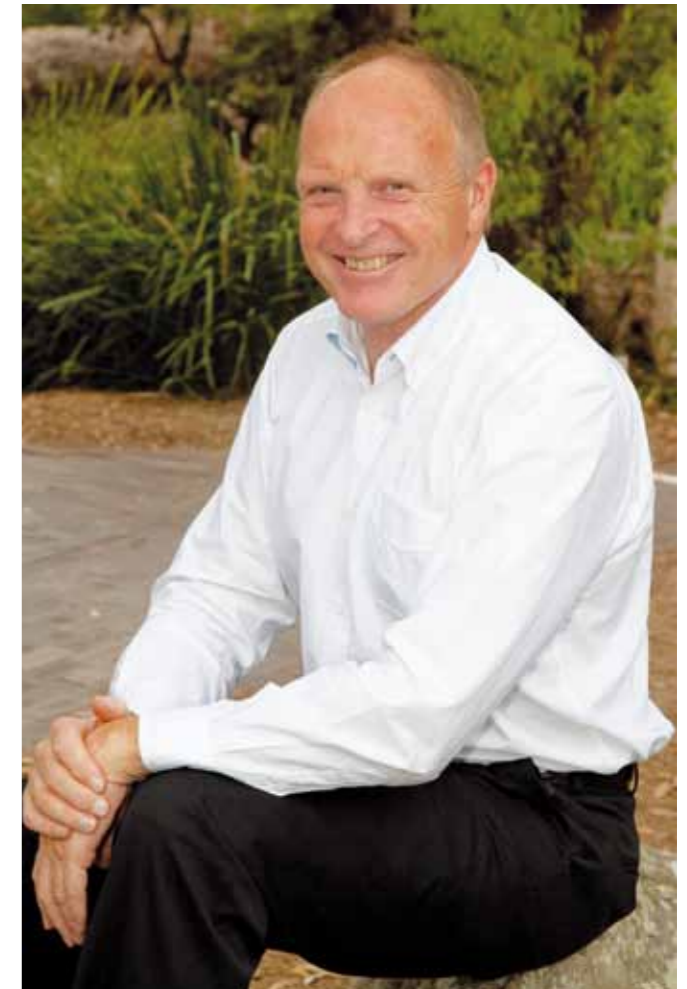
Council plays an active part in the Shore Region of Councils (SHOROC) along with Pittwater, Manly and Mosman councils. Major progress this year has been achieved with strategic plans on transport, housing, health and sustainability that indicate priorities for the next 20 years. This provides us with an agreed position to work from with the state and federal governments and will help deliver much needed regional investments.

SHOROC also delivers savings through joint contracts and shared services. The shared service of Kimbriki Environmental Enterprises Pty Ltd for waste management has proved to be a winner for all Councils, particularly Warringah as the major shareholder. Kimbriki continues to be innovative, achieving high resource recovery goals and providing a healthy financial return in the order of \$2 million per year.

Much of what we do is only possible through the partnerships that Council has entered into. These partnerships range from small scale neighbourhood initiatives up to multi-million dollar regional enterprises. All of them are valued for the contribution they make to achieving our community, business and environmental goals and I trust they will continue to flourish and grow over the coming years.



General Manager, Rik Hart





# How we Govern

## Mayor and Councillors: Roles and Responsibilities

Dear Resident,

As the elected Council our primary responsibilities are to represent the interests of the community, provide leadership and good governance for Warringah and facilitate communication between the community and the Council. It is our responsibility to set the strategic direction for Warringah Council and deliver a clear vision: a vibrant community, improving our quality of life by living and working in balance with our special bush and beach environment.

It is our job to review Warringah Council's performance, delivery of services, Strategic Community Plan and financial planning policies to ensure funding, strategies and the allocation of resources best meet the needs of our local community. We also play a key role in the development and review of public policy.



### Mayor Michael Regan

#### How are Councillors Elected?

Elections are held every four years to determine who will represent the interests of Warringah, its residents and ratepayers.

In 2004 a referendum was held to determine a preferred voting system. This decided that a popularly elected Mayor and three Councillors for each of the three wards (see map on page 10) would be the new election method for Warringah.

On 13 September 2008 Councillor Michael Regan was voted Warringah's first popularly elected Mayor.

## Who Stands for Council?

Anyone who lives in Warringah or is a non-resident land owner can stand for Council. As in State Government elections, a Local Government Councillor can identify either as a candidate of a registered political party or as an independent.

## What Happens at Council Meetings and Who Can Attend?

Meetings, chaired by the Mayor, allow members of the public to see their Council in action. Councillors debate and vote on a variety of issues affecting Warringah and our local community.

Members of the public also have an opportunity to address the Council meeting during Public Forum.

Anyone may submit a question, comment or statement to the Public Forum session of ordinary Council meetings, provided a written request is submitted before 3pm on the day prior to the meeting. If the day before is a public holiday, the request can be submitted on the day of the meeting. Questions may relate to general policy matters before Council or any other issue relevant to Warringah. Further details or questions relating to Public Forum can be directed to the Coordinator, Governance on 9942 2111.

## When are Council Meetings Held?

Ordinary meetings of Council are held at the Civic Centre, Dee Why on the fourth Tuesday of each month commencing at 6pm, with the exception of:

- January
- February, where a meeting will be held on the second and fourth Tuesday of the month
- December, where the meeting will be held on the second Tuesday of the month

## Where Can I Find Out More?

Council's Business Papers, including all Agenda items, can be viewed at [warringah.nsw.gov.au](http://warringah.nsw.gov.au). Hard copies of the Agenda are also available at our libraries and Customer Service Centre at the Civic Centre in Dee Why, on the Thursday prior to the meeting. Limited copies of the Agenda and Agenda items are available at Council Meetings. Council Meetings are also screened live via webcast at [warringah.nsw.gov.au](http://warringah.nsw.gov.au). The webcasts are also archived online.



## Your Mayor



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**General Manager: Roles and Responsibilities**

Dear Resident,

As General Manager I am responsible for ensuring day-to-day operations are efficient and effective. I am committed to ensuring we have the right people for the right job. It is my duty to make sure Council as an organisation delivers on the goals, responsibilities and targets set out in the Strategic Community Plan. I ensure the Councillors' decisions are implemented without undue delay and will continue to lead Council employees toward our Corporate Mission: A better and exciting Warringah through innovative leadership, partnerships and outstanding service.



Rik Hart, General Manager

**Executive Leadership**

Warringah Council is led and managed through the combined efforts of Councillors, the General Manager and staff. The organisational structure is periodically reviewed to ensure efficient service delivery and accountability to the elected Council and our community. Our organisational structure is shown below.

Executive Management Team: roles and responsibilities

The Executive Management Team (EMT) comprises the General Manager and Directors. This is a forum to discuss strategic and operational issues material to good governance. The General Manager's role is supported and underpinned by EMT, which helps direct the implementation of Council decisions and drive organisational wellbeing.

**Office of the Internal Ombudsman**

The Office of the Internal Ombudsman was established in 2003 to improve Warringah Council's accountability. Warringah is one of nine Councils in NSW which has instituted an Internal Ombudsman function. The Internal Ombudsman reports directly to the General Manager and operates completely independently of the rest of Warringah Council.

The Office of the Internal Ombudsman's main purpose is to ensure that all Council's dealings with the community are fair, transparent and accountable. It seeks to ensure that Council acts in the public interest and carries out all of its business in an ethical and accountable manner.

The mission of the Office of the Internal Ombudsman is to:

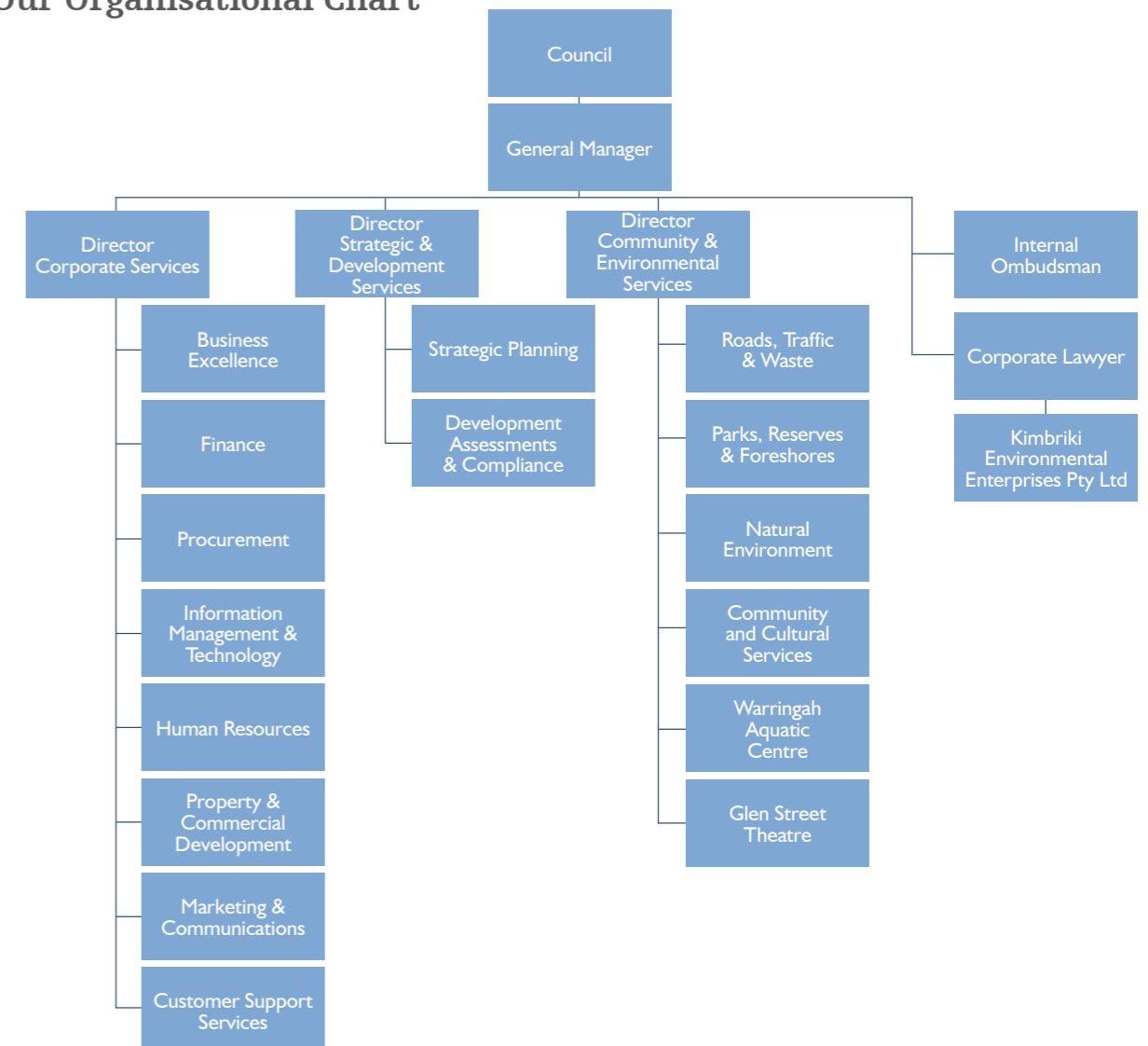
Champion excellence in probity and accountability through independent and professional complaint handling, investigations and audit.

The Office deals with complaints about alleged serious misconduct or maladministration by Council or Council officers. Complaints may come from members of the community and Council staff. Where appropriate, the Office conducts enquiries, investigations and/or reviews in response to complaints or to other identified issues of concern. Council's systems and processes are reviewed during enquiries and investigations, thus providing opportunities for systemic improvement.

Council's Internal Audit function is also contained within the Office. This separate function focuses on auditing Council's processes and practices in a risk management context.

The Office of the Internal Ombudsman gives guidance and advice to the General Manager and Council officers about how to improve probity and reduce the likelihood of maladministration or misconduct. This is done by both addressing requests for advice and by proactively educating Council in relation to ethical standards and the Code of Conduct.

**Our Organisational Chart**







# 2

# REGULATORY & OPERATING ENVIRONMENT

Storm Ahead: Afra Beukers - Warringah Art Exhibition entrant

A broader look at the context we operate in.

In the following pages we take a step back and provide an overview of the environment we operated in during the financial year. In setting our strategic direction for 2010 – 2011 and beyond we considered a range of social, cultural, political and economic factors. We also monitored these factors closely throughout the year to ensure our organisation remained well positioned to execute its strategic direction and deliver what we said we would to our community - on time, within budget and with the most effective and efficient use of our resources.

We believe this contextual information helps our community and stakeholders assess our performance and also provide some insight into the factors we need to consider in planning for our future - we needed to abide by certain regulatory obligations, but some of the issues unique to local government and Warringah required us to find sustainable solutions for the immediate and longer term.

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## Moving Towards a Low Carbon Warringah

### Moving Towards a Low Carbon Warringah

Our approach to this involves investing in measures to make our facilities and services more energy efficient as well as adopting new 'clean' energy technologies that reduce our carbon emissions. It also means supporting householders and businesses that wish to make the transition to a cleaner energy future.

Our investment in energy efficiency measures means that our facilities use the same amount of energy in 2010 - 2011 as we did in 2005 - 2006 despite servicing a community that has grown by nearly 7,000 people in that time.

As a result of 16 separate initiatives we have saved \$694,975 and 1,472 tonnes of carbon emissions in the two years from 2008 - 2009 to 2010 - 2011. This translates into annual energy savings of 1000 mega watt hours and water savings of 7.6 mega litres.

Since 2008 - 2009 greenhouse gas emissions have declined by around 2% per year due to investment in renewable energy technology and energy efficiency measures, and the purchase of GreenPower for our largest sites. While this reduction is a good outcome, we still have much work to do to achieve our goal of a 40% reduction in emissions by 2020 (using a 2000 baseline year). Our use of water has also declined by nearly 20% since 2004 - 2005, again due to investment in water efficiency technology and better water management of our facilities. This result means that we have achieved the water saving goal set in our 2008 Water Savings Action Plan.

We will continue to look for ways to reduce energy and water consumption including investigating new initiatives as part of the development of the next four year Energy and Water Savings Action Plan (due June 2012).

### Distributed Energy

Distributed energy schemes have the potential to deliver significant carbon reduction with their scope covering both demand side (customers) and supply side (generation) technologies. The ability to create such schemes needs to be considered within the context of the electricity market (with implications on physical energy supply and financial settlement), technology (with implications on potential solutions), and regulatory environment (impacting connection and licencing requirements).

We have completed an analysis of the opportunities available to take part of Warringah 'off the grid'. The analysis comprised four Study Papers that describe the distributed energy and intelligent grid options available to Warringah Council and the possible business models to delivering them. These Study Papers will form the basis for taking distributed energy further including opportunities for community-based power schemes both within and outside the LGA.

### Our Environmental Sustainability Strategy

We started developing a new Environmental Sustainability Strategy in 2009 to replace our 2001 Strategy. The Environmental Sustainability Strategy is nearing completion and will set directions for Council and the community to 2020. The Strategy sets out nine aspirational targets and will provide a foundation for Council actions in relation to a sustainable Warringah over the decade.

The Plan demonstrates Council's commitment to taking-the-lead in sustainability initiatives; whether in terms of the way Council undertakes its business or prepares its plans and guidelines that apply to the wider Warringah community.





## Social Justice Principles

### What are Social Justice Principles?

To meet the diverse needs, wants and aspirations of our community we ensure social justice principles inform our planning. The NSW Government's social justice strategy identifies these principles as follows:

**Equity** – there should be fairness in decision making, prioritising and allocation of resources, particularly for those in need.

Everyone should have a fair opportunity to participate in the future of the community. The planning process should take particular care to involve and protect the interests of people in vulnerable circumstances.

**Access** – all people should have fair access to services, resources and opportunities to improve their quality of life.

**Participation** – everyone should have the maximum opportunity to genuinely participate in decisions which affect their lives.

**Rights** – equal rights should be established and promoted, with opportunities provided for people from diverse linguistic, cultural and religious backgrounds to participate in community life.

### How Do They Inform Our Planning?

To help us understand and plan for the diverse needs, wants and aspirations of our community we produced our Social Plan 2010. The Social Plan provides valuable demographic information and analyses key issues relevant to the following target groups:

- Children and families
- Women and men
- Young people
- Older people
- People with disabilities, including those with chronic illness
- Aboriginal and Torres Strait Islander people
- People from culturally and linguistically diverse backgrounds

General subject areas relevant to Warringah are also analysed, including:

- Community connectedness and community capacity building
- Community and safety
- Health and wellbeing
- Transport
- Community information provision
- Housing
- Recreation and cultural provision and development

### Continuing and Emerging Needs

For the purposes of our Annual report 2010 - 2011 we have summarised some of the key findings of our Social Plan below:

#### Young people

There were more issues identified for young people than for any other target group. These included accessibility of entertainment, limited recreational venues and transport options, behaviours jeopardising health, declining enrolment in tertiary education, alcohol abuse, improved social needs, and decreasing youth population. Some programs to counter these are listed below:

- 24/7 Youth Film Festival
- Seminar: Surviving Year 12 - In March more than 560 parents and adolescent attended a seminar as part of our ongoing Speaker's Night for parents of Teenagers.
- Northern Composure Band Competition
- Sister City Youth Exchange Program
- Free speakers nights
- DiscoBility

To read more, see page 110 Community and Safety Services

#### Carers

There are many people in Warringah caring for children, older people and people with a disability; however there is limited recognition of carers (particularly of informal carers, i.e. non-regulated and home-based care). There needs to be improved service information and provision, in collaboration with state and federal departments and community sectors to enhance the lives of carers and those being cared for. Such activities held during past year were:

- Positive Parenting Program - Parents and carers of teenagers interested in learning positive ways of promoting teenage development were encouraged to attend our free Teenage Triple P (Positive Parenting Program) series, which run four times per year.
- Seniors Week Program 2011 - A full program of activities was provided for seniors 20 March until 12 April.
- Seniors and Care Guide 2011 - Over 40,000 copies of the guide was distributed to a range of outlets providing services for seniors and carers across Manly, Mosman and Warringah.

To read more, see page 110 Community and Safety Services

### Cultural and linguistically diverse communities

Although Warringah has a smaller proportion of people born overseas or from a non-English speaking background than the Sydney average, Warringah is becoming increasingly diverse and there are growing numbers of people from culturally and linguistically diverse backgrounds residing in the area. There are a range of languages spoken, different cultural perspectives and a multiplicity of needs that will inform the way we plan for our future and build partnerships with other government and community agencies. Some of the programmes conducted in the past year are as follows;

- Partnership between Cromer Campus, NSW Council for Pacific Communities and Warringah Council
- Cultural development grants to assist the community in organising celebrations of cultural identity.

### Children and families

The number of children in Warringah has increased and it is important to ensure that the needs of children and their families are considered. Significant changes in government policy approaches to children and families present opportunities for us to further enhance services for children of all ages and their families. There are also opportunities to improve social outcomes for Indigenous children and families in Warringah. Addressing the needs of children and families can also assist in further improving the social outcomes of our young people now and in the future. Programs run during the year include:

- New occasional care venue at Brookvale
- Inclusion of children with additional needs
- Transition to school

To read more, see page 106 Children's Services

### Community Connectedness, Capacity Building and the Importance of Place

Our community is changing and this has significant implications for how we plan for our future. Identifying with a community, feeling connected and having a sense of belonging is fundamental. Community capacity building is also essential. Individuals, organisations and communities need to manage their own affairs and work collectively to foster and sustain positive change. Community capacity building is about:

- Strengthening our community's capacity to meet its own needs;
- Improving the ability of our community to enhance their quality of life; and
- Assisting disadvantaged groups to participate in community life and to obtain a fair share of the benefits

We need to continue to ensure our approach to planning and reporting is integrated, holistic and streamlined. This helps align our services with the diverse and changing needs of our community.

### What's the Next Step?

Our Social Plan provides a wealth of information which can help inform future decision making. It defines 'how' we propose to improve social outcomes for Warringah and therefore helps guide 'what' we are going to do in the future. It also forms part of our broader integrated and holistic approach to planning and reporting, helping us to negotiate often complex interdependencies for the benefit of our community.

Take a look at the Social Plan on our website for a comprehensive account of local community needs and the kinds of strategies we have in mind to address these.



## State and Regional Directions

### Planning Collaboratively for the Future

When it comes to planning we need to be mindful of the broader context and impact. Our planning is subject to regional, State and Federal priorities and we have to plan accordingly. In recent years the NSW Government has prepared major plans and strategies to help guide state and regional planning.

### State Plan 2010

The State Plan 2010 updates the State Plan 2006. It defines the overarching goals and outcomes that will shape state policy over a ten year period. It establishes priorities and targets which drive the actions of various NSW Government agencies. The Plan covers all major State responsibilities including health, education and transport and references a number of other key strategic plans driving State services. Priorities in the State Plan 2010 include a focus on jobs and skill development, clean energy, building a clever State and tackling the complex issue of homelessness.

### State Infrastructure Strategy 2008 - 2018

The State Infrastructure Strategy is a rolling 10-year plan for infrastructure projects to support service delivery. The Strategy maps infrastructure projects by six broad regions – Sydney, Central Coast, Hunter, North Coast, Illawarra - South East and Inland NSW.

In December 2010 the State Environmental Planning Policy on Infrastructure was amended to enable small wind turbine systems and solar energy systems, coastal protection works and emergency services facilities.

### Metropolitan Plan for Sydney

Several years ago the Department of Planning released its Metropolitan Strategy "City of Cities" (2005). The strategy established a broad framework to facilitate and manage growth and development in Sydney over a 25 year period. Primarily it indicated how Sydney will accommodate 640,000 new homes by 2031.

In December 2010 the Department of Planning released its "Metropolitan Plan for Sydney 2036", being the 5-yearly review of the Metropolitan Strategy. The Plan revised growth in the housing sector to a higher goal for the year 2036, being 770,000 new homes.

For our region, the North East Subregion (Warringah, Manly and Pittwater LGAs) it has increased housing targets from 17,300 (by 2031) up to 29,000 (by 2036), and increased job targets from 16,250 (by 2031) up to 23,000 (by 2036). The Plan also helps guide government investment and links local and State planning issues such as providing transport, roads, health,

employment and other infrastructure. Warringah's share of the targets for houses and jobs has not been announced.

The Metropolitan Plan continues to plan for the Northern Beaches Hospital at Frenchs Forest, and identifies this area and a 'Potential Specialised Centre' focussing on land near the intersection of Warringah Road and Wakehurst Parkway. The centre would have the potential to become a focus for greater employment including health and service-related jobs.

### New NSW Government

The new government in its first 100 days has initiated a number of changes and reviews, which will potentially affect the regulatory and operating environment of local government. For instance:

- Establishing the Infrastructure Fund and audits of local infrastructure
- Establishing the Integrated Transport Authority
- Started preparing a Solar and Renewable Energy Action Plan
- Increasing Landcom housing releases
- Commencing an extensive review of planning legislation
- Initiatives to help create jobs and support businesses
- Health reforms

### SHOROC Regional Directions

SHOROC Councils include Warringah, Pittwater, Manly and Mosman. They undertake collaborative planning and service delivery for the mutual benefit of the councils and their communities. We provide a contribution of a \$138,000 per year to the resourcing of SHOROC. In 2010 all four councils endorsed a regional strategy, "Shaping our Future", which establishes priorities in public transport, roads and health services, housing and jobs. The strategy also assists in gaining State and Federal government support for the region's needs, for instance feasibility studies on a Rapid Bus Transit System for the northern beaches, input to the Sydney Regional Plan and the NSW Transport Infrastructure Summit.

Other SHOROC initiatives during the year included:

- Developing a regional sustainability plan and indicators.
- Starting a waste stream audit and planning towards a common waste service by 2014.
- Cost Saving and Efficiency Program through joint tendering and contracting.
- Regional profiling of demographics, economics and state of the environment.

## State and Local Government Responsibilities

### Key Responsibilities

To help contextualise our regulatory and operating environment we have put together this table. It identifies key issues for our community and outlines the roles of the State Government alongside our own.

| Traffic and Transport  | State | Local |
|--|-------|-------|
| Strategic transport planning to accommodate projected housing and population growth on the peninsula (e.g. designated bus lanes).  | ✓     | ✓     |
| Plan for and improve the efficiency of the state road network (e.g. Spit Bridge improvements).   | ✓     |       |
| Advocate for efficiency of the state road network.   |       | ✓     |
| Provide grant funding for local roads.   | ✓     |       |
| Maintenance of state roads (e.g. Warringah Road, Mona Vale Road, Pittwater Road, Forest Way, Condamine Road) and planning to reduce congestion.  | ✓     |       |
| Maintenance of local roads and planning to reduce congestion.  |       | ✓     |
| Provision and maintenance of traffic lights and road regulatory signage (e.g. give way, speed limits).   | ✓     |       |
| Construct traffic calming devices on regional and local roads (e.g. speed humps, pedestrian crossings) to reduce speed and improve safety for pedestrians and other road users as approved by the Traffic Committee. |       | ✓     |
| Road safety education.   | ✓     | ✓     |
| Liaise with the Roads and Traffic Authority, the police and other key agencies to improve road safety and the efficiency of the road network.  |       | ✓     |
| Operate Sydney Buses and manage regional bus contracts (e.g. Forest Coach Lines).  | ✓     |       |
| Liaise with State Government and bus operators about service gaps in public transport.   |       | ✓     |
| Provision and maintenance of infrastructure that supports the efficiency of the bus network i.e. provision of bus shelters and seats.  |       | ✓     |
| Promote public transport as a way of reducing congestion and impact on the environment.  | ✓     | ✓     |
| Enforcement of road rules (e.g. speeding, load limits).  | ✓     |       |
| Enforcement of load limits in local streets (e.g. 4 tonne load limit).   |       | ✓     |
| Enforcement of on and off-street parking restrictions.   |       | ✓     |
| Provision and maintenance of Council off street car parks.   |       | ✓     |
| Cycleways and Footpaths  | State | Local |
| Provide grant funding for bike paths, cycleways and footpaths.   | ✓     |       |
| Promote and plan for cycleways, bike paths and footpaths as alternate modes of transport.  | ✓     | ✓     |
| Plan for interconnected networks of cycleways, bike paths and footpaths across Warringah and the region i.e. Bike Plan and Pedestrian Access and Mobility Plan.  |       | ✓     |
| Maintain and build new cycleways, bike paths and footpaths associated with state roads.  | ✓     |       |
| Maintain existing pavements and bike infrastructure.   |       | ✓     |
| Build new sections of bike paths, footpaths, cycleways and associated bike infrastructure.   |       | ✓     |



## State and Local Government Responsibilities

| Utilities – Energy (Electricity and Gas), Water and Sewerage   | State | Local |
|--|-------|-------|
| Plan and deliver new energy, water, and sewerage infrastructure to meet service gaps and/or increased loads from business, housing and population growth.  | ✓     |       |
| Plan for improvements to the stormwater network in response to local flooding or development.  |       | ✓     |
| Maintenance and renewal of the stormwater network including sweeping of streets and clearing of pits and pipes.  |       | ✓     |
| Operation of public corporations that provide energy, water, and sewerage.   | ✓     |       |
| Education programs and incentives to reduce consumption of energy and water.   | ✓     |       |
| Information and education programs for households to reduce energy and water consumption that complement the state's program.  |       | ✓     |
| Water and energy savings initiatives to reduce our overall usage.  |       | ✓     |
| Paying for street lighting and lighting in public places.  |       | ✓     |
| Installation and maintenance of street lighting and lighting in public places.   | ✓     |       |
| Working with the energy provider to determine safety lighting needs in streets and public places.  |       | ✓     |
| Lopping of street trees under power lines i.e. trimming.   | ✓     |       |
| Removal and trimming of trees on public land.  |       | ✓     |
| Health Services  | State | Local |
| Development of public health policy.   | ✓     |       |
| Provision and planning for state wide public health services and infrastructure (e.g. public hospitals, ambulance service, the new Northern Beaches Hospital).   | ✓     |       |
| Work with the community to identify gaps in health service / emerging health needs within Warringah and advocate for solutions on behalf of our community.   |       | ✓     |
| Ensure land use plans provide appropriate locations for health services.   |       | ✓     |
| Health promotion and education.  | ✓     |       |
| Provide an information and referral service on health issues to target groups in the community (e.g. youth and aged).  |       | ✓     |
| Law Enforcement  | State | Local |
| Provision and management of NSW Police Force (primary law enforcement agency in NSW) to:   | ✓     |       |
| <ul style="list-style-type: none"> <li>prevent, detect and investigate crime</li> <li>monitor and promote road safety</li> <li>maintain social order (e.g. dealing with noisy parties and drunk and disorderly conduct)</li> <li>perform and coordinate emergency and rescue operations.</li> </ul>  |       |       |
| Provision of Council Rangers, Building Surveyors, Environmental Health Officers and development Control Officers who enforce compliance and issue infringement notices relating to: illegal parking, abandoned vehicles on public streets, illegal building work, unauthorised land uses or clearing, environmental, public health & safety breaches (e.g. pools) and companion animals. |       | ✓     |
| Issuing and revoking licences for restaurants, clubs and pubs to serve alcohol, including conditions of operation.   | ✓     |       |
| Working with relevant agencies to develop and implement crime prevention initiatives.  |       | ✓     |

| Residential and Commercial Development   | State | Local |
|--|-------|-------|
| Development of state, regional and subregional planning strategies.  | ✓     |       |
| Provide growth targets for residential and commercial developments (e.g. Metropolitan Strategy).   | ✓     |       |
| Establish State Environmental Planning Policies (SEPP) to address significant issues of the state and for the people of NSW. SEPPs override council local environmental plans.   | ✓     |       |
| Approve development applications that are significant to the state of NSW and its residents.   | ✓     |       |
| Assess and determine development applications in accordance with the Local Environmental Plan, Development Control Plan and SEPPs.   |       | ✓     |
| Hear appeals against Council decisions on development applications (Land and Environment Court).   | ✓     |       |
| Provide a standard framework for councils to develop local land use plans (e.g. Local Environment Plan and Development Control Plan).  | ✓     |       |
| Approve local land use plans (e.g. Warringah Local Environmental Plan).  | ✓     |       |
| Develop local land use plans for Warringah (e.g. Local Environmental Plan and Development Control Plan) that define the activities (e.g. residential, commercial uses) and the structures that can be built on the land. The Local Environmental Plan needs to accommodate growth targets for business, housing and population growth set by the State Government. |       | ✓     |
| Adopt Development Control Plans.   |       | ✓     |
| Accredit private certifiers to oversee compliance with development conditions and construction certificates (Building Professionals Board). Investigate non compliance with approvals that they have been appointed to oversee.  | ✓     |       |
| Ensure compliance with development consent conditions when Council is appointed the principal certifying authority. Where a private certifier is appointed principal certifying authority Council reports any breaches of approval to the Building Professionals Board - State Government.   |       | ✓     |
| Environment  | State | Local |
| Natural resource management (policies, plans and education) eg. Biodiversity, Climate Change adaptation and mitigation, Coastal zone, Floodplains, Waterways, Water Cycle and Heritage.  | ✓     | ✓     |
| Protecting native animals and plants, including Threatened Species, Tree Preservation Orders and Development conditions of consent.  | ✓     | ✓     |
| Managing National Parks, Aquatic Reserves, Intertidal Protected Zones and Crown Land.  | ✓     | *     |
| Managing local reserves and lagoons e.g. water quality, biodiversity, bush regeneration, weeds and pests, fire, recreation, access etc.  |       | ✓     |
| Pollution (water, air, noise and land) by a licensed industry & premises, vehicles, dangerous goods, boats and ships; algal blooms and fish kills.   | ✓     |       |
| Pollution (water, air, noise and land) on all unlicensed premises including residences, small business and development sites.  |       | ✓     |
| Drinking water quality and supply and sewer overflows.   | ✓     |       |
| Waste collection, recycling and cleaning of streets and facilities.  |       | ✓     |
| Waste – illegal dumping.   | ✓     | ✓     |

\* Long Reef Aquatic Reserve is jointly managed with the National Parks and Wildlife Service, to protect wildlife from dogs, illegal harvesting of fish and shellfish and other activities.

**Did You Know:** Council and its subsidiary Kimbriki Environmental Enterprises Pty Ltd (KEE) contributes the equivalent of 10.1% (\$6.573m p.a) of Rates Income (including Levies) to the State Government in the form of fees and contributions. This includes \$2.7m to Emergency Management NSW for NSW Fire Brigades, Rural Fire Service and State Emergency Service, \$0.255m to the Sydney Regional Development Fund, \$0.285m to the Department of Planning for the Planning Reform Fee, and \$3.248m by KEE to the Department of Environment, Climate Change & Water for the Waste & Environment Levy.



## Transport

### What's the Challenge?

Traffic congestion and poor public transport links remain a major local issue. Residents overwhelmingly singled this out as the major challenge for Warringah over the next five to ten years in the annual community surveys conducted between 2007 to 2011.

The congestion on our roads reflects our heavy reliance on motor vehicles – 74% of residents commute to work by motor vehicle (2006 ABS census). At present our road network struggles to accommodate this level of private vehicle use.

While there is a range of contributing factors people choose to commute by private vehicle in part because there are a lack of alternative forms of transportation.

Improvements have been made to increase the efficiency of the public transportation system on major arterial roads, including works at busy intersections and bus priority lanes. However, the current system does not adequately service all of Warringah nor operate at times convenient to commuters.

Another important factor is our geography. With only three entry and exit points to the Northern Beaches Peninsula (Mona Vale Road, Warringah Road and the Spit Bridge), appropriate and regionally-supported approaches to long-term traffic and transport management are essential.

Warringah's revised targets for new dwellings based on the Sydney Metropolitan plan 2036 adds a new dimension to our already existing transport challenges.

More people means more movement and increasing pressure on existing transport networks.

### Meeting the Challenge

We share responsibility for various aspects of transport and infrastructure with the Federal and State governments, and with the private sector. Solutions regarding our congested roads and inadequate public transport system are therefore limited by jurisdiction as well as geography. The section "State and Local Government Responsibilities" on pages xx to xx provides an overview of the different roles of the State Government and Council for the key issues, including transport.

The State Government has released a plan to 2036 for transport across Sydney, the Metropolitan Transport Plan – Connecting the City of Cities with a 10 year funding guarantee. The Metropolitan Transport Plan links additional dwelling and employment targets with the transport network. For the northern beaches the focus is on improving the efficiency of the bus system through more frequent services, longer peak and off peak service periods, more bus services and connections to rail and ferry networks and centres, and transport information and priority to improve average bus speeds. Four Strategic Bus Corridors are recognised in the Plan:

- Brookvale to City via Roseville (Warringah Road)
- Chatswood to Dee Why/Brookvale (Warringah Road)
- Mona Vale to City (Pittwater Road)
- Mona Vale to Macquarie (Mona Vale Road)

NSW Government's announcement of feasibility planning for a Bus Rapid Transit system on the Northern Beaches has been welcomed. A key element of the feasibility planning is that it includes analysis of the route from Mona Vale to the city as well as the route between Dee Why and Chatswood.

We will continue to lobby the appropriate organisations for longer-term solutions to the peninsula's increasing transport challenges. In our budget 2011 - 2012 a range of initiatives have been funded that focus on getting people out of their cars, of which you could find out more about by reading our Strategic Community Plan 2011, which is available on our website – [warringah.nsw.gov.au](http://warringah.nsw.gov.au)

## Northern Beaches Hospital

In March 2006 the NSW Government announced that Frenchs Forest would be the home for a new hospital. This has also been reflected in the Metropolitan Strategy for 2036 where Frenchs Forest is identified as a potential specialised centre. The Northern Beaches Hospital is proposed to be constructed on the north-west corner of Warringah Road and Wakehurst Parkway. Since the announcement, progress on planning for the hospital has been slow. The 2010 - 2011 State budget allocated \$5 million to enable the commencement of stage one of the Northern Beaches Health Service on the Frenchs Forest site and associated works at Manly and Mona Vale Hospitals; however, the allocated \$5 million is well below the estimated total cost to complete these works.

The estimated \$600 million proposal by NSW Health will be assessed by the Department of Planning. The proposal consists of 40,000 square metres of hospital floor space including Emergency Services, Imaging, Operational and Clinical support and accommodation for 198 beds while additional expansion is expected in the future.

We will continue to monitor the progress of the Northern Beaches Hospital and seek a genuine whole-of-government approach to planning and project delivery. This includes improvements to the Warringah Road – Wakehurst Parkway intersection.



## Annual Community Survey

### What and Why?

Each year we conduct a community survey to measure residents' overall satisfaction and identify which services the community believes are the most important. Annually, some 600 Warringah residents are randomly selected to take part. We see this as an integral part of our decision making process as this helps ensure that the views and perceptions of our community inform our strategic planning, quality improvement processes and ultimately the delivery of services.

The most recent community survey was conducted in June 2011, involving 600 randomly selected Warringah residents. This information provides valuable insights into the needs and priorities of our residents, and is a good basis for further engagement, consultation and research.

### Major Issues of Concern

- Maintaining and expanding the capacity of infrastructure (30% of residents)
- Development issues (25%)
- Traffic management (9%)
- Improvement of roads, including footpaths and cycle ways (9%)
- Population growth (7%)
- Environmental issues (7%)

### Overall Satisfaction

Overall satisfaction increased from 57% in 2010 to 67% in 2011 which is back in line with the results in 2009 and 2008. The table below shows trends in overall satisfaction over time. In the broad historical context overall satisfaction is back to the same performance level as the 2002 survey.

| Year | Survey % Satisfied |
|------|--------------------|
| 2002 | 60%                |
| 2007 | 69%                |
| 2008 | 67%                |
| 2009 | 69%                |
| 2010 | 57%                |
| 2011 | 67%                |

The number of satisfied residents, scoring Council more than 6 out of 10, has increased to 67%.

Warringah's mean score is slightly below the NSW average satisfaction score. The results below is based on a mean score out of 10 with Warringah achieving an overall satisfaction of 6.0 out of 10 compared to the NSW average satisfaction score of 6.3.

| Survey         | Mean Score |
|----------------|------------|
| Warringah 2011 | 6.0        |
| NSW - average  | 6.3        |
| NSW - best     | 7.5        |
| NSW - worst    | 5.3        |
| Warringah 2010 | 5.9        |

Whilst the number of residents who are satisfied with Council has increased from 57% to 67%, the mean score has remained static. This is as a result of a change in the distribution of the scores in the mid range scores of 5-7.

### Individual Council Services and Facilities

Overall, the 2011 results indicate that we are providing many of the services and facilities rated as important by residents at a satisfactory level or above.

However, in-depth analysis of importance and satisfaction results has revealed a number of priorities for improvement including:

- Development approval process
- Council responsiveness to community needs
- Managing residential development
- Sporting fields and amenities
- Managing commercial development
- Consultation with the community

### Staff and Councillor Performance

Three quarters of residents (74%) who had contact with Council staff indicated that they were satisfied with their overall performance. The overall mean satisfaction rating for staff was 7.25 (out of 10), which was on a par with the 2010 result and on a par with the external benchmark mean of 7.2 for the NSW comparison group.

Nearly half of all respondents (44%) were satisfied with the Councillor's performance and this was on a par with the 2010 result of 45% but is still below the 56% scored in 2009. The overall mean satisfaction rating with Councillors was 5.8 (out of 10), which is slightly above the external benchmark for Councillors of 5.6.

### Community Connectedness

Warringah residents continue to feel they live in a safe community with increases in most of the measures. The vast majority of survey respondents (96%) stated that they feel safe in their own homes. Furthermore, 93% felt that they could call on a neighbour or nearby relative if they needed assistance.

Warringah residents appear to have a relatively strong sense of community connectedness with 90% of residents agreeing that their neighbourhood is a friendly place to live; whilst 85% of survey participants felt strongly that they belonged to the community they live in.

Warringah residents also have a strong sense of local identity, with 92% of survey respondents agreeing that residents in their area are proud of where they live.

### Future Outlook

The results of the survey will be considered as part of Council's ongoing strategic planning and business improvement processes.



## Strategic Community Plan 2011

### Community Engagement

Our Strategic Community Plan (SCP) is a rolling plan that is updated and refreshed on an annual basis. Therefore, a community consultation exercise with residents and other stakeholders is undertaken every year to coincide with the refresh process. In early 2011, a draft SCP 2011 was developed out of the then existing SCP 2010 with further input provided by the Annual Community Survey 2010, advice from officers working 'in the field', and desk top research.

During the period 2 April to 13 May, Council exhibited the Draft SCP 2011. This included:

- Posting a summary brochure and questionnaire to every household in Warringah
- Public exhibitions at various locations
- Web-based exhibition on Council's website
- Provision of an online discussion forum on Council's website
- Hosting two community meetings to enable residents to ask questions and to make a public address to Councillors should they so wish

### Submissions

The exercise generated 1,304 submissions which were analysed and sorted by Council staff in order to understand what the community thought about the draft SCP and what changes needed to be made to prepare a final version. Some of the key messages coming from the community, and how Council responded to them were:

### Sportsfields

The 'hottest topic' was the proposed increase in sporting user fees. However, on reflection, Council was satisfied that even when the increase is applied, the fee still represents value at about 60 cents per week for seniors and less than 50 cents per week for juniors to train and play matches. There were also concerns about the quantity and quality of sporting fields so as a consequence, Council has brought forward a capital project to create a new field and lighting at Cromer Park and will bring forward sportsfield rectification works at a number of venues across Warringah. Council is also in discussions with various sporting bodies to identify improvements to the current maintenance programs.

### Roads and Traffic

There were many calls to improve the condition of roads and improve traffic flows. Although many of our major roads are the responsibility of the Roads and Traffic Authority (RTA), Council has allocated \$10.6 million over the next four years to re-sheet the roads under its care. Council will also be preparing a Dee Why Town Centre Masterplan that will include a one-way system at known bottlenecks to reduce congestion in Dee Why.

### Footpaths and Cycleways

Residents also wanted more and better footpaths and cycleways. Accordingly, Council recently adopted the Pedestrian Access and Mobility Plan (PAMP) which will target the construction of new footpaths to where they are most needed. Council has also provided extra funds to the \$1.2 million that was already allocated to the roll out of the Bike Plan over the next four years.

### Warringah Aquatic Centre (WAC)

A majority of residents responding to the consultation supported an upgrade to facilities at the WAC, but opinion was divided as to what form this should take and how it should be funded. Council will undertake further rounds of consultation to make sure any refurbishment or redevelopment of the WAC meets the needs and aspirations of the majority of our community.

### Dee Why Town Centre Revitalisation

A majority of residents responding to the consultation also supported the need to improve Dee Why Town Centre and an impression of what it should look and feel like is beginning to emerge. Council will use this information as the starting point for developing a Dee Why Town Centre Masterplan which will be subject to further rounds of consultation as it evolves over time.

The examples above demonstrate that Council does listen to what the community is saying and adapts its plans when it can. However, it is not an easy task. Our community contains a diverse group of people who have differing needs and differing aspirations as to what Warringah should be like. It is our job to make sure we listen and understand all these points of view so that we can deliver services and create an environment that works for the whole community.







# 3

## COMMUNITY OUTCOMES

From *Small Things Big Things Grow*: Elaine Sterne - Warringah Art Exhibition entrant

Detailed account of our performance against what we said we'd do.

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |





ENVIRONMENT



Key Services

|  |     |
|--|-----|
| Compliance Services                        | 116 |
| Kimbriki Environmental Enterprises Pty Ltd | 130 |
| Natural Environment Services               | 132 |
| Parks, Reserves and Foreshores             | 136 |
| Roads, Traffic and Waste                   | 140 |
| Warringah Aquatic Centre                   | 148 |
| Corporate Support Services                 | 150 |
| Good Governance                            | 154 |



A community that values the natural environment, protecting its health and diversity

| Key Contributors                          | Advocate | Funder | Service Provider | Regulator | Partner |
|---|----------|--------|------------------|-----------|---------|
| Warringah Council                         | •        | •      | •                | •         | •       |
| Office of Environment and Heritage        |          | •      | •                | •         | •       |
| Environmental groups                      | •        |        | •                |           | •       |
| Other government agencies and departments |          | •      | •                | •         | •       |
| Community groups including volunteers     |          |        | •                |           | •       |



# Our Goal

## 1.1 Protecting the natural environment so it is healthy and diverse

### Our Strategies

- Maintain the diversity of natural environments at their current levels or better
- Manage Warringah's catchments, waterways and marine environments in a sustainable way
- Ensure Council is recognised as a leader in corporate sustainability

Measuring progress against this goal is challenging as there are a range of scientific options available to monitor progress, and because of the costs involved in extensive monitoring. For bushland areas, we could monitor flora, fauna or a combination of both. Aquatic environments are generally very costly to monitor.

We decided upon three indicators for 2010 - 2011:

- Health of Bushland
- Water Quality
- Renewable Energy Usage by Council

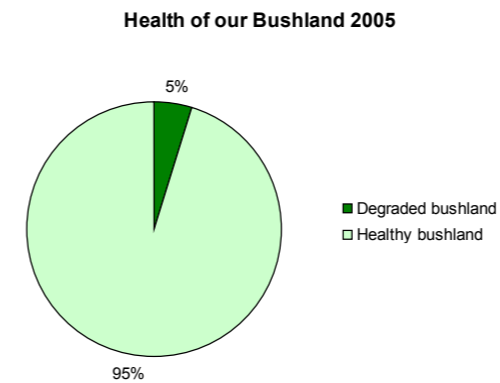
We measured the health of our bushland in 2005. We measure water quality at seven of our beaches, Narrabeen Lagoon, Davidson Reserve and the lake behind Manly Dam. Renewable energy usage will not be used for measuring progress against this goal in future years as it fits better with goal 5.2.

## Community Sustainability Indicators

### Health of Bushland

#### What do we measure?

Degraded bushland as a proportion of total publicly owned bushland\*



This indicator is difficult to report on because of the complexity of the associated science and because changes only occur over a long period of time. From a survey in 2005, we know that Warringah has over 6,000 hectares of bushland in public ownership of which 280 hectares was rated as degraded\*. Some of the degraded bushland may be restored by a long term program of bush regeneration and some may never be restored due to irreversible changes to the environment.

#### Desired direction

No further increase in either absolute or relative volume of degraded bushland.

\* Warringah Natural Area Survey Vegetation Communities and Plant Species, P and J Smith, 2005



## Community Sustainability Indicators

### Water Quality

**What do we measure?**

We currently measure two things: Cleanliness of beaches and water quality at Manly Dam.

Cleanliness of beaches\*: The annual grading of Warringah's beaches for susceptibility to faecal pollution as a result of sanitary inspection and water quality measurements. Beaches are graded very good (green), good (green), fair (amber), poor (red) or very poor (red).

Manly Dam: The percentage of time each year that the lake at Manly Dam is suitable for swimming based on result of Council testing for blue-green algae.

**Beach Water Quality**

| Beaches          | 2009 - 2010 Grade |
|------------------|-------------------|
| Collaroy         | Good              |
| Dee Why          | Good              |
| Freshwater       | Good              |
| Long Reef        | Good              |
| North Curl Curl  | Good              |
| North Narrabeen  | Good              |
| South Curl Curl  | Good              |
| Other Locations  | 2009 - 2010 Grade |
| Davidson Reserve | Poor              |
| Narrabeen Lagoon | Poor              |

**Suitability for Swimming at Manly Dam**

| Year        | Percentage of days suitable |
|-------------|-----------------------------|
| 2005 - 2006 | 100                         |
| 2006 - 2007 | 100                         |
| 2007 - 2008 | 100                         |
| 2008 - 2009 | 100                         |
| 2009 - 2010 | 100                         |
| 2010 - 2011 | 100                         |

In 2009 - 2010 there was a change in the way water quality monitoring is undertaken making it difficult to directly compare results with earlier years. However, water quality is generally high. All seven beaches received a grade of good making them suitable for swimming for most of the time. Narrabeen Lagoon and Davidson Reserve received a grade of poor and susceptible to faecal pollution making the water unsuitable for swimming for most of the time. This arises mainly because both sites catch pollutants from surrounding urban development, particularly after heavy storms. Council has an extensive programme of measures to reduce the amount of potential pollutants entering these waters.

The lake behind Manly Dam was suitable for swimming 100% of the time in 2010 - 2011. The result has now been consistent over several years with education programs and stormwater controls imposed on new developments contributing to this success.

**Desired direction**

Maintain the current high level of quality.

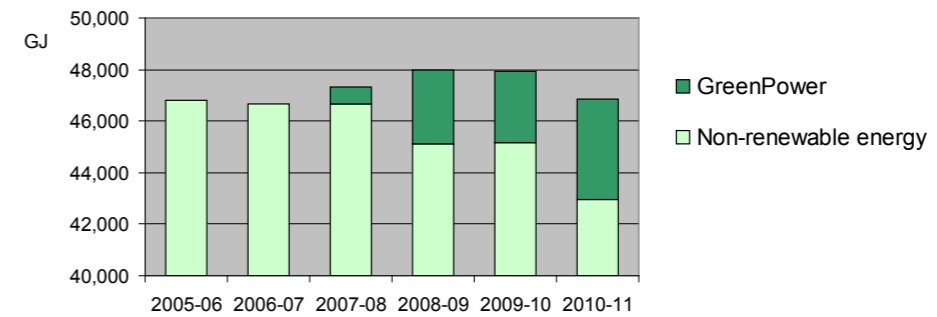
\* Data source: NSW Department of Environment, Climate Change and Water Beachwatch Program

### Renewable Energy Usage

**What do we measure?**

The amount of renewable energy that Council purchases through GreenPower in gigajoules (GJ) compared to the total amount of energy Council consumes.\*

**Warringah Council Annual Energy Consumption (GJ)**



Warringah Council first started buying renewable energy in the last quarter of the 2007 - 2008 financial year. In 2010 - 2011 the percentage of Council energy usage that was GreenPower rose to 8% from 6% in the previous two years.

**Desired direction**

Increase the percentage of renewable energy usage.

\* Data source: Planet Footprint

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Area        | Action  | Status                                |
|---------------------|---|---------------------------------------|
| Natural Environment | Narrabeen Lagoon: Creating a Sustainable Catchment Campaign | <input checked="" type="checkbox"/> ✓ |
|                     | Bushland restoration  | <input checked="" type="checkbox"/> ✓ |
|                     | Preparation of Narrabeen Lagoon Plan of Management          | <input type="checkbox"/>              |
|                     | Narrabeen Lagoon Flood Study                                | <input type="checkbox"/>              |
|                     | Manly Lagoon Flood Study                                    | <input type="checkbox"/>              |
|                     | Manly Lagoon Catchment Study                                | <input type="checkbox"/>              |
|                     | Coastal Erosion Emergency Action Plan                       | <input type="checkbox"/>              |

### Capital Works 2010 - 2011

| Service Area        | Action                  | Status                                |
|---------------------|-------------------------|---------------------------------------|
| Natural Environment | Renewal works           | <input checked="" type="checkbox"/> ✓ |
|                     | Manly Lagoon - dredging | <input type="checkbox"/>              |





# Our Goal

## 1.2 Living in harmony with our environment

### Our Strategy

- Ensure Warringah's community is a recognised leader in sustainable living practices

We identified four indicators to measure our progress towards this goal:

- Electricity Consumption
- Water Consumption
- Waste and Recycling Volumes
- Air Quality Complaints

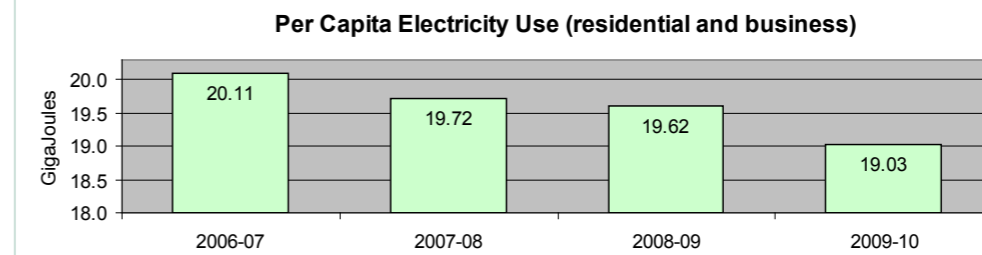
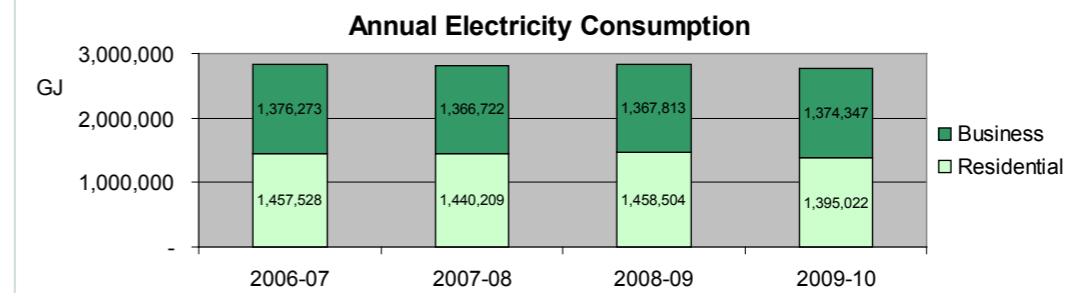
The first three indicators are measured for the community as a whole and per capita (per person). We cannot measure actual air quality owing to a lack of measuring stations within the Warringah local government area, so we have used air quality complaints received by Council as a substitute.

## Community Sustainability Indicators

### Electricity Consumption

#### What do we measure?

Total annual amount of electricity consumed in Warringah local government area and per capita amount of electricity consumed in Warringah local government area.\*



Total electricity consumption in Warringah has been stable for the last few years with per capita consumption showing a small year on year decrease. According to Energy Australia, the decline in residential electricity use reflects energy efficiency measures by households as well as the conversion to solar, gas and heat pump hot water systems. The increase in business electricity consumption can be attributable partly to the recovery in economic conditions following the downturn in 2008 - 2009.

#### Desired direction

Decreasing electricity consumption.

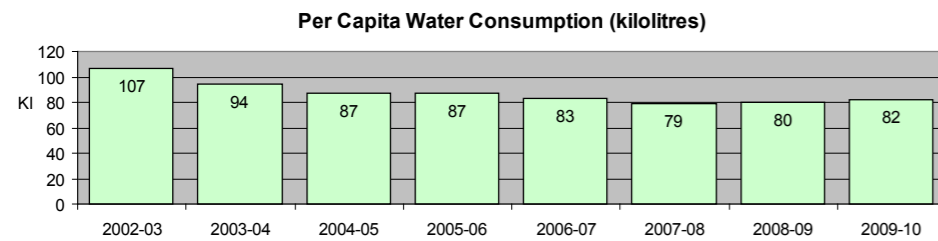
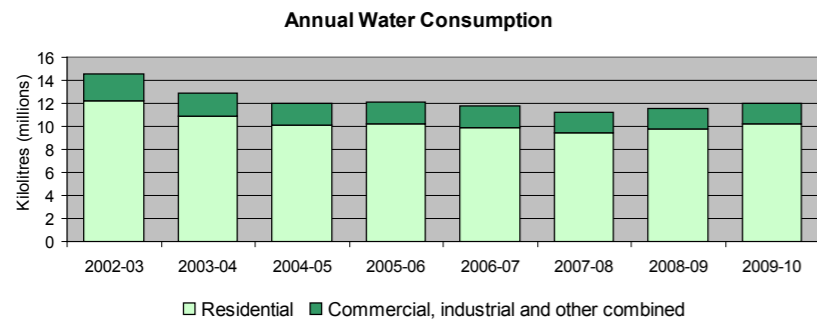
\* Data source: Energy Australia

## Community Sustainability Indicators

### Water Consumption

**What do we measure?**

Total annual amount of water consumed in Warringah local government area and per capita amount of water consumed in Warringah local government area.\*



Water restrictions on the community, changing work practices, installation of more water efficient appliances and rainwater tanks have assisted in driving better water management practices in recent years with a general decrease in total and per capita annual water consumption evident since 2002 - 2003. Since 2007 - 2008, total consumption has increased slightly but remains at significantly lower levels than the 2002 - 2003 baseline.

**Desired direction**

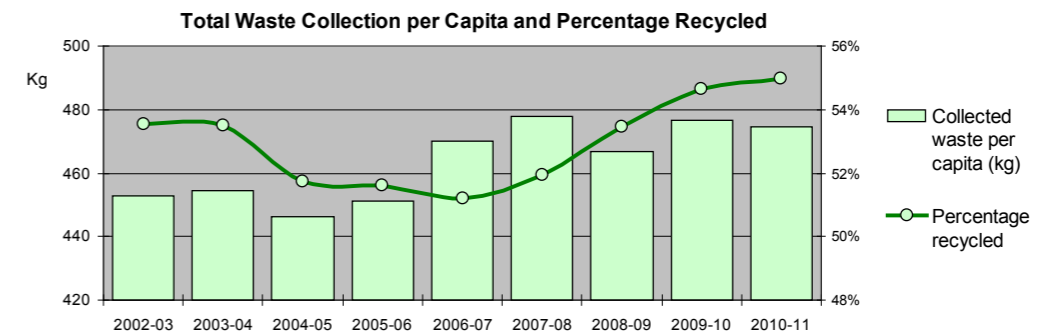
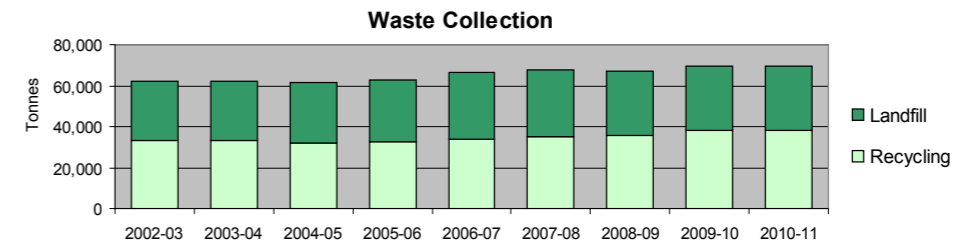
Decreasing water consumption.

\* Data source: Sydney Water

### Waste and Recycling Volumes

**What do we measure?**

The amount of domestic material collected through Warringah Council's kerbside waste and recycling collection service and the proportion of this that is recycled waste. Both figures expressed as total volumes and per capita amounts.



There has been a general increase in the amount of domestic waste produced over the last decade. However, 2010 - 2011 saw a slight reversal in this trend which is good news. The proportion of waste diverted from landfill (recycling) has increased for the fourth year in a row and is now at 55% of all collected waste.

**Desired direction**

Increase recycling rates and decrease waste sent to landfill.

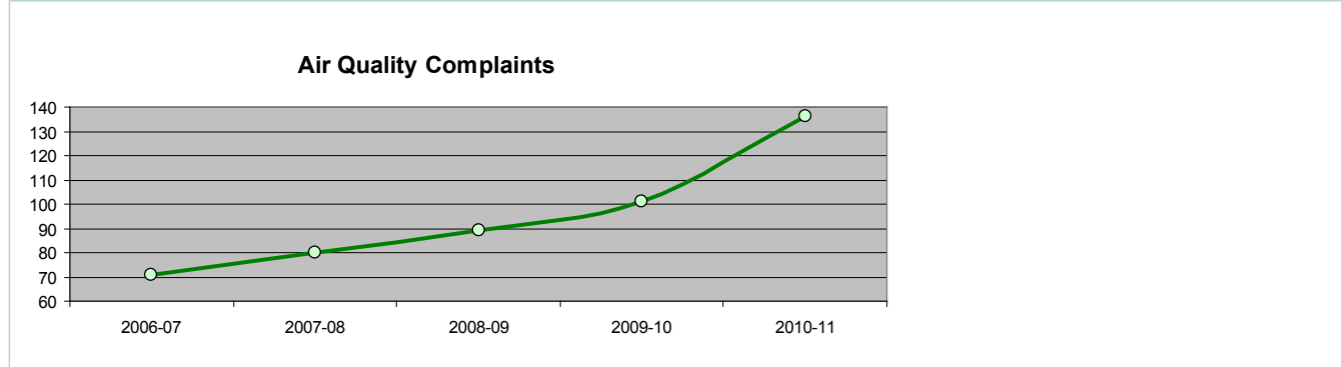


## Community Sustainability Indicators

### Air Quality Complaints

**What do we measure?**

Number of air quality complaints received by Council.



Air quality complaints continue to rise year on year. Whilst this may be a result of increased pollutants in the local atmosphere, it could also reflect greater community knowledge of, and willingness to use, the complaints service.

**Desired direction**

Decreasing number of complaints

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Area        | Action   | Status |
|---------------------|--|--------|
| Natural Environment | Hilltop to Headland Lecture Program                                | ✓      |
|                     | Coordination of fire management access zones and hazard reductions | ✓      |
|                     | Develop a Bio-restoration Strategy                                 |        |
|                     | Pest Species Control Program                                       | ✓      |

### Capital Works 2010 - 2011

| Service Areas                  | Action  | Status |
|--------------------------------|---|--------|
| Corporate Support              | Civic Centre - water and energy savings                 |        |
| Parks, Reserves and Foreshores | Innes Rd, Manly Vale - construction of community garden | ✓      |
|                                | South Curl Curl Rock Pool - renewal works               |        |
| Roads, Traffic and Waste       | Recycling stations                                      |        |



# COMMUNITIES



Living

A vibrant and diverse community supported by innovative services and effective communication with Council

## Key Services

|                                  |     |
|----------------------------------|-----|
| Children's Services              | 106 |
| Community and Safety Services    | 110 |
| Compliance Services              | 116 |
| Cultural Services                | 120 |
| Glen Street Theatre              | 126 |
| Information and Library Services | 128 |
| Warringah Aquatic Centre         | 148 |
| Corporate Support Services       | 152 |
| Good Governance                  | 154 |

| Key Contributors                          | Advocate | Funder | Service Provider | Regulator | Partner |
|---|----------|--------|------------------|-----------|---------|
| Warringah Council                         | •        | •      | •                | •         | •       |
| Department Family of Community Services   |          | •      | •                | •         | •       |
| Other government agencies and departments |          | •      | •                | •         | •       |
| Police Local Area Command                 | •        |        | •                | •         | •       |
| Department Attorney General and Justice   |          | •      |                  |           | •       |
| Not for profit organisations              | •        |        | •                |           | •       |
| Community groups                          | •        |        | •                |           | •       |



# Our Goal

## 2.1 Promoting a supportive, caring community

### Our Strategies

- Build a community that works in partnership with government, community based and private organisations to achieve real and lasting improvement
- Build an informed and empowered community
- Build a resourceful community that draws on the diversity, skills and expertise of its residents
- Actively encourage and support the community to use open space and participate in recreation
- Build a healthy community that is free of public health risks
- Build a vibrant community that reflects the culture, heritage and lifestyle of the people in Warringah
- Build a community that shows pride in its sense of identity where people are comfortable meeting and interacting in public spaces

Measuring progress against this goal is challenging because of its many elements. We identified nine indicators for this goal to capture trends. They are:

- Community Connectedness
- Community Safety
- Age Diversity
- Educational Qualifications
- Average Weekly Earnings
- Housing Affordability

- Unemployment Rate
- Aged Care Facilities
- Childcare Facilities

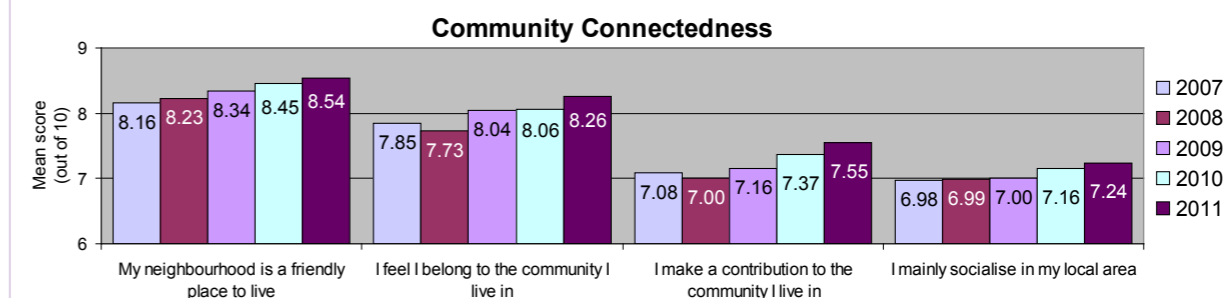
The first two indicators are drawn from the Annual Community Survey. The other indicators are drawn from external sources and Council has less influence over the trends that these indicators reveal. Data is no longer available for aged care and childcare facilities.

## Community Sustainability Indicators

### Community Connectedness

#### What do we measure?

Residents' feelings of community connectedness as expressed by participants in the Annual Community Survey.



There is a strong and increasing sense of community connectedness amongst residents as expressed in the Annual Community Survey.

#### Desired direction

Increase community connectedness.

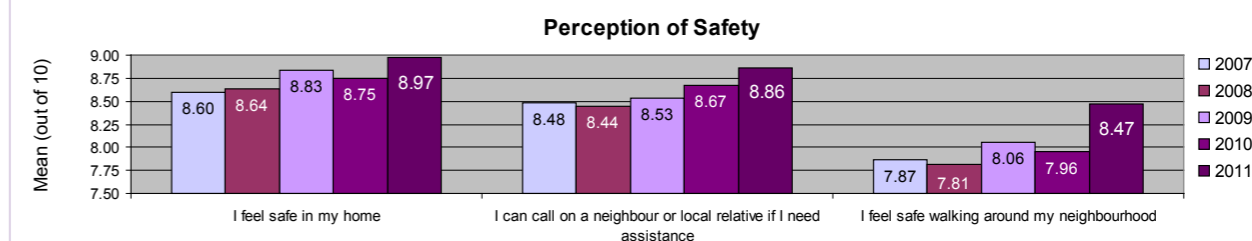
### Community Safety

#### What do we measure?

We currently measure two things: Crime rates and perceptions of safety.

Crime rates: The rate of major criminal incidents recorded in Warringah compared to the state average. \*

Perception of Safety: Residents' perceptions of safety in their homes and neighbourhoods as expressed by participants in the Annual Community Survey.



The community's perception of safety as expressed in the Community Survey is relatively high and shows a positive trend. Recorded crimes in Warringah from December 2008 - 2010 are low compared to the state average. Only 1 of the 17 major offence categories showed an increase (non-domestic violent assault) and 2 categories showed a decrease (stealing from a motor vehicle and stealing from a person). All other categories were stable or were not calculated as there were too few incidents to make them statistically significant.

#### Desired direction

Hold low crime rates and high perceptions of safety.

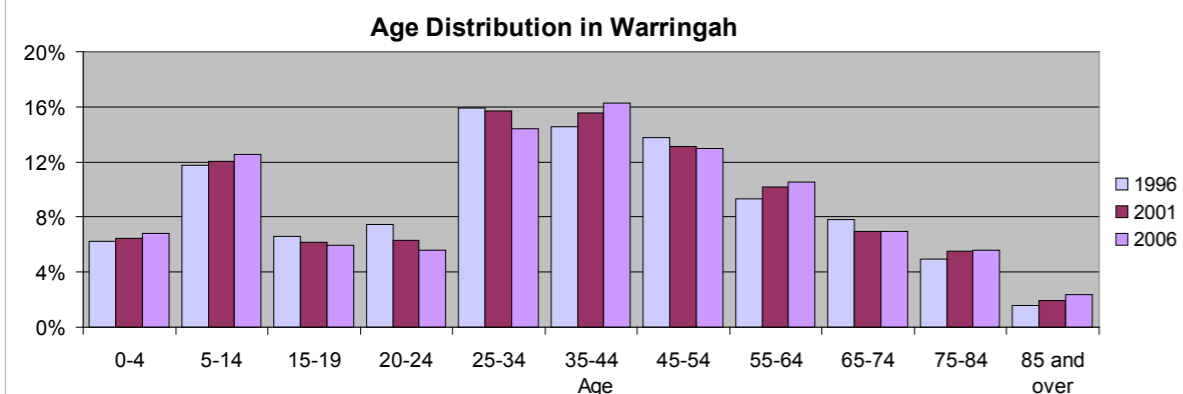
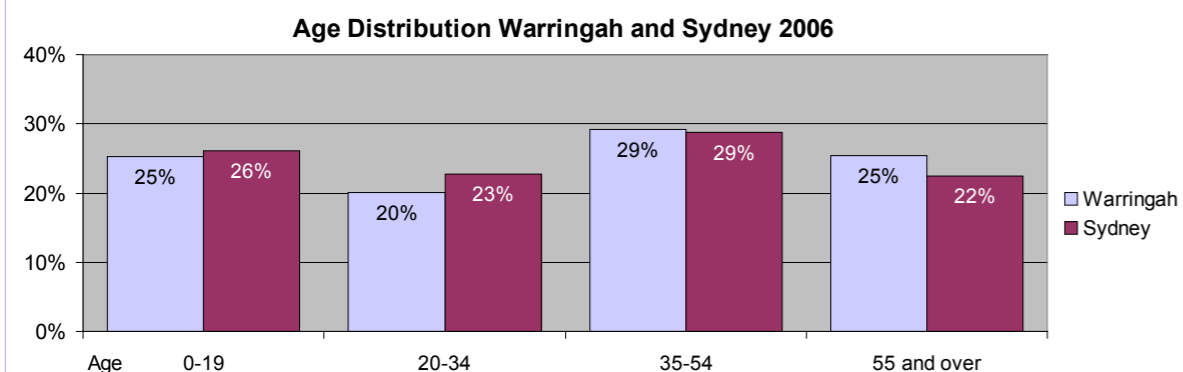
\* NSW Bureau of Crime Statistics and Research (BOCSAR)

## Community Sustainability Indicators

### Age Diversity

#### What do we measure?

The age structure of the population over time and compared to Metropolitan Sydney.\*



As of 2006, Warringah's population is ageing with 25.4% of residents 55 years or older, compared with 22.4% for Metropolitan Sydney. This difference in age distribution is fairly constant and follows the national trend. Since 1996, the number of young people 0-14 years in Warringah increased while the number of 20-34 year olds has fallen significantly. The median age of people living in Warringah has increased slightly from 36 to 37 in the same period.

This is an indicator we have limited influence on. It shows the demographic reality of our community and provides us with direction for various service areas.

#### Desired direction

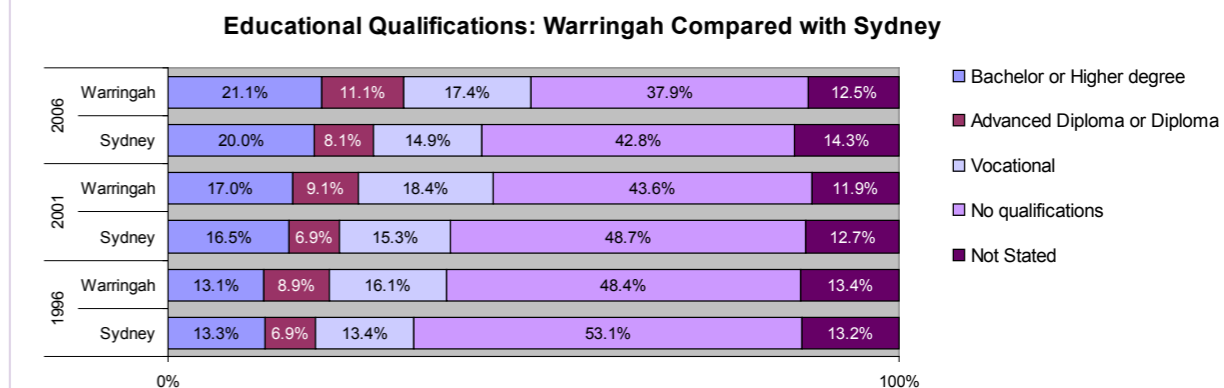
Maintain a healthy age distribution that supports our local economy and reflects an area that is attractive to all age groups.

\* Data source: ABS Census Data 1996, 2001 and 2006

### Educational Qualifications

#### What do we measure?

The percentage of persons aged 15 years or over with tertiary qualifications.\*



Between 1996 and 2006 the percentage of Warringah residents aged 15 years or older holding a bachelor degree or higher increased from 13% to 21%. This trend towards a higher educated population was also seen across Sydney, but the overall level of education remains higher in Warringah.

#### Desired direction

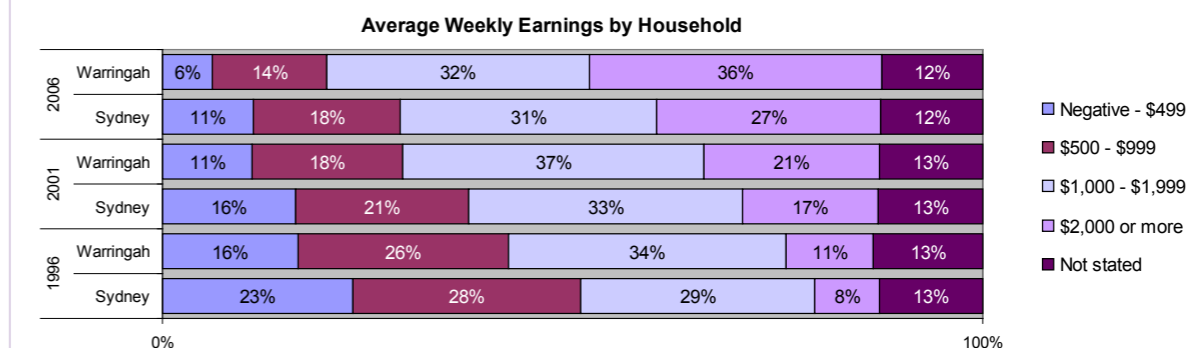
Maintain a balanced mix of educational qualifications that matches and supports our local economy.

\* Data source: ABS Census, 1996, 2001, 2006

### Average Weekly Earnings

#### What do we measure?

Weekly gross household income\*



Warringah households earn well above the average for Metropolitan Sydney, with 36% earning \$2,000 or more as compared to 27% for Sydney Metropolitan, and this gap is widening.

#### Desired direction

Maintain Warringah's household income position relative to Sydney Metropolitan.

\* Data source: ABS Census, 1996, 2001, 2006



## Community Sustainability Indicators

### Housing Affordability

**What do we measure?**

Housing affordability is generally measured in relation to the proportion of income spent on housing costs. When a low to moderate income household is spending more than 35% of their gross income on housing costs, they are likely to be in 'housing stress'.\*

There is a trend for increasing housing stress.

According to the 2006 Census, 64% of renters in Warringah were in housing stress which compares to 56% across the greater metropolitan area of Sydney. It is clear from many other indicators that housing affordability is an increasing problem for a growing proportion of low to moderate income renters and home owners in Warringah and the greater Sydney area in general. This is an issue that Council cannot tackle alone. The federal, state and local government sectors will all have to come together with the private sector to develop a solution.

**Desired direction**

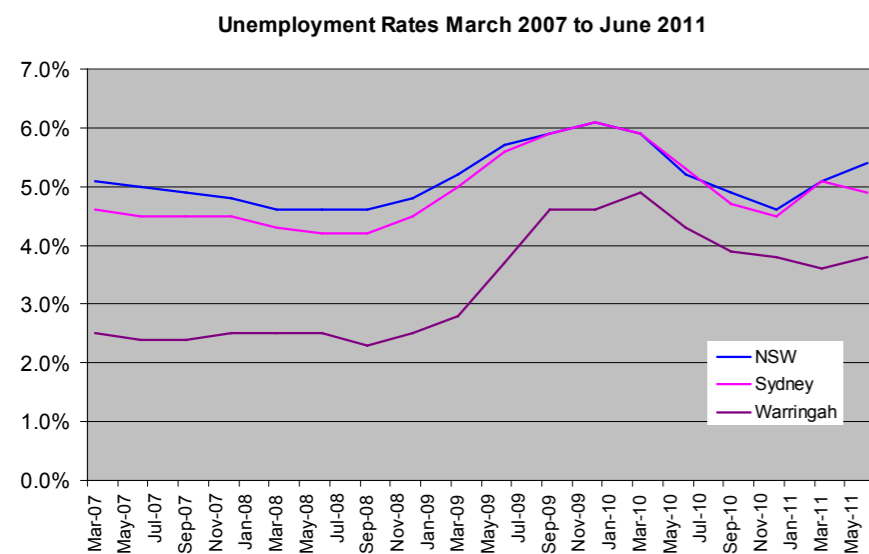
Increasing housing affordability/lower housing stress.

\* Source: ABS Census.

### Unemployment Rate

**What do we measure?**

Percentage of Warringah residents unemployed.\*



Warringah residents have enjoyed lower rates of unemployment when compared to Greater Sydney and New South Wales as a whole with the June 2011 figures at 3.8%, 4.9% and 5.4% respectively. Unemployment rates generally have come down from the peak associated with the Global Financial Crisis of 2008 – 2009, but they continue to remain higher than pre 2008 levels.

**Desired direction**

Hold low percentage relative to Sydney Metro and NSW.

\* Source: Australian Government Labour Market Information Portal.

### Aged Care Facilities

**What do we measure?**

Ratio of aged care places per 1,000 persons aged 70 and over in the North Sydney Region.

This data is no longer published by the Commonwealth Department of Health and Ageing.

### Childcare Facilities

**What do we measure?**

Childcare vacancy rates across all Long Day Care Centres (private and Council) in Warringah by age group.

Data from the private sector is no longer collected owing to a restructure in Children's Services.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas              | Action  | Status |
|----------------------------|---|--------|
| <b>Cultural Services</b>   | Deliver a Festival of Children's Literature                     | ✓      |
|                            | Develop a Public Art Strategy                                   |        |
|                            | Deliver a program of events                                     | ✓      |
| <b>Glen Street Theatre</b> | Review the KidsPlay Program                                     | ✓      |
|                            | Build Glen Street's brand within the local community            | ✓      |
|                            | Deliver the 25th anniversary celebration of Glen Street Theatre | ✓      |
| <b>Good Governance</b>     | Research the capacity of the local community service sector     |        |

### Capital Works 2010 - 2011

| Service Area             | Action   | Status |
|--------------------------|--|--------|
| <b>Corporate Support</b> | Community Centre Buildings - Disability Discrimination Act Audit and stage 1 works |        |
|                          | Surf Club Buildings - Disability Discrimination Act Audit                          | ✓      |





# Our Goal

## 2.2 A transparent, open and trusting relationship between Council and the Community

### Our Strategies

- Increase community understanding of demographics and population change and their effect on community needs and trends
- Provide consistent and effective policies that are understood and supported by the community
- Have a stronger voice for local people in regional, metropolitan, state and federal affairs
- Achieve effective communication between the community and Council that recognises and balances needs and expectations with constraints
- Show effective Council leadership by communicating with people and organisations
- Manage funding and resources effectively and efficiently so we achieve better outcomes for the community

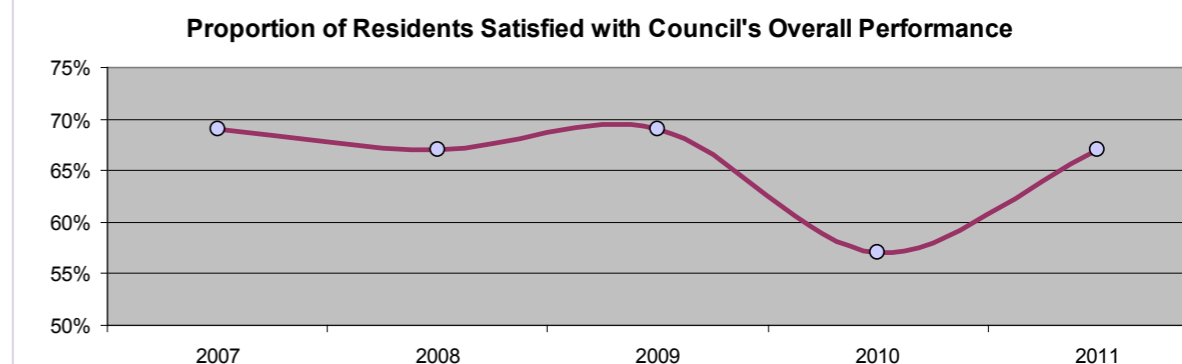
Measuring progress against this goal is predominantly done with our Strategic Performance Measures in the Living Organisation section on pages 90 to 101. From the community perspective we use overall satisfaction with Council performance as expressed in the Annual Community Survey.

## Community Sustainability Indicators

### Satisfaction with Council's Performance

#### What do we measure?

The proportion of residents satisfied with Council's overall performance as expressed in the Annual Community Survey.








In 2011, the proportion of residents that are satisfied with Council's overall performance is back in line with results of 2009 after falling in 2010.

#### Desired direction

Increase resident satisfaction.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas                           | Action  | Status  |
|---|---|---|
| <b>Corporate Support</b>                | Establish a single service counter at the Civic Centre and enhance first contact resolution for customers |    |
| <b>Good Governance</b>                  | Conduct the Annual Community Survey   |  ✓ |
|   | Prepare an Annual Internal Ombudsman's Report   |    |
|   | Establish the Strategic Committee Framework   |  ✓ |
| <b>Information and Library Services</b> | Review the Collection Development Policy  |  ✓ |







# SPACES

# Living



Safe outdoor spaces that are well maintained, accessible, sympathetic to the environment and meet the needs of the community

## Key Services

|                                |     |
|--------------------------------|-----|
| Community and Safety Services  | 110 |
| Compliance Services            | 116 |
| Development Assessment         | 124 |
| Glen Street Theatre            | 126 |
| Natural Environment Services   | 132 |
| Parks, Reserves and Foreshores | 136 |
| Roads, Traffic and Waste       | 140 |
| Strategic Planning             | 144 |
| Warringah Aquatic Centre       | 148 |
| Corporate Support Services     | 150 |

| Key Contributors                          | Advocate | Funder | Service Provider | Regulator | Partner |
|---|----------|--------|------------------|-----------|---------|
| Warringah Council                         | •        | •      | •                | •         | •       |
| Department of Transport                   |          | •      | •                | •         | •       |
| Private bus companies                     |          |        | •                |           |         |
| Department of Planning and Infrastructure | •        | •      | •                | •         | •       |
| Other government agencies and departments |          | •      | •                | •         | •       |
| Community groups                          |          |        | •                |           | •       |



# Our Goal

## 3.1 Safe and well maintained public spaces that reflect community needs

### Our Strategies

- Provide a diverse range of high quality open space and recreation facilities to meet the needs of the community
- Provide recreational access to natural areas while ensuring the sustainability of the natural environment benefits and costs equitably and supports a healthy and sustainable environment

We identified three indicators to measure progress against this goal:

- Community Pride
- Level of Graffiti Vandalism
- Open Space Utilisation

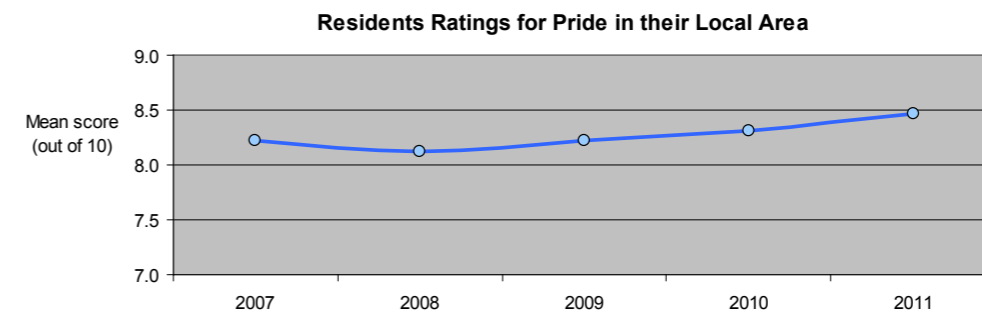
Community pride is measured through the Annual Community Survey and the level of graffiti vandalism is the number of removals and the total area cleaned through Council's graffiti cleaning program. Data for open space utilisation is unavailable.

## Community Sustainability Indicators

### Community Pride

#### What do we measure?

Residents ratings for pride in their local area as expressed by participants in the Annual Community Survey.



For the last four years the mean score out of 10 has remained high and stable with a slight year on year increase from 2008.

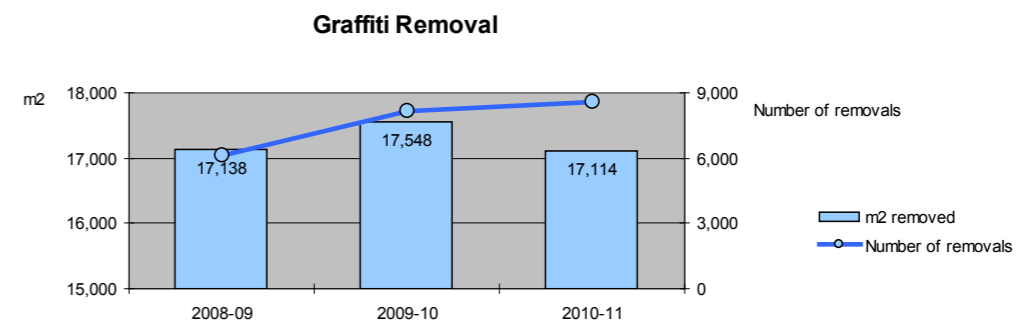
#### Desired direction

Maintain or increase the mean score.

### Level of Graffiti Vandalism

#### What do we measure?

Graffiti removed by Council from public open space or private property fronting open space.



The total number of graffiti removals rose slightly for 2010 - 2011 but the total area removed was less. This suggests that most removal jobs were for tags rather than larger pieces of graffiti.

#### Desired direction

Decrease the incidence of graffiti vandalism



## Community Sustainability Indicators

### Open Space Utilisation

#### What do we measure?

We are currently working on systems allowing us to keep track of the number and frequency of bookings made by the public to use sports fields and natural reserves, as well as estimated visitor numbers to our beaches.

Data is not available for this indicator as there has not been agreement on what to measure.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas                         | Action  | Status |
|---------------------------------------|---|--------|
| <b>Corporate Support</b>              | Complete stage 2 Asset Management Plans for all asset classes   | ✓      |
| <b>Good Governance</b>                | Development of a Strategic Asset Management Plan                |        |
| <b>Parks, Reserves and Foreshores</b> | Review the Manly Warringah War Memorial Park Plan of Management |        |

### Capital Works 2010 - 2011

| Service Areas            | Action   | Status |
|--------------------------|--|--------|
| <b>Corporate Support</b> | Belrose Children's Centre - renew bathrooms  | ✓      |
|                          | Belrose Children's Centre - renewal of flooring  | ✓      |
|                          | Belrose Community Centre - renew external softfall   | ✓      |
|                          | Brookvale Occasional Care Centre   |        |
|                          | Brookvale Oval - revitalisation works - Stage 2  |        |
|                          | Community Centre Buildings - renewal works   | ✓      |
|                          | Council Buildings - renewal works  | ✓      |
|                          | Civic Centre - replace water based cooling tower and chiller   | ✓      |
|                          | Civic Centre - roof renewal  |        |
|                          | Civic Centre and Cromer Administration Buildings - Building Code of Australia and fire safety compliance works               |        |
|                          | Curl Curl Youth and Community Centre - kiosk demolition  | ✓      |
|                          | Dee Why Beach - new public toilet  | ✓      |
|                          | Dee Why Children's Centre - upgrade landscaping and renew softfall   |        |
|                          | Dee Why Library - reconfigure Local Studies area and recarpet library  | ✓      |
|                          | Dee Why Senior Citizens Centre - kitchen replacement/lino replacement/carpet replacement and installation of acoustic panels | ✓      |

## Performance Against Principal Activities

### Capital Works 2010 - 2011

| Service Areas  | Action  | Status |
|--|---|--------|
| <b>Corporate Support</b><br>(continued)  | Freshwater Beach - viewing tower  | ✓      |
|  | Harbord Literary Institute - Building Code of Australia compliance, accessibility works and upgrade of toilets  |        |
|  | Long Reef Surf Life Saving Club - Stage 1 Master planning   | ✓      |
|  | Long Reef - viewing tower   | ✓      |
|  | Millers Reserve public amenities - renewal and accessibility works  |        |
|  | Minor renewal works - civic buildings portfolio   | ✓      |
|  | Minor renewal works - community centres   | ✓      |
|  | Narrabeen Children's Centre - renew bathrooms   |        |
|  | Nolan/Passmore Reserve - public amenity building  | ✓      |
|  | North Narrabeen Beach - viewing tower   | ✓      |
|  | North Narrabeen Surf Life Saving Club - renew amenities, suspended ceiling renewal in foyer, floor covering renewals, renew membrane to main deck and Building Code of Australia compliance works | ✓      |
|  | Public Amenity Improvement Program - Belrose Junior Rugby League Football Club public amenities - renewals and accessibility works  | ✓      |
|  | Public Amenity Improvement Program - Nolans No 2 public amenities - renewals and accessibility works  |        |
|  | Public Amenity Improvement Program - access control system  | ✓      |
|  | Public Amenity Improvement Program - Curl Curl Sports Centre public amenities - masterplan, design and approvals  | ✓      |
|  | Public Amenity Improvement Program - Passmore Reserve - new public amenity building   |        |
|  | Road acquisition - 3 Cottage Point Road, Cottage Point  |        |
|  | South Narrabeen Surf Life Saving Club - Stage 1 internal fit-out refurbishment and placement of public entertainment works  |        |
|  | Sporting Clubs program - install cages for gas cylinder storage and provide additional storage  | ✓      |
|  | Tennis facilities - analysis of condition of existing facilities and perimeter court fencing and renewal works  | ✓      |
| YoYo's - upgrades for entertainment use, Building Code of Australia compliance, security and storage, and air conditioning |   |        |

### Capital Works 2010 - 2011

| Service Areas                            | Action  | Status |
|--|---|--------|
| <b>Glen Street Theatre</b>               | Renew car park area and lighting  | ✓      |
|  | Renew flying system   | ✓      |
|  | Stage 3 entertainment use works   | ✓      |
| <b>Information &amp; Library Service</b> | Library books - renewal of book stock   | ✓      |
| <b>Parks, Reserves and Foreshores</b>    | Cromer No 1 - synthetic surface   |        |
|  | Floodlighting Improvement Program   |        |
|  | Manly Dam - renewals  | ✓      |
|  | Minor rectification of sportsfields - rectification sites                                     | ✓      |
|  | Minor renewal works - parks, reserves and foreshore areas                                     | ✓      |
|  | Netball upgrade - Stirgess Reserve  | ✓      |
|  | New barbeque - Jamison Park   | ✓      |
|  | Nolans and Passmore Reserve - flood lighting, drainage upgrades                               |        |
|  | Old Pittwater Road - new park   | ✓      |
|  | Playground Improvement Program  |        |
|  | Renewal Works - parks, reserves and foreshore   | ✓      |
|  | Sporting Club Capital Improvements Fund   |        |
|  | Sportsfield Rectification Program - Adam Street Reserve, finalise design stage                | ✓      |
|  | Sportsfield Rectification Program - Cromer Park 3 and 4 - design and approvals stage          | ✓      |
|  | Sportsfield Rectification Program - Weldon Oval   |        |
|  | Sportsground signage upgrade  |        |
| <b>Roads, Traffic and Waste</b>          | Kerb and Gutter Renewal Program   | ✓      |
|  | Renewal works   | ✓      |
|  | The Strand Dee Why - construction Stage 2   | ✓      |
| <b>Warringah Aquatic Centre</b>          | Warringah Aquatic Centre - disability access and renewal project Stage 1 design and approvals |        |



# Our Goal

## 3.2 Socially and environmentally responsible urban development

### Our Strategies

- Provide housing that responds to the changing demographic profile of the community and reflects local needs and expectations
- Ensure housing development is sensitive to the natural and built environments
- Ensure buildings and landscaping are suitable for their immediate environment and reflect community values
- Create living streets that give priority to neighbourhood amenity, safety and improved urban design

It is difficult to quantify achievement against this goal because what counts as 'responsible development' is largely subjective and also because such changes only occur over a long period of time. However, Council's planning and development strategies, and its policies, are designed to guide development in Warringah towards greater social and environmental sustainability.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas             | Action  |  |   |
|---------------------------|---|--|---|
| <b>Certification</b>      | Accreditation of building surveyors under the Building Professional Board of NSW  |  | ✓ |
| <b>Strategic Planning</b> | Housing Strategy – Plan to cater for increased dwelling targets as part of Department of Planning draft sub-regional plan |  | ✓ |
|                           | Prepare a site specific Development Control Plan (DCP) for the Freshwater Commercial Centre by independent consultant     |  |   |
|                           | A new Section 94A Plan  |  | ✓ |
|                           | Proposed amendments to the State Environmental Planning Policy – Exempt and Complying Development                         |  | ✓ |
|                           | Review of development controls in the Warringah Local Environment Plan (LEP) and DCP                                      |  |   |
|                           | Consideration of rezoning requests received with exhibition of draft Warringah LEP  |  |   |

### Capital Works 2010 - 2011

| Service Areas                         | Action  | Status |   |
|---------------------------------------|---|--------|---|
| <b>Corporate Support</b>              | Brookvale Park - caretaker's flat demolition                        |        |   |
|                                       | Cycleways, paths and street trees - various works                   |        |   |
|                                       | Entertainment use venues - upgrade fire hydrants                    |        |   |
| <b>Natural Environment</b>            | 21 Ryan Place - stormwater works                                    |        |   |
|                                       | Collaroy stormwater outlet - detailed design                        |        |   |
|                                       | Dee Why CBD - stormwater capacity upgrade - detailed design Stage I |        |   |
|                                       | Emergency stormwater works  |        | ✓ |
|                                       | Jenkins Street, Collaroy - stormwater works                         |        | ✓ |
| <b>Parks, Reserves and Foreshores</b> | Street Tree Planting Program  |        |   |
|                                       | Town Centres - street tree planting                                 |        | ✓ |

# Our Goal

## 3.3 Safe, convenient and accessible transport options

### Our Strategies

- Create efficient movement networks where streets and paths support and encourage walking and cycling, integrated with adequate green spaces
- Integrated land use and transport planning to provide convenient transport services and efficient movement around Warringah resulting in reduced demand for travel in private cars
- Provide a public transport network that is more accessible to a greater number of people
- Reduce congestion on roads, improve the capacities for road networks and improve safety of movement for all users

We identified two indicators to measure our performance against this goal. They are:

- Public Transport Usage
- Road Safety

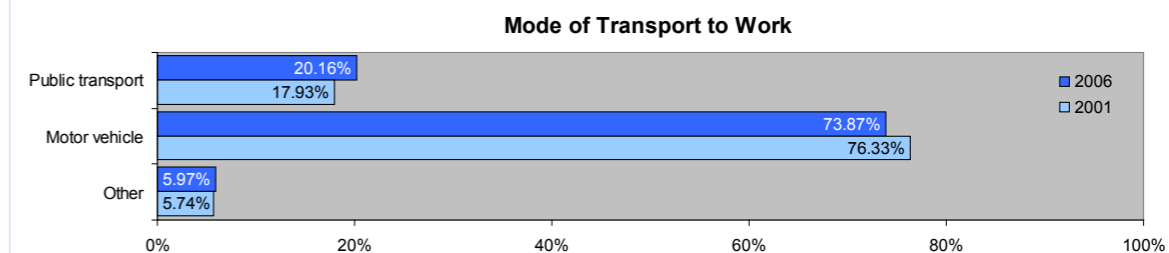
We are currently working on a third indicator measuring the condition of our roads.

## Community Sustainability Indicators

### Public Transport Usage

#### What do we measure?

Mode of transport to work expressed as a percentage of all workers. \*



More people were using public transport for travelling to work in 2006 than in 2001. Some 20.2% used public transport in 2006, up from 17.9% in 2001. Buses remain the predominant mode of public transport at roughly 90%. Reliance on private motor vehicles remains high at 73.9% (down from 76.3% in 2001) with 68% of these driving and 6% as passengers.

#### Desired direction

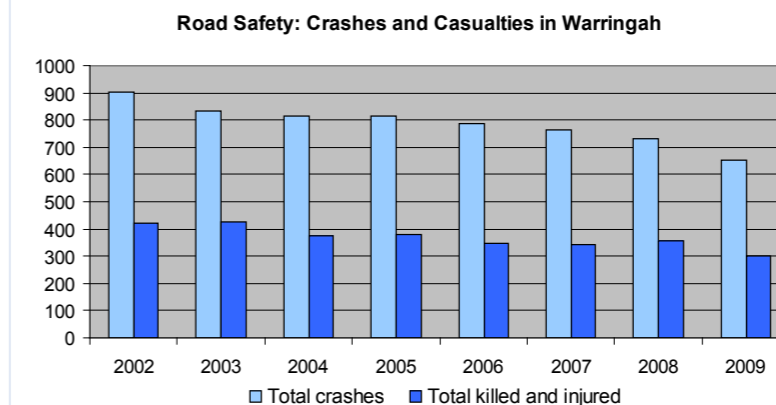
Continue the trend towards more public transport usage.

\* ABS Census Data

### Road Safety

#### What do we measure?

The total number of road accidents and total number of casualties in Warringah LGA. \*\*



The trend from 2002 onwards shows a significant decrease in total accidents on Warringah roads, while the number of persons killed and injured has shown a slight decrease over the same period. Given that the total number of registered vehicles has increased year on year over the same period, this is a good result.

#### Desired direction

Decline in both total accidents and in number of people killed or injured.

\*\* RTA Crash Statistics



## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Area              | Action  |  |   |
|---------------------------|---|--|---|
| <b>Strategic Planning</b> | Extend the existing shuttle bus service from Manly into North Balgowlah |  | ✓ |

### Capital Works 2010 - 2011

| Service Areas                         | Action   | Status |   |
|---------------------------------------|--|--------|---|
| <b>Corporate Support</b>              | Public Amenity Improvement Program - installation of bike racks          |        | ✓ |
| <b>Natural Environment</b>            | South Creek, Dee Why cycleway construction                               |        |   |
| <b>Parks, Reserves and Foreshores</b> | Freshwater Beach - overflow car park                                     |        | ✓ |
|                                       | Manly Dam - mountain bike track  |        |   |
|                                       | Nolans Reserve - cycleway  |        |   |
| <b>Roads, Traffic and Waste</b>       | Accessible ramps program   |        | ✓ |
|                                       | Aquatic Drive, Allambie - refuge island                                  |        | ✓ |
|                                       | Bike Plan Implementation Program   |        | ✓ |
|                                       | Bus Seat Renewal Program   |        | ✓ |
|                                       | Car Park Renewal Program   |        | ✓ |
|                                       | Collaroy Plateau - Local Area Traffic Management Study                   |        | ✓ |
|                                       | Dee Why- traffic and signals works                                       |        | ✓ |
|                                       | Footpath Renewal Program   |        | ✓ |
|                                       | Frenchs Forest Road West and Rabbett Street, Frenchs Forest - roundabout |        | ✓ |
|                                       | Griffin Road, North Curl Curl - slow point                               |        | ✓ |
|                                       | Kenneth Road, Manly Vale - rock cutting stabilisation                    |        | ✓ |
|                                       | Lancaster Avenue, Collaroy - rock cutting stabilisation                  |        | ✓ |

### Capital Works 2010 - 2011

| Service Areas                                  | Action   | Status |   |
|--|--|--------|---|
| <b>Roads, Traffic and Waste</b><br>(continued) | Lismore Avenue, Dee Why - refuge island                      |        | ✓ |
|  | New Footpath Program   |        | ✓ |
|  | Pozieres Parade, Allambie - rock wall removal                |        | ✓ |
|  | Collaroy Street, Collaroy - retaining walls construction     |        | ✓ |
|  | Lagoon View Road, Cromer - retaining walls renewals          |        |   |
|  | Road Resheeting Program                                      |        | ✓ |
|  | Smith Avenue, Allambie Heights - installation of speed humps |        | ✓ |
|  | Victor Road, Dee Why - refuge island                         |        | ✓ |

# Our Goal

## 3.4 Well-maintained public infrastructure that supports sustainable living

### Our Strategies

- Provide infrastructure that serves current and future community needs, shares the benefits and costs equitably and supports a healthy and sustainable environment

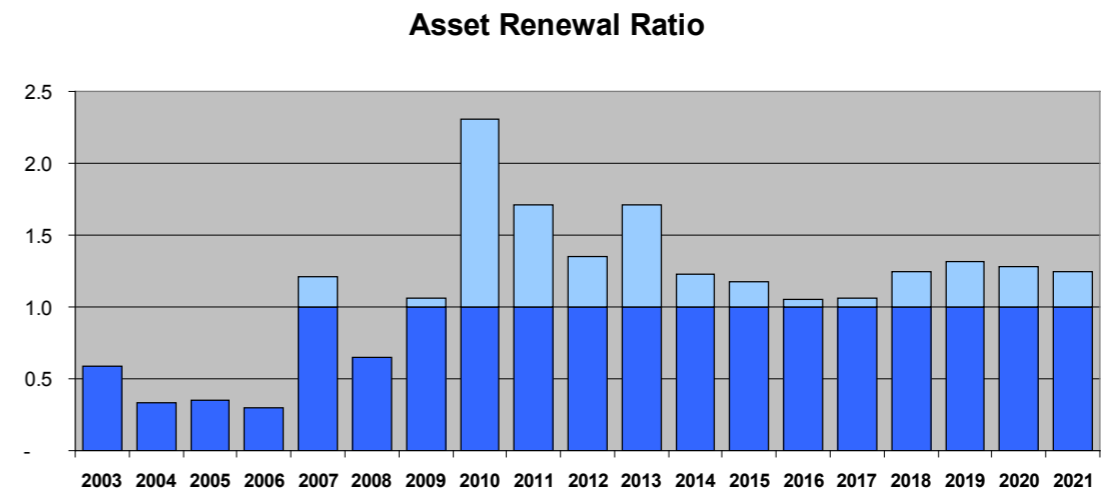
Measuring our progress against this goal can be achieved by measuring our investment in the maintenance of our assets. The asset renewal ratio provides this measure.

## Community Sustainability Indicators

### Asset Renewal Ratio

#### What do we measure?

The amount spent on renewing existing assets (as opposed to maintaining them) divided by their annual depreciation (loss of value). A ratio of 1.0 or greater is preferred.



In the last few years we have increased our asset renewal ratio from well below the minimum preferred rate of 1.0 to 1.71 in 2010 - 2011. Half of the funding for the increased expenditure on asset renewal comes from the Infrastructure Levy introduced in 2006 - 2007 and from savings and efficiencies achieved by Council. Reinvesting in renewing assets at a rate of at least their depreciation ensures service levels for our public infrastructure are maintained and our assets can be used by future generations.

#### Desired direction

An actual ratio of greater than 1.0 annually.



## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas                   | Action   |  |   |
|---------------------------------|--|--|---|
| <b>Compliance</b>               | Implement findings of the beach parking review   |  | ✓ |
| <b>Good Governance</b>          | Investigate local power generation   |  |   |
| <b>Roads, Traffic and Waste</b> | Finalise arrangements with the Roads and Traffic Authority to manage the installation and maintenance of regulatory traffic signage and line markings in Warringah |  | ✓ |

### Capital Works 2010 - 2011

| Service Area               | Action                              | Status |
|----------------------------|-------------------------------------|--------|
| <b>Natural Environment</b> | Narrabeen Lagoon Pathway - Stage 2B |        |







# ENTERPRISES



# Living

A strong local economy that provides employment and training opportunities

## Key Services

|                                 |     |
|---------------------------------|-----|
| Certification Services          | 104 |
| Compliance Services             | 116 |
| Cultural Services               | 120 |
| Development Assessment Services | 124 |
| Parks, Reserves and Foreshores  | 136 |
| Roads, Traffic and Waste        | 140 |
| Strategic Planning              | 144 |
| Good Governance                 | 154 |

| Key Contributors                          | Advocate | Funder | Service Provider | Regulator | Partner |
|---|----------|--------|------------------|-----------|---------|
| Warringah Council                         | .        | .      | .                | .         | .       |
| Chambers of Commerce                      | .        | .      | .                | .         | .       |
| Local enterprises                         | .        | .      | .                | .         | .       |
| Department of Planning and Infrastructure | .        | .      | .                | .         | .       |
| Other government agencies and departments | .        | .      | .                | .         | .       |



# Our Goal

## 4.1 Sustaining a strong local economy that provides employment and training opportunities

### Our Strategies

- Understand business needs and trends based on a broad range of data
- Develop Council policies that encourage an appropriate and accessible range of businesses and services to meet the service and employment needs of the local and regional community
- Ensure employment and training for the community to be available locally and for businesses in Warringah to have ready access to appropriately skilled workers
- The location of commercial, industrial and retail development to be convenient for users, to provide ready access for employees and to avoid conflicts about land uses
- To reduce the demand for travel through more local jobs and services
- Funding to enable Council support for business development in Warringah

Our local economy is a product of many different factors and influences, many of which are out of Council's control. We currently use standard economic indicators to give an overview of the local economy:

- Gross Regional Product (GRP)
- Employment Containment
- Qualification/Local Industry Mix

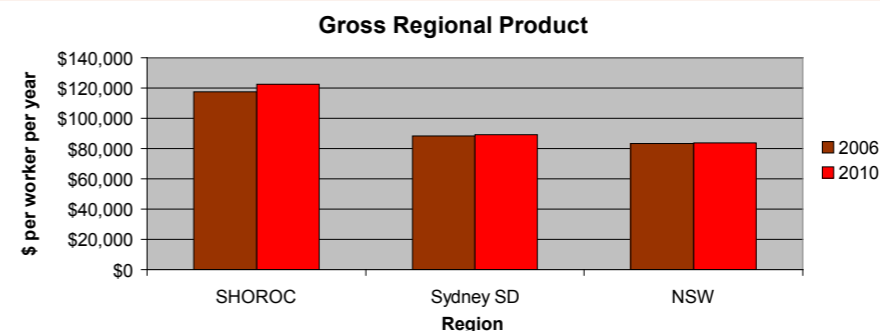
We recognise the importance of sustainable local economic development and will be publishing a Local Economic Development Plan during 2011. This will assist in refining our approach to the measurement of economic well being.

## Community Sustainability Indicators

### Gross Regional Product (GRP)

#### What do we measure?

The net wealth per worker generated by the local regional economy of Manly, Mosman, Pittwater and Warringah (SHOROC). This is calculated the same way as GDP is calculated for the national economy. \*



For the year ending June 2010, GRP per worker for the SHOROC region was \$122,638. This was a greater amount than Sydney Metropolitan (\$88,993) and NSW (\$83,602). Furthermore, the percentage increase between 2006 and 2010 for the SHOROC region was 4.5% compared to Sydney Metropolitan (0.7%) and NSW (0.3%).

#### Desired direction

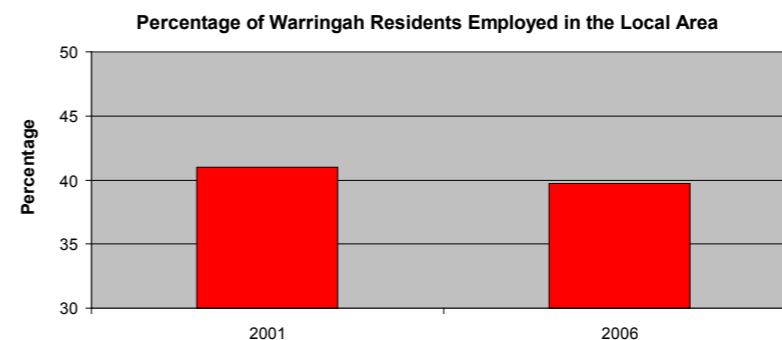
Hold or increase GRP relative to Sydney Metropolitan.

\* Source: SHOROC Economic Profile

### Employment Containment

#### What do we measure?

The employment location of Warringah residents. \*



On Census night in 2006, 39.7% of residents worked in the local area compared to 41.0% in 2001. Despite this small drop, employment containment in Warringah is higher than the metropolitan average. Also, it is worth noting that 51.5% of residents remain in the region for their employment, (ie. the local government areas of Pittwater, Warringah, Manly and Mosman).

#### Desired direction

Hold or increase containment rate, to minimise transport challenges and keep our local economy diverse and vibrant.

\* Source: ABS Census Data, 2001, 2006.

## Community Sustainability Indicators

### Qualification/Local Industry Mix

#### What do we measure?

Changes in employment by sector\*. This to be compared with changes in qualifications (see page 53).



There was a net gain of nearly 1,000 jobs between 2001 - 2006. Sectors that gained the most were: Wholesale trade, Health and Community Services, Education, and Construction. Manufacturing saw the greatest fall in jobs, losing nearly 1,500 over the period. These employment changes reflect changes in qualifications amongst local residents with more people holding vocational or higher qualifications and less people with no qualifications (see page 53).

If there is a close fit between residents' qualifications and the local industry mix, it is more likely to encourage employment containment (see previous page).

#### Desired direction

A closer match between residents' qualifications and the local industry mix.

\* Source: Australian Business Register 2007.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas      | Action  | Status                              |
|--------------------|---|-------------------------------------|
| Good Governance    | Work with Pittwater Council to establish local and regional economic development programs and initiatives | <input checked="" type="checkbox"/> |
| Strategic Planning | Complete Brookvale Employment Lands Study   | <input checked="" type="checkbox"/> |



# Our Goal

## 4.2 Balancing the economic benefits of visitors and the impact on local resources and the community

### Our Strategy

- Manage the impact of visitors to Warringah to balance the effect on the residents' lifestyles and economic development

Council is currently preparing a Local Economic Development Plan which will be published during 2011. It will contain a medium term action plan that will set out what needs to be done to achieve this goal. Suitable performance indicators will also be included.

## Performance Against Principal Activities

### Capital Works 2010 - 2011

| Service Areas                  | Action   | Status |
|--------------------------------|--|--------|
| Corporate Support              | Collaroy Access Tourism Precinct (component 1A) - Collaroy Surf Life Saving Club - construction and commissioning including new lift, entertainment use works and upgrades to adjacent swim club |        |
|                                | Collaroy Access Tourism Precinct (component 1B) - Collaroy Surf Life Saving Club - public amenities renewals and accessibility works   |        |
| Parks, Reserves and Foreshores | Collaroy Access Tourism Precinct (component 2) - reserve improvements  |        |

# Our Goal

## 4.3 Well-managed business infrastructure to support a thriving local economy

### Our Strategy

- Ensure the supply and cost of utilities and services meets the commercial, industrial and retail needs of Warringah

Council is currently preparing a Local Economic Development Plan which will be published during 2011. It will contain a medium term action plan that will set out what needs to be done to achieve this goal. Suitable performance indicators will also be included.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Area       | Action   | Status |
|--------------------|--|--------|
| Strategic Planning | LEP amendment - urban form study for the Dee Why commercial and residential major centre |        |

### Capital Works 2010 - 2011

| Service Areas                  | Action   | Status |
|--------------------------------|--|--------|
| Parks, Reserves and Foreshores | Collaroy Access Tourism Precinct - design                                  |        |
| Roads, Traffic and Waste       | Collaroy Access Tourism Precinct (component 3A) - streetscape improvements |        |
|                                | The Strand, Dee Why - streetscape improvements construction Stage 3        | ✓      |
|                                | Freshwater Village Town Centre - upgrade                                   |        |





# ORGANISATION



## Key Services

Corporate Support 150

Good Governance 154

*Living*

An innovative and effective organisation with strong leadership

| Key Contributors  | Advocate | Funder | Service Provider | Regulator | Partner |
|---|----------|--------|------------------|-----------|---------|
| Warringah Council   | •        | •      | •                | •         | •       |
| Local Government and Shires Association                         | •        |        | •                |           | •       |
| Department of Premier and Cabinet, Division of Local Government |          |        |                  | •         | •       |
| SHOROC  | •        |        | •                |           | •       |
| Other professional associations (LGMA etc.)                     | •        |        | •                |           | •       |

# Our Goal

## 5.1 An effective and efficient organisation

### Our Strategies

- Ensure long term financial sustainability through effective short and long term financial management
- Improve communication with the community and increase awareness and understanding of Council's decisions
- Attract, develop and retain highly skilled staff who enjoy a safe work environment

We identified a range of Strategic Performance Measures to measure progress against this goal. All of them are very much within Council's sphere of influence.

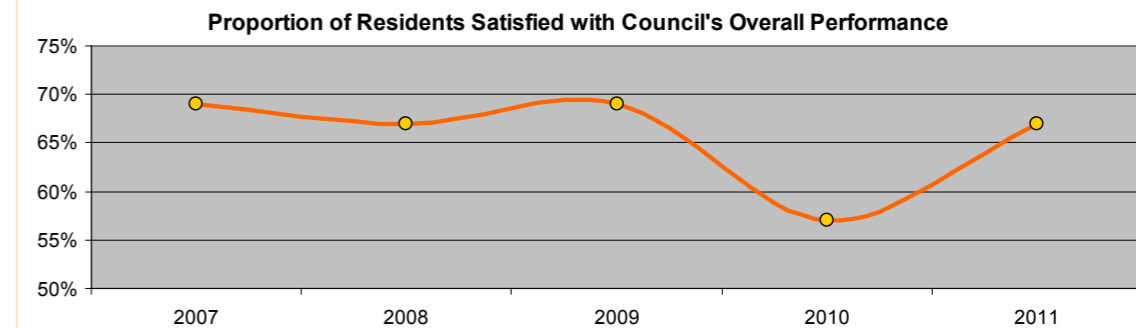
- Community's Overall Satisfaction with Council's Performance
- Overall Staff Satisfaction and Wellbeing
- Staff Training
- Occupational Health and Safety
- Financial Health Check Compliance
- Overall Budget Performance
- Scheduled Capital Works Completed
- Scheduled Projects Completed

## Community Sustainability Indicators

### Community's Overall Satisfaction with Council's Performance

#### What do we measure?

The proportion of residents satisfied with Council's overall performance as expressed in the Annual Community Survey.



In 2011, the proportion of residents that are satisfied with Council's overall performance is back in line with results of 2009 after falling in 2010.

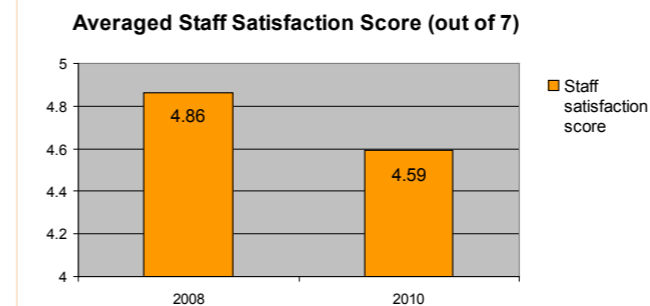
#### Desired direction

Increase resident satisfaction.

### Overall Staff Satisfaction and Wellbeing

#### What do we measure?

Averaged employee ratings (out of 7) in respect of their feelings of satisfaction. These were provided in the 2008 and 2010 Employee Opinion Surveys. \*



High overall satisfaction is a positive indicator of employee commitment to the organisation, pride in the organisation, and desire to remain in the organisation. In 2008, our staff rated us at 4.86 out of 7 which was the third highest rating of 12 comparable councils that also completed the survey. In 2010 this score had dropped to 4.59 with areas for improvement identified as leadership and investing in people. A programme of staff consultation has been established to improve the organisation in respect to these matters.

#### Desired direction

Maintain high level of staff satisfaction

\* Survey conducted by Infync Surveys

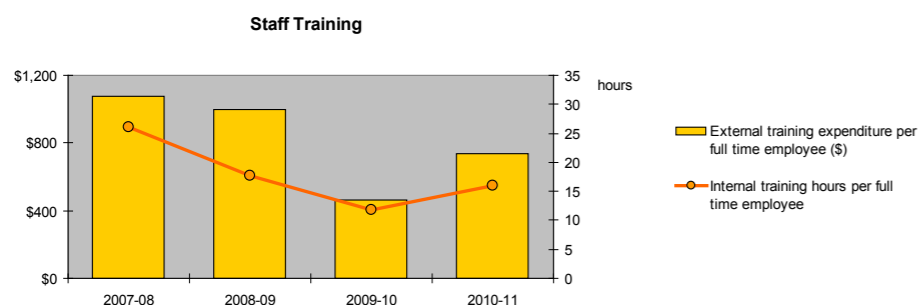


## Community Sustainability Indicators

### Staff Training

**What do we measure?**

Expenditure on external training per equivalent full time employee and internal training hours per equivalent full time employee



High levels of training investment between 2007 - 2009 reflected the roll out of new systems in finance, property, rating and records. A scaling back inevitably followed in 2009 - 2010 with investment increasing again in 2010 - 2011 as new and existing staff needed their skill sets refreshed.

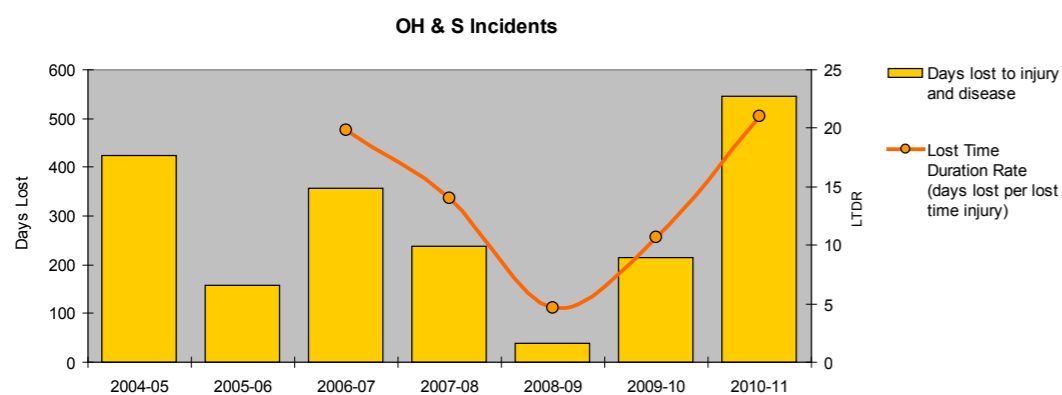
**Desired direction**

Maintain commitment to external and internal training of staff

### Occupational Health and Safety

**What do we measure?**

Days lost due to injury or disease per OH&S incident and total number of days lost due to injury or disease.



Council is now striving for a triple zero target which means zero accidents, zero incidents and zero lost time injuries. This new target has been implemented because Council believes it is not good to have injured workers.

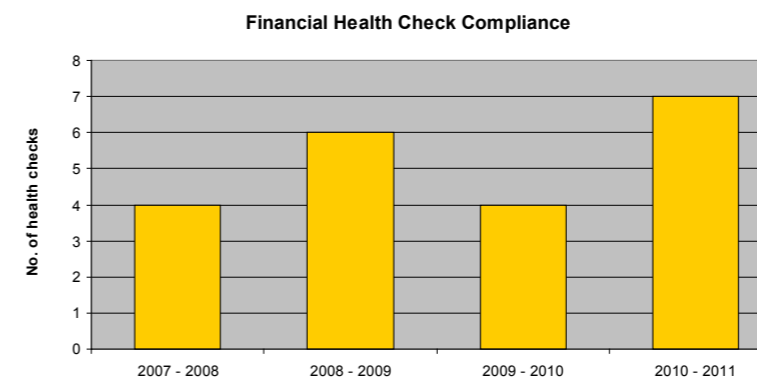
**Desired direction**

Zero days lost and zero lost time.

### Financial Health Check Compliance

**What do we measure?**

Compliance with seven financial health checks.



Last year Council was compliant with all seven financial health checks.

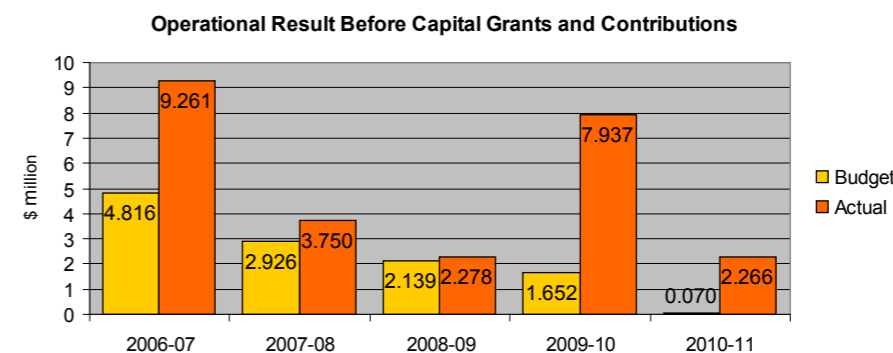
**Desired direction**

100% compliance.

### Overall Budget Performance

**What do we measure?**

Comparison of the budgeted and actual operating result for the year before capital grants and contributions.



The net operating surplus before capital grants and contributions for the 2010 - 2011 financial year was \$2.266m compared to the original budget position of \$0.069m. This positive variance was due to a number of factors with the principal components being higher interest and investment revenues reflecting Council achieving rates more than 1% above the benchmark and lower employee costs related to amongst other things unfilled vacancies.

**Desired direction**

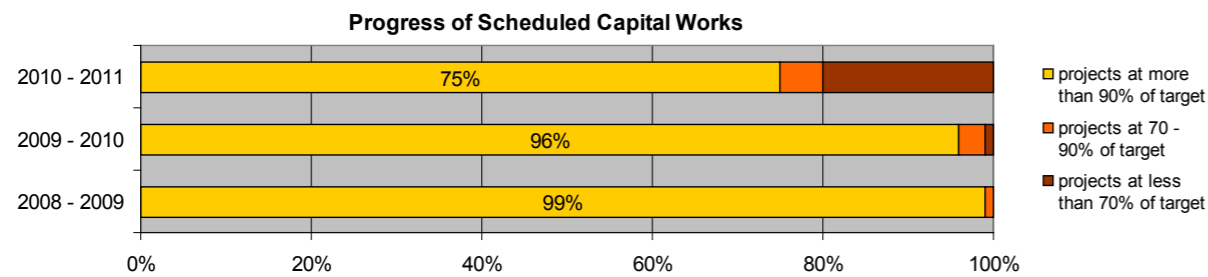
Actual figure to be within 10% bandwidth of budget.

## Community Sustainability Indicators

### Scheduled Capital Works Completed

**What do we measure?**

Percentage of capital works at 90% or more of their progress target by the end of the financial year.



25% of projects were behind schedule. The majority have substantially commenced and will be completed in 2011 - 2012. Reasons for the delays include grant funding not being available for the works, additional consultation with affected stakeholders, technical issues with the project, insufficient funds for the works and weather delays.

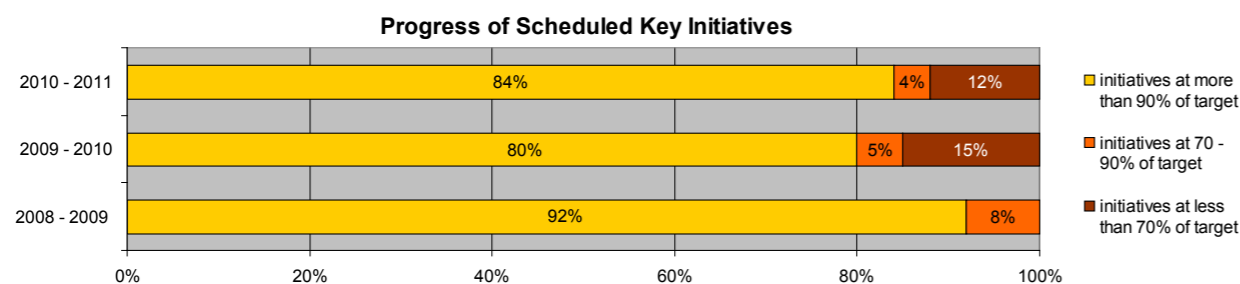
**Desired direction**

At least 85% of capital works at 90% or more of their progress target for the financial year.

### Scheduled Projects Completed

**What do we measure?**

Percentage of key initiatives at 90% or more of their progress target by the end of the financial year.



Last year's performance is an improvement on the previous year with more initiatives at more than 90% of target.

**Desired direction**

At least 85% of key initiatives at 90% or more of their progress target for the financial year.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas                    | Action  | Status |
|----------------------------------|---|--------|
| Corporate Support                | Develop and deliver organisational training programs in the key areas of Project Management, Procurement and Contract Management, Management and Basic Finance, Plain English Report Writing, Customer Service Soft Skills and Leadership |        |
|                                  | Employee opinion survey of Council staff  | ✓      |
|                                  | To establish and implement the Enterprise Risk Management Program, including development of the Enterprise Risk Management Framework (Public Policy and Framework)  |        |
|                                  | Implement Business Continuity Development Program   |        |
| Good Governance                  | Publish the Annual Report   | ✓      |
| Information and Library Services | Review the presentation and delivery of the Community Directory   | ✓      |
|                                  | Benchmark the cost of collection management against the State Library of NSW guidelines   |        |

### Capital Works 2010 - 2011

| Service Area      | Action  | Status |
|-------------------|---|--------|
| Corporate Support | Civic Centre - Upgrade of Customer Service Centre                               |        |
|                   | Contract Management Module  | ✓      |
|                   | Customer Request Management - Knowledge base software                           |        |
|                   | Disaster Recovery Site at Cromer  | ✓      |
|                   | Heavy Plant Replacement   | ✓      |
|                   | Internet Protocol - Telephony System  |        |
|                   | Light Commercial Fleet  | ✓      |
|                   | Mobile inspections software   |        |
|                   | Network monitoring software   | ✓      |
|                   | Online bookings system  |        |
|                   | Light fleet   | ✓      |
|                   | Replace locks and access controls on facilities to increase security and access |        |
|                   | TRIM upgrade  |        |



# Our Goal

## 5.2 An innovative and progressive organisation

### Our Strategy

- Be a value driven organisation
- Delivering timely services based on community needs

We identified three Strategic Performance Measures to assess progress against this goal. All of them are very much within Council's sphere of influence.

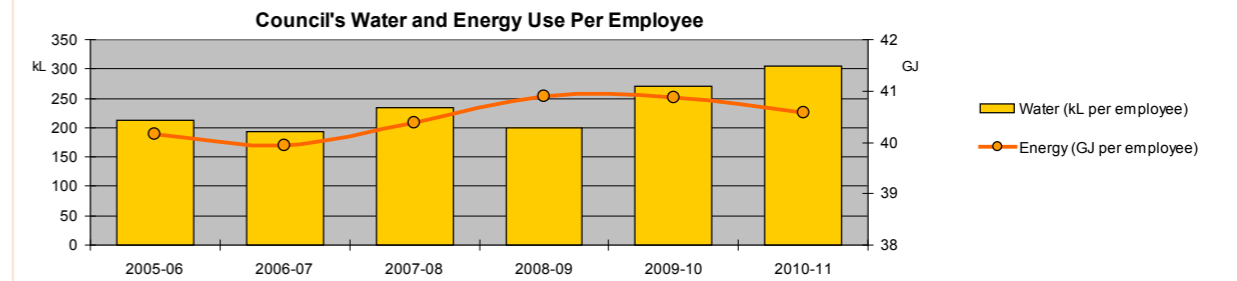
- Corporate Environmental Sustainability
- Asset Renewal Ratio
- Service Reviews Conducted

## Strategic Performance Measures

### Corporate Environmental Sustainability

#### What do we measure?

Water and energy consumption for all Council operations (excluding street lighting) per employee. \*



These indicators include energy and water usage for all Council operations such as Warringah Aquatic Centre, operation of libraries, community centres etc. with the exception of street lighting. Since 2008 - 2009 energy consumption at Council facilities has been declining, largely as a result of energy saving actions including refurbishment of buildings and a greater focus on demand management. This trend is expected to continue. However, since 2008 - 2009 mains water consumption has increased, primarily from our parks and reserves facilities. Some of this increase can be attributed to a switch from bore to mains water at some sites, ground renovation works as well as leaks and faulty equipment.

#### Desired direction

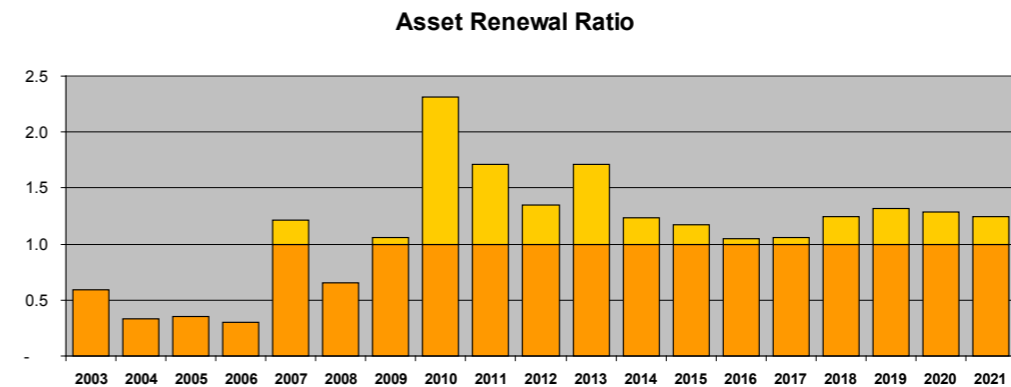
Decrease the consumption per employee

\* Data sources: Energy Australia and Sydney Water

### Asset Renewal Ratio

#### What do we measure?

The amount spent on renewing existing assets (as opposed to maintaining them) divided by their annual depreciation (loss of value). A ratio of 1.0 or greater is preferred.



In the last few years we have increased our asset renewal ratio from well below the minimum preferred rate of 1.0 to 1.71 in 2010 - 2011. Half of the funding for the increased expenditure on asset renewal comes from the Infrastructure Levy introduced in 2006 - 2007 and from savings and efficiencies achieved by Council. Reinvesting in renewing assets at a rate of at least their depreciation ensures service levels for our public infrastructure are maintained and our assets can be used by future generations.

#### Desired direction

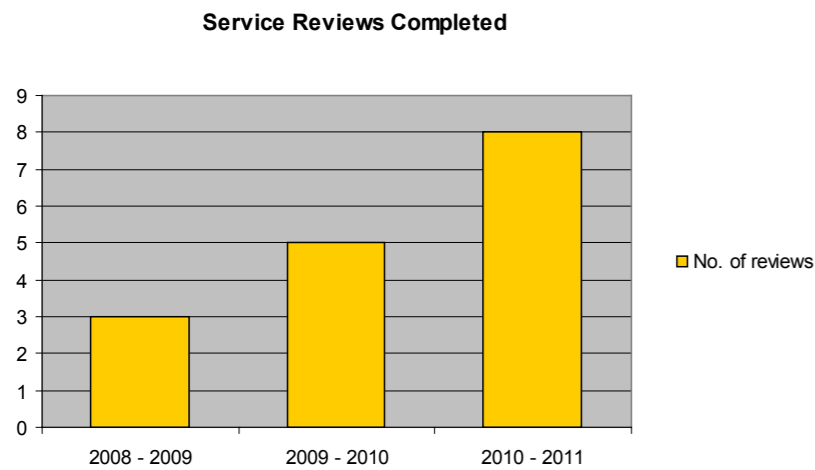
An actual ratio of greater than 1.0 annually.

## Strategic Performance Measures

### Service Reviews Conducted

**What do we measure?**

Reviews undertaken of Council services during the financial year.



There were eight service reviews conducted over the financial year, all of which resulted in either minor or major changes to the services concerned.

**Desired direction**

Ongoing program of service review reflecting Council's commitment to Business Excellence.

## Performance Against Principal Activities

### Key Initiatives 2010 - 2011

| Service Areas                 | Action  | Status |
|-------------------------------|---|--------|
| <b>Corporate Support</b>      | Defining Excellence for Warringah Council in accordance with the Australian Business Excellence Framework     | ✓      |
|                               | Deliver a program that supports staff in the continuous improvement of business processes                     | ✓      |
| <b>Development Assessment</b> | Streamline the Local Environmental Plan (LEP) to reduce resources required to assess development applications | ✓      |
| <b>Good Governance</b>        | Develop the annual Strategic Community Plan   | ✓      |





Coastal Evening: Paul Miller - Warringah Art Exhibition entrant

# SERVICE HIGHLIGHTS 4

A closer look at performance by service for 2010 - 2011.

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# Certification Services

## Strategic Contributions

|                           |           |
|---------------------------|-----------|
| Living Environment        | 34        |
| Living Communities        | 48        |
| Living Spaces             | 62        |
| <b>Living Enterprises</b> | <b>80</b> |
| Living Organisation       | 90        |

# \$0.8m

Total expenses from continuing operation

## Fast Facts

- 194 building certificate applications processed
- 120 construction certificates processed

## Key Activities and Programs

- Issue certificates and approvals (including Construction Certificates, Occupations Certificates, Strata Certificates, Compliance Certificates and Building Certificates)
- Conduct principal certifying authority functions
- Building certification

## Key Performance Indicator

| KPI   | Unit | Target | Actual | Indicator |
|---|------|--------|--------|-----------|
| % of market share for private certification | %    | 12     | 10.3   |           |
| Scheduled projects completed (operational)  | %    | 85     | 100    |           |

## Accreditation of Certification Officers

The Certification Services team provides impartial certification services by assessing and determining construction certificates, along with associated "critical stage" inspection of buildings during construction. During the year, all our building surveyors were registered as Accredited Certifiers with the Building Professionals Board. The Building Professionals Board is the statutory body that regulates building and subdivision accreditation within NSW.



# Children's Services

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$6.1m

Total expenses from continuing operation

## Fast Facts

- 416 children per week (on average) cared for in four Long Day Care centres and up to 20 children per day cared for by Mobile Occasional Care
- 777 separate families (on average) used vacation care each holiday period, catering for an average of 820 children per holiday program
- Approximately 3,300 families received regular information on children's and family services
- 9,749 bookings in total taken by the five Vacation Care Centres over the year

## Key Activities and Programs

- Long day care, mobile occasional care and family day care
- Recreational, leisure, vacation programs and events for children and their families
- Provide information and referral service for children and their families
- Provide family and community education
- Provide opportunities for increased service participation for families from culturally and linguistically diverse communities and Aboriginal and Torres Strait Islander communities
- Promote service integration and support services to vulnerable families

## Key Performance Indicators

| KPI  | Unit       | Target | Actual | Indicator |
|--|------------|--------|--------|-----------|
| Residents satisfied with provision of childcare services                       | Mean score | 6.34   | 6.51   |           |
| No. of days children with additional support needs accessing - Family Day Care | Days       | -      | 269    | -         |
| No. of days children with additional support needs accessing - Long Day Care   | Days       | -      | 192    | -         |
| % of Council Child Care Centres that are fully accredited                      | %          | 100    | 100    |           |

## Quality Services

We continue to deliver outstanding children's services through the operation of four long day care centres, the family day care scheme, occasional child care and five vacation care centres. These services are accredited to the highest standards. We also provide premises to six community-based pre-schools.

The services standards we maintain provide a benchmark for other providers in the region. We continue to be an active participant in service networks, and provides comprehensive and current information to ensure all families can access appropriate services when they need them. Our model for service delivery incorporates continued professional development of staff through the inclusion of students in programs, mentoring and training, and other support programs such as learning circles with other local services.

## Upgrades of Childcare Facilities

To ensure the best environments for children, service upgrades this year have included new children's bathrooms at Belrose and Narrabeen Children's Centres, and a full upgrade to the 3-5s playground at Dee Why Children's Centre. A new shade structure has also been built at Belrose Children's Centre to improve sun care. All services are accredited SunSafe services.

## New Occasional Care Venue

In 2010, Council established an occasional care venue at the Brookvale Community Centre, operating on a Tuesday, Wednesday and Friday. This service is the forerunner of a new purpose-built facility to be constructed in Brookvale in 2011 - 2012. The new facility will provide an improved service for local families.



## Children's Services

### National Quality Framework

Preparations are well underway to meet the new National Quality Framework that is being phased in from 2012. The Framework requires a higher standard of care in the areas of education and health and safety. Over the last 12 months we have focussed on the Early Years Learning Framework and developing a Community of Learners. Nine staff were supported to complete formal qualifications in 2010, and a further 14 are currently undergoing formal qualifications. Staff's ongoing training and development needs are met through formal training sessions, mentoring, learning circles, and attendance at inter-service forums.

### Transition to School

Evidence shows that academic and later success in life is connected with a child having made a successful transition to school. Our services support this transition through regular communications with local schools and delivering programs that equip children for school. The programs target the formal elements of learning and routines as well as critical social skills and emotional wellbeing.

### Inclusion of Children with Additional Support Needs

We continue to target the inclusion of children from vulnerable families and children with additional support needs for all our services. Priority is given to these families accessing our services and we also actively works with many support agencies to ensure that each child's inclusion is fully supported.



# Community and Safety Services

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$6m

Total expenses from continuing operation

## Fast Facts

- Over 2.4 million people visited our nine beaches in 2010 - 2011
- 153,763 pre-emptive actions, 825 rescues, and 5,680 first aid treatments were performed by Beach Services
- 20,735 infringements of beach reserve regulations acted upon to ensure our beaches remain a safe, appealing and welcoming destination. Hazards included water regulations, dogs on beaches, littering and anti-social behaviour
- 15 schools participated in the Beach Awareness Safety Education Program
- 526,354 attendances at our community centres in relation to regular hiring
- 56,181 attendances at our community centres in relation to casual hiring
- 60% reduction in crime amongst Pacific and Maori youth following the introduction of the Pacific and Maori Work on the Street Team
- \$35,000 distributed under Community Development Grants Program (2010 - 2011)

## Key Activities and Programs

- Build community capacity of individuals, groups and services for seniors, and people with a disability, amongst others, to optimise health and wellbeing, social inclusion and independence
- Participate in local and regional planning for community service provision, with other government and community sector organisations
- Provide a professional beach management service across Warringah's nine beaches, seven days per week during the beach season, including the Beach Awareness and Safety Education (BASE) community program
- Manage and promote Council's network of community centres to meet the diverse needs of the community
- Manage the community development grants program to fund evidence based community initiatives which build community capacity, community connectedness and a sense of place
- Promote service integration and support services to vulnerable families

## Key Performance Indicators

| KPI  | Unit       | Target | Actual | Indicator |
|--|------------|--------|--------|-----------|
| Residents satisfied with facilities and services for older people              | Mean score | 6.62   | 6.59   | ↔         |
| Residents satisfied with facilities and services for people with disabilities  | Mean score | 6.60   | 6.47   | ↔         |
| Residents satisfied with facilities and services for youth                     | Mean score | 5.86   | 5.81   | ↔         |
| Residents satisfied with community centres                                     | Mean score | 6.80   | 6.83   | ↔         |
| Residents satisfied with provision of lifeguards on the beach                  | Mean score | 8.37   | 8.37   | ↔         |
| No. of days occupied by children with additional support needs - Vacation Care | Days       | -      | 217    | -         |
| % of community members who feel safe in the community                          | %          | 7.96   | 8.47   | ↑         |
| Utilisation of community centres   | %          | 40.0   | 37.4   | ●         |

## Community Centres

### Refurbishments

A number of our facilities were refurbished so they continue to meet the needs of our community.

Specific works were undertaken at:

- Harbord Literary Institute – Building Code of Australia compliance and major capital works upgrade, to improve safety, accessibility of kindergarten office space, bathroom and playground upgrades.
- Dee Why Seniors Citizen Centre – kitchen upgrade, new carpets, and installation of acoustic panels.
- Forest Youth Centre (YoYos) - Building Code of Australia compliance works, and upgrade of security and storage.
- Belrose Community Centre - playground improvements.
- Brookvale Community Centre - Back garden improvements including, installation of play equipment, soft fall surface, pergola, shade cloth and new fencing.

## Usage

Our centres are community hubs that attract people of all ages from babies and preschool children to retirees and seniors. They provide safe, accessible and friendly space for regular and one-off hirers to conduct a range of programs. Over the last 12 months casual usage increased by 52% from the previous year. Refurbishment of the centres, better marketing and the community centre website have contributed towards the increase.



## Community and Safety Services

### Community Services

Art and Craft Exhibitions and Enrolment days are held throughout the year at Forest Community Arts Centre and the Tramshed Arts and Community Centre. The Forest Community Arts Centre Annual Exhibition was held in September 2010 which was a huge success with over 544 entries and 29 paintings and 70 ceramic pieces sold. The exhibition was judged by a member of the Royal Art Society and a raffle raised \$1,631. Local businesses donated \$400 including other items which were used to make up the prizes for the raffle. The funds raised were used to cover running costs of the exhibition. It was estimated that 180 people attended the open night and over 1,000 people attended over the weekend.

In September 2010 the Tramshed groups and hirers participated in the Berry Reserve monthly markets. Council staff provided three stalls for the groups to promote their activities by directly engaging with the large crowds that attend these popular markets at Narrabeen each month. Demonstrations included yoga, children's Flamenco dancing, children's art, pottery on the wheel, The Shack folk music, Warringah Permaculture, and University of the Third Age (U3A).

In May 2011 a Tramshed Art Exhibition/Open Day was held in conjunction with the Berry Reserve Market Day to make the most of the onsite crowds at the markets. Over 600 people attended the exhibition which was opened by the Mayor, Michael Regan and attended by local Councillors. Most popular were the childrens interactive (free) pottery and art workshops held on the day. This event is now planned to be held annually.

Community centres were also represented at the 2010 Spring Rotary Fair at Forestville Shopping Centre. A stall promoted the Community Centres and the Forestville Library as venues and significant interest was generated for the tutors running classes from Council's community centres.

These events promote:

- Increased knowledge in the community about the activities held at community centres.
- A continuing, healthy and vibrant arts and crafts activities programme at Forest Community Arts Centre and Tramshed Arts and Community centre.
- A marketing opportunity to increase class sizes, utilization rates and therefore, income.
- A positive image of Warringah Council.

### Beach Services

#### The Science of the Surf lecture

We continue to improve family and community education and safety programs including, beach and surf awareness and parenting programs for Warringah primary school students. In January 2011 we hosted our award-winning Science of the Surf lecture, which aims to provide a basic understanding of the scientific principles of beaches and surf zones. The lecture included a demonstration of how rips work with the release of biodegradable purple dye into the surf – it was a surprise to many just how quickly people can be washed out to sea.

#### Beach Services Risk Audit

A Risk Assessment Framework and Methodology was developed for all beach reserves under Warringah's care, control and management. Water safety and operational risks were identified at each location to enable a systematic approach to management of the risks. The work included the development of software so staff could use the framework in future to inform the decision on how to allocate resources to each of the beach reserves.

The framework and tool will help improve levels of service delivery.

#### Surf Watch Huts

New surf watch huts were installed on Freshwater, North Narrabeen and Long Reef beaches to improve safety and allow for quicker response times in an emergency.

### Disability Services

#### 'Every Australian Counts' Campaign for a National Disability Insurance Scheme

We proudly became the first Council in NSW to officially endorse the Every Australian Counts Campaign calling on the Federal Government to commit to introducing the National Disability Insurance Scheme (NDIS) to ensure equitable access to essential care, support, therapy, equipment, early intervention and training. In May 2011 we endorsed and promoted the campaign and were also the first Council in NSW to host an information event for the campaign.

#### Submissions to key Government Inquiries

Following consultation and discussion with the Department of Ageing, Disability and Home Care on the direction of the next five years of disability services funding – Stronger Together 2010 - 2015, a submission was made highlighting areas for improvement and the prioritised need for services for people with a disability in Warringah over the next five years.

We were involved in consultation with the Local Government Shires Association and a number of other councils to develop a submission to the Productivity Commissions Inquiry into a long-term disability care and support scheme. A submission was made to the NSW Legislative Council's Standing Committee on social issues inquiry into ADHC services highlighting key areas of concern and need for improvement in the disability sector.

#### Accessible Facilities

The accessible facilities brochure which features a list of Council's accessible infrastructure including beaches, surf clubs, swimming centres, child care centres, community centres, libraries, reserves, sport grounds and picnic areas - was updated in August and made available on Council's webpage. A range of works have been carried out on our facilities to improve access.

### Aged Services

We offered a variety of services and programs for older people including an information and referral service for seniors and the distribution of more than 27,000 information products annually to Warringah residents.

#### Healthy Ageing Programs

Every year we hold a month of activities to celebrate Seniors Week in March. The theme for 2011 Seniors Week was 'Live Life' and our program encouraged older residents to try something new, be active and stay independent and carefree.

#### Seniors Week Program 2011

During Seniors Week (20 March to 12 April) a program of activities involving local services and groups are offered for seniors to 'try a new activity or learn a new skill'. This included local walks, strength training, tai chi, sessions on social networking and cooking as well as seminars on history and finances. A number of seniors have continued their involvement in these activities or groups.

#### Seniors and Care Guide 2011

In 2010 - 2011 over 40,000 copies of the Seniors' Guide was distributed to a range of outlets providing services for seniors. This invaluable directory is compiled by Warringah, Pittwater and Manly councils and is essential reading for seniors, families and service providers.

## Community and Safety Services

### Youth Services

We provide an array of support, education and recreation programs for young people and their families.

#### 24/7 Youth Film Festival

We continue to encourage young people to unleash their creative talents through the annual 24/7 Youth Film Festival. Through the combined efforts of the SHOROC councils, young people attended a variety of workshops to develop and refine their creative skills, including scriptwriting, cinematography, acting and editing. Two screenings were held in local cinemas with 24 short film entrants narrowed down to 10 for the Final and Awards night which saw more than 400 people attend.

#### Seminars and Speaker Nights

We held numerous free speaker nights throughout the year, catering for a variety of community members and groups. Topics included Surviving Year 12, Bully Busting, Dealing with Teenage Backchat and Building Resilient Kids and the internationally recognised Teenage Triple P program (Positive Parenting Program).

#### Northern Composure Band Competition

The annual Northern Composure Band Competition continued its popularity again this year with overwhelming interest and community following. Now in its tenth year, the Northern Composure Band Competition provides a great opportunity for young local bands to showcase their talents, perform in front of their peers in a safe and supportive environment and gain valuable experience performing live.

Highlights from this year's competition include record sponsorship of more than \$34,000 and the attendance of 1,200 people. A new component was added for young people to document the competition in the form of film, photos and gig reviews. A compilation album was also produced and made available on iTunes with the most downloaded single being released by Universal Studios during Youth Week.

#### Sister City Youth Exchange Program

We have fostered friendships between our beach and the bush community of Brewarrina Shire Council since 2000. The youth exchange program is an important component providing young people the chance to form friendships and gain a better understanding of each others' lives. During the winter school holidays six Warringah Youth Ambassadors and Council staff travel to Brewarrina to participate in a range of educational and recreational activities, meeting and interacting with the local community. Highlights included visiting the Brewarrina Fish Traps, Gundabooka National Park, Lightning Ridge, and attending a local disco.

In January 2011 six Youth Ambassadors from Brewarrina sampled the best of the northern beaches. This was a great opportunity for young people from north western NSW to take a break from the flood ravaged area and come to Sydney for a week of recreation and educational activities. This included learning to surf, instruction in beach safety and awareness, scuba diving, sailing and meeting the Sea Eagles.

#### DiscoBility

DiscoBility is a dance party for young people with special needs. Four DiscoBility events were held during the year with themes of Hawaiian, Valentines Day, Sports and Halloween. The event focuses on including young people with special needs, their carers, siblings and friends in a fun, safe and exciting environment

#### Partnership between NSW Council for Pacific Communities, Cromer Campus and Warringah Council

Youth Services partnered with and supported Cromer Campus and the NSW Council for Pacific Communities in a homework and learning support program. The program was made possible through a \$50,000 grant as part of the Schools First NAB Program. In addition we have built a strong relationship with the Pacific and Maori communities through the Pacific and Maori Work on the Street Team. This group was set up in November 2010 to help address the ongoing issues around Pacific Islander and Maori youth crime in the area. It has met with overwhelming success with police reporting up to 60% reduction in crime for this demographic.

### Special Projects

#### Graffiti Management Plan

We adopted a new Graffiti Management Plan in October 2010 to provide a comprehensive response to graffiti. The Plan has been endorsed by leading academics and graffiti researchers and goes beyond reactive/punitive approaches and recognise there is no quick-fix to this issue. It requires a long-term approach that includes both reactive elements (rapid removal and law enforcement) and preventive, cultural development elements that deal with graffiti's causes, unique local characteristics and the culture associated with it.

Our plan follows a harm reduction approach that seeks to reduce the prevalence and cost of illegal graffiti and divert those involved with illegal graffiti into more challenging, creative and productive pursuits. We are employing a cultural development approach to graffiti that includes significantly expanding opportunities for all kinds of legal public artworks and working with youth and community agencies, graffitiists and other young people in implementing programs that support local identity through innovative arts development programs. Our approach incorporates early intervention, youth support, targeted education and public art, including murals and legal walls.





# Compliance Services

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$5.4m

Total expenses from continuing operation

## Fast Facts

- 1,196 food inspections conducted in Warringah in accordance with our partnership agreement with the NSW Food Authority
- 60% of food premises were satisfactory in terms of hygiene after initial inspection and 96% after our follow up inspections. Our education strategies and consistent enforcement helped contribute to higher levels of compliance during the 2010 – 2011 financial year
- About 1200 service requests about land, noise, air, water pollution and unauthorised land uses responded to
- 650 food shops, 40 cooling towers, 21 public swimming pools and 100 hairdressers/skin penetration premises inspected on a risk-based basis to ensure public health standards in the community are maintained
- 734 inspections and investigations conducted in relation to alleged unauthorised development
- 182 buildings added to the fire safety register

## Key Activities and Programs

- Investigate and enforce compliance relating to unlawful building works, unlawful land uses, fire safety and breach of consent
- Implement public safety and health projects, programs, education and complaints investigation (e.g. food safety, skin penetration, Legionella prevention, on-site sewage management systems)
- Environmental health education, protection and investigations
- Fire safety compliance for class two to nine buildings
- Development control investigation
- Rangers enforce compliance with legislation and investigate complaints within Warringah
- Issue penalties and commence legal proceedings (when necessary)
- Animal management (companion animals) and education of dog and cat owners
- Registration of companion animals
- Regulation and enforcement of restricted dog breeds and declared dangerous dogs

## Key Performance Indicators

| KPI   | Unit       | Target | Actual | Indicator |
|---|------------|--------|--------|-----------|
| Residents satisfied with management and control of domestic pets  | Mean score | 6.60   | 6.55   | ↔         |
| Residents satisfied with environmental protection and enforcement | Mean score | 6.29   | 6.54   | ↑         |
| Residents satisfied with hygiene standards of retail food outlets | Mean score | 6.52   | 6.89   | ↑         |
| No. of foodborne illness notifications issued                     | No.        | N/A    | 16     | -         |
| No. of fire safety orders issued                                  | No.        | N/A    | 121    | -         |
| Scheduled projects completed (operational)                        | %          | 85     | 100    | ●         |

### Fire Safety

Council audits fire safety in multi-residential and commercial buildings, and responds to requests and complaints as a high priority. It ensures fire safety measures are in place and maintained for the safety of occupants this includes ensuring that smoke alarms, sprinklers, hose reels and portable fire extinguishers are installed. Council also requires Fire Statements to be submitted and displayed annually in each building, and as a part of any development plan. Council works cooperatively with building owners, managers and Fire and Rescue NSW under the provisions of the Environmental Planning and Assessment Act. During the year, 182 buildings were added to Council's fire safety register.

### New Ranger Uniforms

To increase engagement with the community, new uniforms were rolled out for our rangers. The new uniform has a less militaristic appearance with the specific purpose of offering a less threatening style making people feel more comfortable in approaching our rangers. The amount of positive interaction with the community has significantly increased allowing an enhanced relationship with our local community.

### Alcohol Free Zones

Alcohol Free Zone discourage disorderly behaviour in public areas and improve public safety by restricting alcohol consumption in these areas. Two new Alcohol Free Zones were added in 2010 - 2011 to curb anti-social behaviour at public reserve bounded by Melwood Avenue and Starkey Street Killarney Heights and Kelpa Place Allambie Heights (adjoining Allambie Shops). These locations were added in response to requests by residents and following consultation with the Police.

### Long Reef Aquatic Reserve

We are working with National Parks and Wildlife Service and NSW Fisheries to provide joint regulatory patrols of this valuable natural resource to ensure the rock platform and surrounding reserve is preserved for the community for generations.

### Warringah's Dogs Big Day Out

Warringah's Dogs Big Day Out was held on Sunday 29 August at Lionel Watts Oval. This attracted over 4,000 people with their dogs for a fun but educational day. There were demonstrations on agility and obedience as well as presentations on fighting boredom in pets. The day included competitions such as best trick and fancy dress.

## Compliance Services

### Operation Cat

Operation Cat was carried out in June 2011 in collaboration with the Cat Protection Society. Pensioners and Health Care Card Holders were offered substantial discounts on both micro-chipping and de-sexing their cats. Cats were picked up by volunteers from the Cat Protection Society and returned later in the day after the procedures were carried out.

### Pet Education

We joined forces with Ku-ring-gai and Pittwater Councils to host three different pet education nights. These focussed on pet health and welfare, including how to address problems such as barking or aggressive dogs. Pets for small places were also discussed on one night due to the growing number of people living in medium density housing.

New educational brochures on owning dogs and cats were also produced covering the legal requirement of owning a cat or dog plus other general information relating to pet ownership. The dog brochure included an updated list of unleashed exercise areas as well as a list of prohibited areas. Both can be either obtained from the Civic Centre or downloaded from Council's pet section of the website.

### Animal Control

During the year a total of 37 cats and 440 dogs were in our care. We were able to successfully return eight cats and 419 dogs to their owners. New homes were found for eight cats and two dogs through advertised in the staff newsletter and the local paper. The remaining animals were transferred to the Animal Welfare League, Cat Protection Society and RSCPCA.

### Off Leash Areas

We provide accessible options for residents to take their dogs for a walk and let them off the leash safely. Dogs can be exercised off the leash any time of the day at eight areas, plus a swimming area at Curl Curl Lagoon. A further four exercise areas have restricted times. During 2010 the following sites were made available for off leash exercise:

- Currie Road, Forestville
- Truman Reserve, Cromer
- Beacon Hill Oval, Beacon Hill (restricted hours)
- Melwood Oval, Forestville (restricted hours)

### Food Handlers Courses

Over 200 food handlers attended Council's Food Handlers Course in 2010 - 2011. Maintaining high food safety standards is an important public health issue as each kind of food has unique methods of preparation, storage and shelf-life that needs to be managed. The Food Handlers Course is designed to assist food handlers prevent food poisoning and understand the NSW food safety requirements. Our Food Handlers Course is a short two hour lesson packed with helpful and easy to understand information as well as resources to ensure your business continues to receiving positive feedback.





# Cultural Services

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$0.9m

Total expenses from continuing operation

## Fast Fact

- 800 new citizens from 84 countries welcomed in citizenship ceremonies held throughout 2010 – 2011
- \$20,000 distributed under the Cultural Grants Program (2010 - 2011)
- Delivery of events, including: 12 Citizenship Ceremonies; four Australia Day breakfast venues with entertainment at Beacon Hill, Dee Why, Forestville and Narrabeen; four Music In March concerts on Dee Why Beach
- Delivery of the three day community festival, the Beachley Classic Weekend featuring outdoor cinema, surf & lifestyle markets and the classic food and wine fair

## Key Activities and Programs

- Co-ordinate civic events (e.g. citizenship ceremonies)
- Co-ordinate landmark events (e.g. Australia Day)
- Cultural development projects and cross cultural events
- Community festivals
- Exhibitions
- Encourage community involvement and ownership of cultural programs through the cultural development grants program

## Key Performance Indicator

| KPI   | Unit       | Target | Actual | Indicator |
|---|------------|--------|--------|-----------|
| Residents satisfied with community events and festivals | Mean score | 6.80   | 6.83   |           |
| Scheduled projects completed (operational)              | %          | 85     | 67     |           |

## Events and Cultural Programs

Warringah is proud of its extensive events and cultural services program the diversity of which appeals to the many different social, geographic and demographic needs of our community. We are committed to providing opportunities for the Warringah community to participate in arts and cultural activities.

### Australia Day

Australia Day Breakfast celebrations are organised in conjunction with local community groups and business across four sites and attract 30,000 people. In addition an Australia Day citizenship ceremony was held at Glen Street Theatre to welcome 80 new citizens to Warringah in addition to the 800 welcomed in 2010 - 2011.

### Music in March

The Music in March concert series at Dee Why Beach was held over four weekends, the series celebrated different genres of music and incorporated celebrations for International Women's Day, NSW Senior's Week, KidsPlay and local talent.

## Festival of Children's Literature

Promoting a love of reading and writing, we held the Festival of Children's Literature in September 2010. A young writers' competition with 300 entries, author talks, performances, story tents and book swaps were features of the event. Over 1,600 young readers and writers joined in the activities in the local community.

### Guringai Festival

The annual Guringai Festival is a celebration of Aboriginal culture and heritage and is held between National Sorry Day, 26 May and the end of NAIDOC Week. As a celebration of Aboriginal and Torres Strait Islander culture in the northern Sydney region the festival involves 11 councils and numerous reconciliation and community groups. Events include workshops, art exhibitions, performances, films and talks.

### Beachley Classic Weekend

The Classic Weekend in May 2011, was a community event featuring free open air cinema, surf and lifestyle markets, children's activities and a food and wine fair and attracted 25,000 people. The festival supported the Beachley Classic being held at Dee Why Beach which is the richest event on the women's ATP surfing tour and hosted the world's top women surfers.



## Cultural Services

### Christmas by the Beach

The annual Christmas by the Beach was celebrated on Sunday 19 December at Ted Jackson Reserve, Dee Why Beach. Some 3,000 plus people attended and enjoyed a range of activities including: markets, a visit from Santa, camel rides, free Santa photos and various performances. The day was rounded off with Carols by the Sea presented by the Combined Churches of Dee Why.

### New Year's Eve Collaroy Beach

This family friendly event provided roving entertainment, free face painting and a large fireworks display. More than 2,000 people attended and enjoyed an evening picnic and entertainment on Collaroy Beach.

### FairTrade Fair – International Day of Peace

On Sunday 12 September, we hosted a FairTrade Fair to commemorate International Day of Peace in Warringah. Over 50 people attended the fair held at Oxford Falls Peace Park with 25 stall holders promoting the importance of buying and selling products that raise awareness about under developed countries. The Tibetan community presented a dance display and the Bahai Temple provided entertainment.

### Remembrance Day Manly Dam

We assisted the Manly Warringah War Memorial Trust to deliver this annual event. Students from local primary schools were encouraged to participate with some 500 school students and guests in attendance. The Manly Selective Concert Band performed and the ceremony featured the Last Post and the laying of wreaths.

### Warringah Art Exhibition

The Warringah Art Exhibition is the northern beaches most prestigious art competition offering more than \$9,000 in prizes. More than 300 artworks were submitted and over 130 were exhibited. Nearly 250 people attended the Opening Night and more than 1,200 people visited the exhibition altogether. A relatively new category 'Waste to Art' encourages artists to use their creative skills to promote sustainability through art, saw more than 30 artworks selected for exhibition. Artists transformed used or recycled materials into innovative and intriguing works of art.

### Warringah Council Grants Program

We presented \$20,000 in cultural development grants to local artists and community groups across all art forms including new technologies. Recipients of the funds included the Northern Beaches Eisteddfod, Tibetan Association of Australia, Eurofest, Artfocus, and the Australian Dance Council - Ausdance NSW.

### Local Government week 2010

The theme 'Building A Brighter Future' was the focus of the 2010 Local Government Week. Over one hundred local primary school students visited Council and participated in a mock council meeting. Students had the opportunity to learn about the role of local government and engage in an interactive question and answer session. They also toured Dee Why Library.

### Ted Jackson Reserve

A dedication ceremony was held on Monday 18 October to rename Dee Why Beach Reserve Ted Jackson Reserve in recognition of Edward Walter (Ted) Jackson OAM, BEM. Mr Jackson passed away in July and had a life long association with Dee Why and worked tirelessly for the people of Warringah. Mr Jackson worked for Warringah Council for 31 years before being elected as a Councillor in 1983. He became Shire President in 1985 and again from 1986 to 1989.





# Development Assessment

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$5.6m

Total expenses from continuing operation

## Fast Facts

- 2,439 development applications received (includes DA, Mods, Reviews and CDC)
- 2,482 development applications determined (includes DA, Mods, Reviews and CDC)
- Due to improved processes, Council was able to determine more applications plus improve the mean determination time for processing applications compared to the previous year

## Key Activities and Programs

- Assess development and subdivision applications
- Provide technical advice on development issues
- Civil engineering services and advice
- Approve applications and manage the Warringah Development Assessment Panel
- Represent Warringah Council in the Land and Environment Court
- Coordinate Mediation Service

## Key Performance Indicators

| KPI  | Unit       | Target | Actual   | Indicator |
|--|------------|--------|----------|-----------|
| Residents satisfied with development assessment process                                | Mean score | 5.06   | 5.23     |           |
| Total value of developments approved within Warringah                                  | \$         | -      | \$712.2m | -         |
| Development applications median turnaround time - delegations                          | Days       | 60     | 46.11    |           |
| Development applications median turnaround time - Warringah Development Approval Panel | Days       | 100    | 146.38   |           |
| Scheduled projects completed (operational)   | %          | 85     | 100      |           |

## Determining Applications

In 2010 - 2011 the majority of applications were determined under delegated authority by our staff.

The Warringah Development Assessment Panel (WDAP), the Joint Regional Planning Panel (JRPP) and the Land and Environment Court determined less than 4% of applications.

The WDAP consists of community members and independent experts qualified in law, urban design and the environment. The WDAP has authority to determine applications for large developments with complex planning issues, in 2010 - 2011 it considered 40 applications up from 28 the previous year. The Joint Regional Planning Panel dealt with seven applications.

We have also had success in defending cases in the Land and Environment Court whilst acting as expert witnesses. These cases have been important for our community in preserving either bushland or the character of the urban areas.

## E-Services

We have continued to expand online services, offering improved response times for our customers as well as providing consistency in regards to all Development Assessment services. In 2010 - 2011 the range of transactions available online were expanded to include the ability to lodge and pay for applications online - development applications, construction certificates and building certificates. Customers can also submit and track requests and complaints online, as well as applying for and receiving Planning Certificates (s149's), Outstanding Health & Building Notices and Rates Notices (s603's).

## Internal Service Improvements

A new Development Unit (DU) has been set up to promote consistency throughout the development assessment process. This unit provides important feedback to officers on their assessments of applications and has resulted in improved quality and faster turnaround times for customers. The new Unit increases transparency, consistency of outcomes on development matters, and assist in reducing the number and cost of appeals to the Land and Environment Court.



# Glen Street Theatre

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$3.3m

Total expenses from continuing operation

## Fast Facts

- Over 6,000 young people performed on the Glen Street stage
- Nine professional productions (119 performances)
- Over 4,000 subscribers
- Eight concerts programmed as part of the Music in the Glen series
- Nine community hirers and two commercial hirers using the theatre for their own work and productions

## Key Activities and Programs

Annual subscription season of professional performing arts

- KidsPlay program
- Present literary lunches
- Management of a venue for use by professional performing art presenters, community groups, schools and corporate users
- Operation of dining, bar and catering services to patrons and users of the theatre

## Key Performance Indicator

| KPI  | Unit       | Target | Actual | Indicator |
|--|------------|--------|--------|-----------|
| Residents satisfied with Glen Street Theatre | Mean score | 7.27   | 7.55   |           |
| Scheduled projects completed (operational)   | %          | 85     | 100    |           |
| Scheduled projects completed (capital)       | %          | 85     | 100    |           |

### 25th Birthday Celebrations

The year began with a huge celebration on 6 July 2010 of Glen Street's first 25 years of operation.

A DVD was compiled featuring community members instrumental in Glen Street being established in 1985 – Councillor Julie Sutton, Paul Couvret, Penny Philpott, Darren Jones, as well as artistic members of the community who supported Glen Street in its infancy including Tanya Pearson who is still presenting her Sydney City Youth Ballet each year. An excellent concert was put together which attracted a full house and was hosted by "The Dame".

### Annual Subscription Season

Productions presented in late 2010 included Halpern and Johnson starring Heni Szeps and Garry McDonald which played to large houses. Rain Man featuring Daniel Mitchell and Alex Dimitriades was also extremely well received along with Karin Schaupp in Lotte's Gift and Darren Coggan in Peace Train: The Cat Stevens Story. It was wonderful to see such a range of ages in the audiences at Glen Street during the year. 2011 has seen five professional productions presented to date and again a very diverse audience has attended.

### Audience Survey

In 2010 some 11,000 Theatre goers were surveyed to uncover audience attitude to services of the Theatre, performing arts they enjoy, other performance based entertainment, frequency of attending live performances and performance times. The

result fun, intelligent, thought provoking and highly acclaimed – this is what they want to see on stage. The response will be used in developing future programs and activities at the Theatre.

### Music at the Glen

The annual morning music concerts continue to boast a variety of leading Australian artists including some new talents as well as a selection of regular favourites. These concerts are well attended thanks in part to our partnership with Forest Coach Lines that provides wheel chair access for residents from local retirement villages as well as collecting patrons from other pick up points and transporting them to the concerts. This is an invaluable service to our community.

### Literary Lunches

Glen Street's partnership with Lindfield Bookshops continues to provide high profile authors as guest speakers at the bi-monthly literary lunches in Sorlies. There were eight literary lunches in 2010 - 2011 with Hugh Mackay, Peter Fitzsimmons, Jaunita Phillips, Mike Carlton, Serge Dansereau, Wendy Harmer and Ita Buttrose speaking.

### KidsPlay

The youth and family programming arm of Glen Street presented a number of children's productions including The Gruffalo which played to 95% capacity. It is always a great pleasure seeing young happy and excited faces entering the theatre for what maybe a first theatrical experience. Over 6,000 young people perform on Glen Street's stage throughout the course of a year.



# Information and Library Services

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$6.1m

Total expenses from continuing operation

## Fast Facts

- 743,786 customer visits during the year. This was a slight increase on last year's figures and the highest total since 2003
- 1,237,290 loans which is a 4.3% increase on last year's figures
- 205,308 visits to the Library website
- Provision of 47 free public access computers
- 209 opening hours each week across the four branches. This is in line with the minimum hours recommended for opening hours by the State Library of NSW
- Over 200,000 print resources held by the Library and available for loan. New print resources are selected each year and added to the collection
- 295 current print journal titles available for loan including 13 newspapers, five of which are in languages other than English
- Access to 30,000 journals, over 500 newspapers, encyclopaedias and e-books and audio books online through the free data bases
- 17 local high schools involved in the Youth Research Excellence Award

## Key Activities and Programs

- Support community's information, education, cultural and recreational needs, in accordance with the Library Act of NSW and the requirements of the Library Council of NSW, including:
  - Lending service (books, magazines, CDs, etc)
  - Information and research services including local studies service and access to the world wide web
  - Home library service
  - Educational programs (author and story telling talks etc)
  - Community information service
- Provide communal space for study, recreation, research usage and the exchange of ideas

## Key Performance Indicators

| KPI  | Unit       | Target    | Actual    | Indicator |
|--|------------|-----------|-----------|-----------|
| Residents satisfied with library services          | Mean score | 7.71      | 7.82      |           |
| Utilisation rate libraries – no of physical visits | No.        | 771,777   | 743,786   |           |
| Utilisation rate libraries – no of website visits  | No.        | 168,000   | 177,030   |           |
| Utilisation rate libraries – no of loans           | No.        | 1,125,813 | 1,237,290 |           |
| Scheduled projects completed (operational)         | %          | 85        | 100       |           |
| Scheduled projects completed (capital)             | %          | 85        | 100       |           |

### Libraries

The popularity of our libraries continues to increase with more than 743,000 customer visits during the year and 1.2 million loans. Other services include specialised local studies, family history, home library service for 81 residents who are unable to come to the library, author and information talks for all ages, early literacy programs for young children and parents adult literacy and English as a second language. We have introduced social media elements to the library catalogue to allow patron comments on the library's resources.

Other improved digital services include ePublications of government reports linking directly with websites, the creation of a digitised indexed record of Council minute books dating back to the first hand written copies from 1906 and keyword searching the library catalogue now gives access to thousands more resources. This upgrade also allows one access point to non-print resources, online data bases, eBooks and audio books in one search.

### Refurbishment of Local Studies

A valuable collection of pictures, maps and archival materials relating to the local area have been stored in Dee Why library and this refurbishment project has brought resources together and presented them for public use. New research areas have been created with easy access to the many books and files relating to the area. A secure compactus now also holds fragile and more valuable items.

### Inside Break

Inside Break is a HSC resources website full of information and links to lectures, library resources, past exams, and more. Established in 2007 as a collaborative project by Warringah, Manly and Pittwater Council libraries, our partnership has expanded to include public libraries across NSW.

### Children's Programs

We offer a variety of programs for children starting from newborns to teens including bilingual story time, BIBS - Babies into Books, book swaps, chess clubs, science programs and school holiday activities.

The Chess competition started as a single school holiday activity and has quickly spread to all branches with regular monthly competition sessions at Forestville Library. Volunteers from the community and the assistance of Duke of Edinburgh Awards student placements have contributed to the program's success.

### Book Club

Our Book Club program has grown to 120 groups in Warringah with access to more than 150 book club kits, an eNewsletter and a Facebook page.

### Downloadable Audio Books

We introduced downloadable audio books to our collection this year with the focus being on Australian content, popular fiction and non-fiction books. Library members can download books from home and enjoy them on their MP3 device.



# Kimbriki Environmental Enterprises Pty Ltd

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$15.7m

Total expenses from continuing operation

## Fast Fact

- Kimbriki's website was upgraded to highlight its services, products and an interactive site guide for customers to discover where to go before they arrive

## Key Activities and Programs

- Operate landfill and recycling site areas
- Receive and process dry waste from commercial and domestic customers and sell recycled material

## Key Performance Indicators

| KPI  | Unit | Target    | Actual    | Indicator |
|--|------|-----------|-----------|-----------|
| % of incoming material diverted to landfill - Kimbriki | %    | 75        | 82        |           |
| Kimbriki operating result                              | \$   | 1,996,055 | 2,192,761 |           |
| % Compliance with EPA environmental requirements       | %    | 100       | 100       |           |

## Leading the Way

Kimbriki is a leader in waste management education and practice, through the use of innovative technologies and management systems that maximise resource recovery. Supporting a focus on resource recovery, Kimbriki is continuing its transformation into a state-of-the-art resource recovery centre, which will play a major role in helping to maximise diversion of waste from landfill in line with state government waste targets.

Kimbriki continues to achieve remarkable results in the management of waste and materials. Of the 198,826 tonnes of waste received, almost 82% was diverted for recycling or reuse including green waste, building and construction materials, metals, plastics and paper as well as secondhand goods. Many of these materials are processed and sold as a variety of products used by domestic and commercial customers.

Electronic waste is recycled with a limit on the numbers of items received per customer, with 964 tonnes handled and diverted for the recycling of valuable metals. Ewaste has not been disposed to landfill at Kimbriki since a SHOROC wide ban in January 2010.

## Eco House and Garden

Education facilities at Kimbriki were expanded and rebadged as the 'Eco House and Garden'. The new Eco House, made from 80% reused materials, was opened by Dick Smith AO. The prime focus of the program is promoting sustainable living and gardening, including excursions, practical workshops and drop-in sessions.



# Natural Environment Services

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$12.6m

Total expenses from continuing operation

## Fast Facts

- 136 sites of active bush regeneration works covering some 300 hectares (ha) of bushland, plus another 100ha in the Narrabeen Lagoon Catchment project
- Over 330 active 'Friends of the Bush' volunteers at 28 supervised sites, regenerating over 17ha of bushland
- 1,000 trees planted by over 150 people on National Tree Day
- 270% increase in the Warringah population of *Microtis angusii* (an endangered small orchid) following management of its habitat
- Five broad scale ecological/hazard burns in 13.5ha of bushland, despite a very poor burning season.
- Over 5,000 people attending community education events
- Over 11,800 cubic metres of sand added to Collaroy-Narrabeen beach from nearby development sites, to help protect properties from storm damage
- Inspected 2,500 metres of stormwater pipe using CCTV, and replaced 340 metres of stormwater drainage and 19 stormwater pits

## Key Activities and Programs

- Provide advice on natural areas and environmental issues
- Strategic planning and research to protect and enhance biodiversity, bushland, threatened species, waterways and lagoons
- Climate change, sustainability and waste education and initiatives
- Water quality and water cycle strategic planning
- Coastal zone, estuary and floodplain management planning
- Environmental research partnerships and community committees
- Provide and manage natural area recreational trails
- Bushland protection and maintenance and creek stabilisation works
- Bushfire asset protection zone management and risk assessments
- Community Bushcare volunteers
- Pest and feral animal control programs and noxious weed management
- Manage stormwater infrastructure assets and construction of drainage systems

## Key Performance Indicators

| KPI   | Unit       | Target | Actual | Indicator |
|---|------------|--------|--------|-----------|
| Residents satisfied with bike paths   | Mean score | 4.92   | 4.97   | ↔         |
| Residents satisfied with caring for bush areas                                  | Mean score | 6.84   | 7.03   | ↑         |
| Residents satisfied that Council operates in an environmentally sustainable way | Mean score | 6.37   | 6.80   | ↑         |
| Residents satisfied with management of local flooding                           | Mean score | 6.29   | 6.54   | ↑         |
| Residents satisfied with management of the waterways and lagoons                | Mean score | 6.15   | 6.54   | ↑         |
| Residents satisfied with walking trails and tracks                              | Mean score | 6.65   | 6.48   | ↔         |
| Scheduled projects completed (operational)                                      | %          | 85     | 91     | ●         |
| Scheduled projects completed (capital)  | %          | 85     | 66     | ●         |

### Narrabeen Lagoon: Creating a Sustainable Catchment Project

The Narrabeen Lagoon: Creating a Sustainable Catchment Project was a three-year joint initiative between Warringah and Pittwater Councils and the NSW Environmental Trust provided over \$1.9 million of funding which was completed in 2011. The project included a sustainable living education program across the whole catchment in partnership with the Coastal Environment Centre. On-ground activities included a biodiversity survey, creek bank remediation works and bush regeneration across the catchment in Warringah and Pittwater. The project had a significant positive impact on the catchment's health, developed a number of new and successful educational programs and built the capacity of existing organisations and services to support activities into the future.

### Narrabeen Lagoon Plan of Management

A draft Plan of Management was prepared to guide Council in managing the lagoon, up to the high water mark, including environmental and recreational needs, flooding issues and the lagoon entrance. Extensive community consultation included exhibition of a white paper, workshops, webpage and an online discussion forum. Council was also appointed as Reserve Trust Manager of the area by the Minister for Lands.

### Narrabeen Lagoon Multi-Use Trail

This trail will be an outstanding recreational and tourist destination for the region and beyond, incorporating lookouts, seating, rest stops and educational signs at regular intervals. A wide range of users will comfortably share the path, including pedestrians, cyclists and the disabled. Stage 1 of the trail, between Deep and Middle Creeks, is nearly complete and has been designed for minimal impact on the sensitive environment. Detailed planning, extensive community consultation and design work continues on Stages 2A and 2B, to ensure that all issues are addressed in the complex lagoon and foreshore environments.

### Flood Studies for Narrabeen Lagoon and Manly Lagoon

Consultants commenced new Flood Studies for Manly Lagoon and Narrabeen Lagoon, in partnership with Pittwater and Manly Councils and the NSW Office of Environment and Heritage. The studies will improve our understanding of flood behaviour, the impacts of sea level rise and increased rainfall intensity, and will help determine future management of the floodplains.

## Natural Environment Services

### 'Hilltop to Headland' Environmental Series

This year was the biggest in the program's history with three booked-out events delivered to over 1,000 people, and podcasts of the event accessed by many others. The series began with a lecture by celebrity chef and author Ed Halmagyi on sustainable living, providing many practical ideas on being sustainable with food and lifestyle choices. The second event, with Totally Wild's Ranger Stacy and the Taronga Zoomobile was a family-friendly, outdoor, hands-on event featuring native animals and reptiles. The audience had an opportunity to engage in activities on Warringah's bushland and biodiversity. The final event was a thought-provoking forum by Australia's Chief Commissioner for Climate Change, Professor Tim Flannery, along with the head of the NSW Coastal Panel, Professor Bruce Thom. These two renowned Australian scientists delivered an informative and entertaining event to a record breaking audience of 500.

### Improving Communication and Building Capacity for Community and Staff

During November 2010, Professor Sam Ham from the University of Idaho was engaged to train staff and our community groups in the techniques of Thematic Interpretation. The training was specifically targeted at educators to improve their skills in talking to the community and encouraging behaviour change. Further training was also provided on community-based social marketing. These techniques have been used in some high profile projects

### Reducing Waste

#### Waste Education Activities

Our waste education team supported 51 events in 2010 - 2011 that attracted approximately 4,000 people. These events included workshops, displays and presentations on recycling, at public events as well as tours to recycling facilities. Waste Education was delivered to 12 schools reaching almost 1,000 local children.

Other key events included:

- Garage Sale Trail - 157 households participated in this initiative which aims to reduce bulky goods going to landfill through reusing and recycling others' unwanted goods.
- Waste to Art - 33 artworks selected for exhibition at events to promote sustainable living through art.
- Collaborative council projects – we participated in numerous campaigns with SHOROC councils. Additionally the "Love Food Hate Waste" program saw us join a group of six councils successful in obtaining \$20,000 grant to create education and promotional materials for use in 2011 - 2012.
- Household Chemical CleanOut - with residents dropping off 73 tonnes of chemical waste for safe recycling and disposal.

### Threatened Species Finds in Warringah

Our ongoing biodiversity surveys by expert ecologists in the Oxford Falls Valley area identified local populations of the Eastern Pygmy Possum, a vulnerable species listed under the NSW Threatened Species Conservation Act. Other significant findings include Powerful Owls, Heath Monitors and Glossy Black-Cockatoos. There are also exciting results from the 2010 surveys of the *Microtis angusii* population at Ingleside, the only known location of the species in Australia. This small onion orchid plant is a threatened species, and through our management its numbers have significantly increased by 270% over the past four years to a total of 600 plants.

### Bushcare Regeneration

Bush regeneration was carried out in high priority bushland, wildlife corridors, threatened species areas and fire management access zones throughout Warringah to help improve the biodiversity of our bushland and assist in protecting homes and Council's assets. This year's work was undertaken at 136 sites across Warringah, totalling more than 300 hectares.

Further sites are being regenerated by the 'Friends of the Bush' volunteers, a growing community of 330 regular volunteers, supported by Council supervisors. The Friends also nurture seedlings in the Community Propagation Nursery at Manly Dam, providing stock for planting, such as seedlings of slow-growing Coachwood trees which have been carefully nurtured for two years.

### Beach Erosion Monitoring and Forecasting Research Project

We have partnered in a groundbreaking research project with the University of NSW, the University of Plymouth (UK), Macquarie University, Coastal Watch, Gosford Council and the NSW Office of Environment and Heritage. The project undertook detailed coastal erosion research along the NSW coastline and includes Collaroy-Narrabeen beach. This places Warringah Council at the forefront of coastal erosion research and is sponsored by an Australian Research Council grant of \$340,000.

### Coastal Erosion Emergency Action Plan

According to Australia's Climate Commission report, The Critical Decade, the likelihood of damaging floods, storm surges, coastal erosion and king tides will increase around coastal Australia. As land manager of our beaches, we are proactively tackling these potential problems and have developed the Coastal Erosion Emergency Action Plan for beaches in Warringah which will put Council on the front foot to help protect our vulnerable coast.

Rising sea levels and storms pose significant risks to property along some coastal areas in Warringah especially Collaroy-Narrabeen Beach which is ranked the beach third most at risk from coastal processes in Australia. Several public forums have been held during the preparation of the draft plan, with hundreds of people attending to speak with experts and have a say on how coastal erosion emergencies should be handled. The draft plan identifies risks associated with coastal erosion and clearly outlines which emergency action measures can and should be undertaken by Council, landowners and the SES during erosion events.

### Improving Stormwater Management

Our extensive drainage network is valued at about \$330 million and contains around 440km of pipes that are maintained, cleared, repaired or replaced. Water quality devices such as gross pollutant traps are also cleaned and emptied. More than 340 metres of stormwater drainage and 19 stormwater pits were replaced and approximately 2,500 metres of CCTV inspections were conducted this year.

### Protecting Our Environment and Stormwater Assets

Bank stabilisation works were completed in a tributary of Dee Why Lagoon adjacent to Hawkesbury Avenue, Dee Why. The works reduced sediment entering Dee Why Lagoon and re-established native vegetation at the site following construction. Other high priority stormwater works were carried out at Ryan Place in Beacon Hill; Jenkins Street in Collaroy; and at Harbord Road in Freshwater.

### Protection of Waterways and Riparian Land Policy

The Protection of Waterways and Riparian Land Policy was developed this year to outline the way we manage waterways and riparian land on public and private land. The policy focuses on addressing the past problems, protecting aquatic and riparian ecosystems and preventing future problems in waterways and properties.

### Streamlined and More Efficient Processes

The Natural Environment Works Panel of Contractors was created to enable a faster engagement of quality environmental services, through a panel of 20 "pre-qualified" contractors. The services include bush regeneration and supervision, weed control, environmental rehabilitation works, track works and feral animal control.





# Parks, Reserves and Foreshores

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$8.9m

Total expenses from continuing operation

## Fast Facts

- 1,309 customer requests attended to for sports fields, reserves and rock pools
- 2,769 customer requests attended to for street and reserve trees
- 19,243 bookings processed for sports fields and courts, reserves, rock pools, beaches
- 14km of beach and shoreline assets managed
- Five ocean rock pools cleaned and maintained on a weekly basis in summer and fortnightly in winter
- 169 playgrounds maintained with 254 playground maintenance tasks
- 2,276,349 square metres of grass maintained

## Key Activities and Programs

- Provide tactical planning and advice on management of parks, reserves and foreshore assets including street trees
- Provide asset management of parks, reserves and foreshores assets including sportsgrounds, playgrounds and rock pools
- Manage regional recreational facilities including Brookvale Oval, Cromer Park, Manly Dam and Stony Range
- Manage street trees and trees on parks, reserves and foreshores
- Manage bookings of parks, reserves and foreshores including filming and photography requests
- Manage Plans of Management relating to parks, reserves and foreshores
- Manage relationships with sporting organisations and sports stakeholders

## Key Performance Indicators

| KPI   | Unit       | Target | Actual | Indicator |
|---|------------|--------|--------|-----------|
| Residents satisfied with walking trails and tracks                        | Mean score | 6.65   | 6.48   | ↔         |
| Residents satisfied with bike paths                                       | Mean score | 4.92   | 4.97   | ↔         |
| Residents satisfied with management of street trees                       | Mean score | 5.47   | 5.84   | ↔         |
| Residents satisfied with maintenance of beaches and rock pools            | Mean score | 7.48   | 7.44   | ↔         |
| Residents satisfied with Brookvale Oval                                   | Mean score | 5.89   | 5.67   | ↔         |
| Residents satisfied with sporting fields and amenities                    | Mean score | 6.76   | 6.48   | ↓         |
| Residents satisfied with parks and recreation areas including playgrounds | Mean score | 6.67   | 7.09   | ↑         |
| Residents satisfied with managing the impact of visitors to the area      | Mean score | 6.33   | 6.31   | ↔         |
| Scheduled projects completed (operational)                                | %          | 85     | 0      | ●         |
| Scheduled projects completed (capital)                                    | %          | 85     | 72     | ●         |

### Manly Vale Community Garden and Playground

We opened our first official community garden at Manly Vale as an exciting space bringing children, families and neighbours together to enjoy and learn to live more sustainably. These facilities are in a highly developed area where residents have limited access to open space and opportunities for gardening. Offering an environmentally friendly and sustainable lifestyle, features include an all-ages playground, garden and central shelter called 'The Hub' where community workshops take place on composting, mulching, worm farms, permaculture and plant propagation.

### Green Street Park

In December we opened a new park and playground in Brookvale - Green Street Park. We acquired four residential blocks of land to create an exciting green space for residents living on the fringe of Warringah's industrial area. Council consulted extensively with the local community, including teachers, students and parents from Brookvale Public School, on the concept design for the playground. The Park includes a playground, shade structure, passive open space, landscaping and facilities such as picnic tables and bicycle racks.

### Playground Upgrades

Playground upgrades were undertaken at Makim Reserve at North Curl Curl; Cook Reserve at Forestville; Palomar Reserve at North Manly and Coster Reserve at Frenchs Forest. The playgrounds were designed following community input to cater for a variety of age groups and comply with Australian Standards for playground safety. New and improved equipment was also installed at James Meehan Reserve, Dee Why.

### Manly Dam

Improved facilities at Manly Dam include new pathway sections of the mountain bike trail to improve safety, drainage and minimise environmental impacts on surrounding bushland and water quality. A new section of pathway has also been completed between two popular picnic areas.



## Parks, Reserves and Foreshores

### Water Refill Stations

To encourage sustainable practices such as reusing water bottles, reduce rubbish and provide a network of hydration points, water refill stations have been installed in a variety of locations including Passmore Reserve, Corbett Reserve, Green Street Reserve, and three in John Fisher Park. Stations will be incorporated in future works, to provide an integrated network of water refill stations for a wide range of community groups including sporting clubs, walkers, bicycle riders, playground and passive park users.

### Sporting Club Capital Assistance Program

In September 2010, we announced the successful grant recipients for the Sporting Club Capital Assistance Program. Eight Warringah sporting groups were awarded a share in Council's \$250,000 program to improve built sporting infrastructure at various locations. Successful projects included an upgrade to lighting for Forest Killarney Football Club, improvements to JJ Melbourne Hills BMX facility, fencing extensions to improve safety at Aquatic Reserve, baseball diamonds, a shade structure at Wakehurst tennis courts and improvements to clubhouse facilities at a number of locations.

### Brookvale Oval

The playing surface of Brookvale Oval underwent improvements including a new irrigation and subsurface drainage system. The new works allow the oval to recover from high rainfall and provide an increased carrying capacity of the oval for greater community access.

### Nolans Reserve Upgrade, North Manly

To allow greater asset utilisation, lighting of the playing surfaces at Nolan Reserve was upgraded. Multi-use pathways, landscaping and drainage works were also undertaken.

### Weldon Oval Rectification, Curl Curl

The rectification of Weldon Oval, is nearing completion providing an improved AFL playing surface and turf cricket wicket table. The oval is located on an old landfill site subject to significant subsidence and contamination. Following remediation, the sportsfield was rectified and now has new irrigation system, improved subsoil, new turf, improved lighting and new equipment.





# Roads, Traffic and Waste

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$27.7m

Total expenses from continuing operation

## Fast Facts

- 14.17km (or 122,340 square metres) of road resurfaced
- 2,080 potholes repaired
- 529m of kerb and gutter repaired
- 3,890m of new footpath built and 1,590m of old footpath replaced
- 8km of new bike routes built consisting of 1.9km of shared path and 6.1 km of on road routes 656 street name signs replaced
- About 8,500km of streets swept and about 29,000 square metres of footpath pavers scrubbed.
- 27 shopping centres hand cleaned or swept on a daily or weekly basis
- About 600 street litter bins emptied daily
- 68 reserves, sportsfields and playgrounds cleaned between one and seven days every week
- 246 bus shelters washed and cleaned monthly
- Approximately 54,000 weekly garbage and recycling collections
- Approximately 100,000 monthly green waste collections
- About 6.5 million litres of sewerage collected and disposed from private and Council properties
- 8,603 graffiti removal jobs totalling 17,114 square metres of graffiti removed.
- 199 gross pollutant traps cleaned and 1,077 tonnes of sediment removed
- 106 drop holes repaired
- 916 stormwater inlet pits cleaned and 14 repaired

## Key Activities and Programs

- Maintain Council's stormwater drainage system
- Manage the provision of street lighting through Energy Australia
- Collection of domestic and commercial waste and recycling
- Public place cleaning and litter picking at shopping centres, roads, beaches and reserves
- Graffiti removal
- Planning and delivery of road related capital works projects (e.g. construction of footpaths, road resurfacing, traffic facilities)
- Manage the maintenance and renewal of road network assets (pavements, kerbs, traffic facilities, bridges, signage, bus shelters, cycleways and footpaths)
- Traffic management planning on local roads and installation of traffic facilities

## Key Performance Indicators

| KPI  | Unit       | Target | Actual | Indicator |
|--|------------|--------|--------|-----------|
| Residents satisfied with provision of street lighting    | Mean score | 6.62   | 6.73   | ↔         |
| Residents satisfied with bike paths                      | Mean score | 4.92   | 4.97   | ↔         |
| Residents satisfied with walking trails and tracks       | Mean score | 6.65   | 6.48   | ↔         |
| Residents satisfied with bus shelters                    | Mean score | 6.12   | 6.03   | ↔         |
| Residents satisfied with maintenance of local roads      | Mean score | 6.08   | 5.78   | ↓         |
| Residents satisfied with footpaths                       | Mean score | 6.12   | 5.75   | ↓         |
| Residents satisfied with provision of car parking        | Mean score | 5.73   | 5.46   | ↓         |
| Residents satisfied with traffic management              | Mean score | 5.74   | 5.33   | ↓         |
| Residents satisfied with household waste collection      | Mean score | 8.05   | 8.21   | ↔         |
| Residents satisfied with household bulky items clean ups | Mean score | 7.13   | 7.37   | ↑         |
| Residents satisfied with cleaning of public areas        | Mean score | 6.54   | 6.78   | ↑         |
| Residents satisfied with cleaning of streets             | Mean score | 6.65   | 6.61   | ↔         |
| Kilos of waste produced per capita                       | kg         | 476    | 475    | ●         |
| % of recyclables going to landfill                       | %          | 56.6   | 55.0   | ●         |
| Average road pavement condition rating                   | -          | 8.4    | 8.4    | ●         |
| Scheduled projects completed (operational)               | %          | 85     | 100    | ●         |
| Scheduled projects completed (capital)                   | %          | 85     | 92     | ●         |

## Management of Road and Traffic Assets

A works Program of in the order of \$6 million was delivered in 2010 - 2011. This was managed by Roads, Traffic and Waste and Civil Projects staff. A new Project Management reporting tool was used for all capital projects that assisted in tracking projects in relation to physical progress against schedule, expenditure and key milestone dates. All projects were delivered as forecast which included programs on roads, kerbs and gutters, footpaths, cycleways, traffic facilities, retaining walls, streetscape improvements and carparks

Works included the rejuvenation of both carparks at Glen Street Theatre, with lighting improvements, footpaths and landscaping completed. Safety measures at Forestville Shopping Centre involved the placement of steel bollards to protect pedestrians and shop fronts, and new kerbs and landscaping at Richmond Avenue carpark used Water Sensitive Urban Design.

## Pedestrian Access and Mobility Plan (PAMP)

The Pedestrian Access and Mobility Plan was adopted in June 2011. This plan maps and prioritises the delivery of footpaths based on usage. It provides for future asset planning and provision of pedestrian facilities across Warringah.



## Roads, Traffic and Waste

### The Strand Dee Why Upgrade

The upgrade of The Strand at Dee Why Beach is designed to improve the streetscape along the beachfront, pedestrian access and opportunities for alfresco dining. The project includes public art in the form of specially engraved pavers along The Strand, and bicycle racks and bottle refill/ drinking stations in Ted Jackson Reserve.

Additionally a new amenities block has been completed and 48 additional parking spaces have been added to provide greater access to nearby restaurants and businesses. Council has undertaken a very comprehensive community consultation process during the planning stage, which commenced four years ago. During the concept design local residents and businesses along The Strand participated in several workshops to ensure they had ownership of the project.

### Block Grant From the Roads Traffic Authority (RTA) of \$240,000

Council received a block grant from the Roads and Traffic Authority (RTA) of \$240,000 for installation and maintenance of new traffic signs and linemarkings within the local road network in the Warringah LGA (with the exception of Main Roads). This work was previously undertaken by the RTA.

### Road Safety Program

A range of road safety programs were delivered in 2010 - 2011 including:

- A child restraint checking day on the 26 May 2011 attended by 38 residents.
- Graduated Licensing Scheme Workshops for parents and supervisors of learner drivers on 30 June 2011 with 26 attendees.
- A senior road safety calendar produced in consultation with SHOROC/NOROC councils. Nearly 3000 calendars for 2011 were distributed to seniors in Warringah.
- We have worked closely with schools to education on the importance of road safety in school zones with Road Safety Education – Various education materials have been produced for primary schools in the Warringah area. Brochures have been produced for Killarney Heights Public School and Forestville Montessori School. Assemblies have been conducted at Forestville Primary School and John Collet School and a Road Safety poster competition judged by the Road Safety Officer (RSO) and Mayor was a great success. The presence of the RSO in school zones to educate parents and children has been welcomed from all schools involved.

Cycling – The ride to school day was supported by the RSO with one event taking place at Forestville Primary School. The RSO continues to support the Warringah Cycle Plan.

### Street Sweeping and Public Place Cleaning Improvements

In October 2010, the street sweeping schedules were reviewed and amended in residential, industrial and commercial areas in conjunction with the purchase of an additional street sweeper. This has resulted in an increase in frequency of sweeping residential streets from a 20 week cycle to a 10 week cycle.

Improvements were also made to the public place cleaning schedule in 2010 - 2011 by changing the type of plant used by the cleaning staff. This has increased the frequency of cleaning in some areas and allowed other locations to be added to the new schedules.

### Public Place Recycling

Twelve additional recycling stations were installed in parks and reserves in 2010 - 2011. Stations have been provided at Long Reef Beach Reserve, South Curl Curl Beach Reserve, Berry Reserve at Narrabeen, North Curl Curl Youth and Community Centre and Jamieson Park at Narrabeen.

### E-Waste

An e-waste recycling system was developed and implemented following Council's decision to ban e-waste from landfill. This has resulted in approximately 6,400 cars, dropping off 284 tonnes of e-waste at Kimbriki in 2010 - 2011.





# Strategic Planning

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$1.8m

Total expenses from continuing operation

## Key Activities and Programs

- Strategic advice on land use planning, including the urban environment and controlling the use and development of land
- Develop strategic land use planning policy position to guide development in Warringah
- Communicate, analyse and respond to State Government planning initiatives affecting Warringah

## Key Performance Indicators

| KPI   | Unit       | Target | Actual | Indicator |
|---|------------|--------|--------|-----------|
| Residents satisfied with management of commercial development       | Mean score | 5.24   | 5.51   | ↔         |
| Residents satisfied with management of residential development      | Mean score | 5.42   | 5.33   | ↔         |
| Average age of environmental planning documents                     | Years      | 3      | 1      | ●         |
| % of development appeals where the outcome to Council is favourable | %          | 80     | 84     | ●         |
| Scheduled projects completed (operational)                          | %          | 85     | 73     | ●         |

## New Warringah Local Environment Plan and Development Control Plan

The new comprehensive Warringah Local Environmental Plan (LEP) is approaching completion and final approval by the State Government. The new LEP is based on traditional zones and will replace Warringah's current locality based planning system.

The LEP and Development Control Plan (DCP) will bring Warringah's key land use planning documents into line with the State Government statutory planning framework, with an increased number of State Environmental Planning Policies applying to Warringah. The new LEP will also be consistent with the Standard Local Instrument which adopts a set of consistent land use definitions and zoning types across all local government jurisdictions within the state.

## Heritage in Warringah 2010 - 2011

Warringah is home to a rich history and many reminders of its past are seen in its built and natural environment. We commenced a community based heritage review late last year. The community was invited to nominate places and items of potential heritage significance and 65 new heritage items were received, some incorporating multiple properties. These nominations are currently being assessed by an independent heritage panel.

As a major part of this review, Council invited the community to nominate places and items of potential heritage significance. Council has received 65 new heritage nominations from the community, some of which incorporate multiple properties. These will be assessed by Council's independent Heritage Panel as to whether or not they meet the criteria necessary for listing in Council's Local Environmental Plan.

Grant funding up to \$15,000 has been secured through the NSW Heritage Grants Program, and all existing heritage listings have been checked to correct inaccuracies in description and location. It is expected that the revised list of potential heritage items will be placed on public exhibition in late 2011 or early 2012.

## Strategic Planning

### Frenchs Forest – New Hospital and Proposed Specialised Centre

The State Government is advancing plans to develop a new Level 5 hospital at Frenchs Forest and is investigating the increased development potential of the surrounding land.

Following public exhibition in late 2010 to early 2011, significant community concern was raised, particularly in relation to ensuring the anticipated growth in jobs and housing is tied to, and follows, delivery of the new hospital.

The New Hospital and proposed Specialised Centre represents a significant investment in the area. The project has the potential to provide enhanced health services, increased employment opportunities and road and public transport improvements.

A technical working group has been established by the State Government of which Council is a participant. We are working to achieve the best outcome for this precinct and this significant project.

### New Section 94A Plan

Council adopted a new Section 94A Development Contributions Plan in June 2011 with an updated Works Program covering the years 2011 - 2012 and 2012 - 2013. The Plan has been prepared as part of the preparation of Council's Capital Works Program.

All funds collected under this plan will be directed towards the provision of new public amenities and facilities required as a result of demand generated from new development and population growth. The new plan ensures council's work program is current and responsive to Council's infrastructure priorities.

### Housing Strategy

Following the talk of the Town event on 23 May 2010, Council prepared a Housing Strategy aimed at providing the appropriate housing to accommodate Warringah's future population needs.

In responding to significant community concern, Council resolved to withdraw the strategy in June 2011 subject to engaging with the new State Government about ensuring that growth is tied to commensurate infrastructure investment from the State.

We are committed to working with the community and the State Government to strike the right balance between accommodating the forecast population growth whilst satisfying increased demand for urban infrastructure.





# Warringah Aquatic Centre

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$3.7m

Total expenses from continuing operation

## Fast Facts

- 311,139 people attended the WAC during the financial year, including 158,776 casual swimmers and 123,910 people participating in structured classes (e.g. learn to swim, aquarobics, seniors classes, Swimfit, and pilates)
- 40 swimming carnivals hosted, involving 18,153 participants

## Key Activities and Programs

- Provide learn to swim and elite coaching programs
- Provide water safety programs
- Provide water and land based fitness programs
- Asset management of Warringah Aquatic Centre

## Key Performance Indicators

| KPI   | Unit       | Target  | Actual  | Indicator |
|---|------------|---------|---------|-----------|
| Residents satisfied with Warringah Aquatic Centre | Mean score | 7.23    | 6.99    | ↔         |
| Expense recovery from Centre operations           | %          | 88      | 79      | ●         |
| Total Attendances of WAC                          | No.        | 330,000 | 311,139 | ●         |
| Scheduled projects completed (capital)            | %          | 85      | 0       | ●         |

### Condition Audits and Master Planning.

Recent condition audits of the Warringah Aquatic Centre confirm that, whilst there are elements of the building that need attention, structurally the Centre is still sound. This work will feed into the needs assessment and community engagement process that will determine the future direction of the facility.

### Water

Our Aquatic Centre is an example of best practice for water saving as outlined in the Sydney Water Manual entitled Best Practice Guidelines for Water Management in Aquatic Leisure Centres in recognition of water saving initiatives. Water consumption at the Warringah Aquatic Centre averages less than 140 kilolitres per week and is 65% lower than six years ago.

### Energy Saving

The Aquatic Centre is a large energy consumer and is part of Council's Energy Performance Contract. This contract has been fully implemented and resulted in energy consumption reducing by 14%. The total energy saving at the Aquatic Centre as a result of these measures is 449,141 kilowatt hours.

### Waste Management

A waste management agreement has been negotiated which not only allows for waste recycling at the WAC but has also resulted in savings of over \$6,000 per annum.



# Corporate Support Services



## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$17m

Total expenses from continuing operation

## Fast Facts

- 3.63 tons of Carbon emissions per month abated due to the transition to Soy Diesel
- 128,021 calls were answered, 51,393 enquiries handled over the counter, and 30,319 letters and e-mails were replied to
- 271,595 documents registered in Council's document management system
- 33 Tenders issued with a total contract value of \$18m
- 127 Request for Quotations issued with a total contract value of \$8.74m
- \$322,450 of aggregated savings achieved by the four member councils of SHOROC – Individually, Warringah saved \$158,534 under SHOROC contracts
- 84% of all paper consumed by Council was recycled paper
- \$2,678,093 spent on reactive maintenance and \$1,210,939 spent on planned operations and maintenance to buildings
- 301 training sessions catering for 2,327 staff attendances

## Key Activities and Programs

- In-house legal advice and management of legal costs
- Information management and technology
- Records management and information access service
- Customer service
- Procurement
- Media liaison and communication
- Management of Council's property portfolio, including buildings
- Human resources
- Occupational health, safety and welfare
- Financial management business support and levying and collection of rates and charges
- Internal auditing
- Facilitation and management of Business Excellence across Council
- Enterprise Risk and Business Continuity Management

## Key Performance Indicators

| KPI  | Unit       | Target  | Actual  | Indicator |
|--|------------|---------|---------|-----------|
| Residents satisfied with condition of public toilets | Mean score | 4.86    | 4.97    | ↔         |
| Residents satisfied with community centres           | Mean score | 6.80    | 6.83    | ↔         |
| % of customer enquiries resolved on first contact    | %          | 90      | 94.8    | ●         |
| % of calls answered within 30 seconds                | No.        | 80      | 66.8    | ●         |
| No. of visits to Council's website                   | No.        | 690,000 | 723,000 | ●         |
| Scheduled projects completed (operational)           | %          | 85      | 88      | ●         |
| Scheduled projects completed (capital)               | %          | 85      | 69      | ●         |

### Planning for Business Continuity

We have continued rolling out our Business Continuity program to provide a sound platform from which to recover from any event that may impact on our ability to deliver services to the community. Our critical services and processes have been documented, and we have begun working on the less critical services. We have also installed a disaster recovery facility that enables our Information Management and Technology team to restore any lost data that may occur. This function enables Council to get core internal systems back up and running within approximately four hours after an event. Warringah Council is one of the first NSW Councils to have implemented this technology.

### Sound Financial Management

Our financial management has been recognised by the NSW Division of Local Government (DLG) which stated that our Long Term Financial Plan is exemplary. During the year we have continued to apply best practice which has included:

- Repaying all borrowings – we are debt free
- Incorporating a Capital Budget Statement and Cash and Investment Statement as part of the Strategic Community Plan 2011 to provide a reference point to actual results in 2012, and
- Achieving strong interest and investment earnings whilst avoiding any loss of principal.

### Renewed Focus on Workplace Safety

We established a new 'Triple Zero Goal' for workplace safety. This provides a target of 0 accidents, 0 incidents and 0 lost time injuries across Council. We have reviewed our systems and procedures and rolled out training to managers and supervisors across the organisation.

### New 'Welcome to Warringah' Booklet

During the year we released a 'Welcome to Warringah' booklet. This booklet is part of the starter pack for new staff. It provides new employees with an overview of Warringah Council and other helpful information that they will need, particularly for the first three months after commencing employment. An online e-learning pilot was designed and successfully trialed with a number of staff. This forms part of our induction program and allows staff to learn at their own pace and will reduce the amount of time new starters are off site.



## Corporate Support Services

### Employer of Choice

We recognise the importance of attracting and retaining good staff. Our workforce consists of more than 600 employees with over 75% living on the northern beaches. In late 2010, some 400 staff participated in our employee opinion survey providing feedback on the overall health of the organisation and covering themes such as values and behaviours, leadership, and communication. This valuable insight has allowed management, in consultation with staff, to develop an action plan to make further improvements. We are looking at ways of promoting local government as a career option and in partnership with Pittwater and Mosman Councils participated in the Northern Beaches Careers Expo at Terrey Hills.

### Business Excellence

A Business Excellence framework was implemented across the organisation to build a culture that facilitates change, innovation and improvement. Staff continued working together in identifying and assessing opportunities for innovation and improvements. We have systems to track and measure performance and will compare results with other organisations.

Staff training and education programs were developed to teach staff how to facilitate and lead improvement activities, applying the widely tested and successful business improvement methodology of Lean Six Sigma. This was followed up with on the job coaching to facilitate and lead business improvements applying the Lean Six Sigma methodology. Additionally, a leader program saw a further 35 leaders across the organisation undertake a three-day improvement program. In total 45 leaders have been trained in business improvement which provides them with knowledge to promote improvement and support staff involved in improvement activities in their areas.

In support of the business improvement activities a Business Improvement Council (BIC) was established. This group comprises 13 cross organisational representatives at all staff levels including the General Manager. The BIC evaluates improvement opportunities sent to the Business Excellence Program Office as well as supporting and championing business excellence throughout the organisation. Through the year the BIC evaluated 16 cross organisational initiatives of which five were allocated to facilitators to be worked on as improvements.

The combined result of the business improvement education along with the initiatives arising out of the BIC process has resulted in 22 improvement initiatives being in place at the end of the financial year across Council

### Brookvale Park Future

Brookvale Park has been an important part of the northern beaches community for nearly 100 years. Extensive community consultation was undertaken during 2010 on the future of Brookvale Park. More than 3,000 participants were involved in stakeholder panel meetings, phone, online and letterbox drop surveys, online forums, a "Breakfast at Brookie", and community workshops. We are analysing all the recommendations arising from the consultation program and will develop a master plan. Stage 2 revitalisation works continued at Brookvale Oval at a cost of over \$2.4 million.

### Public Amenity Improvements

Over \$2.1 million was invested in improving the appearance and condition of public amenities at Dee Why Beach, Passmore Reserve, North Narrabeen Surf Life Saving Club, Curl Curl Sports Centre, Belrose Junior Rugby League Club, Millers Reserve and Nolan's Reserve.

For existing facilities, the works included internal refits, changes to improve safety, auto-closing and locking of doors, energy efficient and vandal proof fittings, improving ventilation and lighting, and new disabled amenities (where feasible).

These improvements will improve the experience of users.

### Upgrading Community Buildings

Work continued on upgrading our portfolio of buildings. Over \$5.5m of works were completed to improve amenity bring the buildings to current Australian standards for venue hire. This included improving disabled and emergency access, upgrading kitchens and bathrooms, renewing critical components such as roofs and floors, implementing water and energy saving measures, installation of bicycle racks, and new lifeguard towers on beaches.

Major Works were undertaken at Dee Why Library, Harbord Literary Institute, YoYo's Youth Centre, Brookvale Occasional Care Centre, as well as Freshwater, North Narrabeen and South Narrabeen Surf Life Saving Clubs amongst others.

### Cross Training of Customer Service Staff

During 2010 - 2011 we commenced the transition to a single "one stop shop" counter service with 75% of staff from the development enquiries and customer service counters completing an intensive cross training program. Once the changes to the customer service area is complete, customers wanting to lodge a development application or any other enquiry will be able to approach any customer service team member.

### Service Achievements

In 2010 - 2011 we answered 91% of all calls received with a drop out rate of 9%. Some 67% of calls were answered within 30 seconds, which is below our target of 80%. The drop in service level was caused by re-allocating staff to undertake the cross training program. However, in the June 2011 quarter, that target was exceeded with 83% of calls answered within 30 seconds.

Quality based standards were maintained in respect of the accuracy of information and action requests supplied to our internal business service areas. An accuracy rate of 98% was achieved resulting in greater efficiency as it removed the need for unnecessary checking. This exceeded our target of 90%. The service centre also performed well in resolving customer enquiries at the initial point of contact with 94% of customer enquiries resolved without having to refer the customer to another officer in Council. This exceeded our target of 90%.

### New Media

A move into social media, including Twitter and Facebook, is giving Council another medium to keep the community in touch with Council's activities and services. Council also shares its photos on Flickr, has posted videos on YouTube and provides live webstreams of Council meetings.

In addition, there is a new Google Maps search tool on the home page to provide the community with a quick and easy method of locating Council properties and services – everything from rock pools to off-leash dog areas.





# Good Governance

## Strategic Contributions

|                     |    |
|---------------------|----|
| Living Environment  | 34 |
| Living Communities  | 48 |
| Living Spaces       | 62 |
| Living Enterprises  | 80 |
| Living Organisation | 90 |

# \$6.9m

Total expenses from continuing operation

## Fast Facts

- 1,304 submissions made to our Draft Strategic Community Plan 2011
- 367 Council Resolutions
- 199 Ordinary Council Reports and 41 Confidential Reports (not including Notices of Motion, Questions on Notice and Recission Motions)
- 93 Requests to address Council
- 17 Council meetings held and webcast, including five extraordinary Council meetings

## Key Activities and Programs

- Strategic advice and support concerning environmental, economic, social and recreational planning
- Corporate planning and reporting
- Policy development and review
- Elected Council support
- Community engagement
- Advice, policy and systems that support good governance
- Manage complaints service
- Implement corruption prevention strategies

## Key Performance Indicators

| KPI  | Unit       | Target | Actual | Indicator |
|--|------------|--------|--------|-----------|
| Residents satisfied with managing the impact of visitors to the area                         | Mean score | 6.33   | 6.31   | ↔         |
| Residents satisfied with encouragement of local industry and business                        | Mean score | 6.16   | 6.05   | ↔         |
| Compliance with statutory reporting requirements   | %          | 100    | 100    | ●         |
| % of formal complaints managed according to set timeframes and in accordance with guidelines | %          | 90     | 100    | ●         |
| Scheduled projects completed (operational)   | %          | 85     | 86     | ●         |

## Working in Partnership with SHOROC Member Councils

We have continued to plan for the future of the region working collaboratively with Manly, Mosman and Pittwater through SHOROC. In September 2010 Councils developed and adopted SHOROC's Shaping Our Future strategy establishing priorities for the region over the next 20 years which includes rapid bus transit system, road upgrades, a new hospital and job opportunities. This provides us with an agreed position to work with state and federal governments on investing in improved transport, health care services and creating opportunities for the growth in local jobs.

We also participated in the development of a Regional Sustainability Strategy adopted in May 2011. The Strategy focuses on areas such as energy, climate change, waste, water, biodiversity, skills and capacity building. It identifies areas where Warringah and our neighbouring councils can work more efficiently and effectively on a regional basis to improve the sustainability of the region.

## Strategic Community Plan 2011

The Strategic Community Plan 2011 was approved on 28 June 2011. We received 1,304 submissions during this period, with many of the submissions about sportsfields. Council responded by including in the approved Plan more than \$3 million in improvements to sporting grounds over the next financial year. This includes a new synthetic surface, work on creating an extra oval and lights at Cromer as well as rectification works and lighting improvements across Warringah.

## Creating Partnerships to Promote Economic Development

Warringah and Pittwater Councils were successful in securing additional funds in 2011 to expand the economic development programs on the Peninsula. NSW Trade and Investment, Regional infrastructure and Services provided \$60,000 for a Business Mentoring program (details on this program are below) and a further \$15,000 for promotion of the Warringah Chamber of Commerce and Pittwater Business Ltd. The funding has allowed these organisations to establish a more prominent presence in the region through upgrades of their websites and direct marketing and promotion to local businesses.



## Good Governance

### Creating Opportunities for Business

A range of programs were offered to support and create opportunities for businesses locally and in the region during 2011 - 2012

In July 2010 we participated in the Hardware & General Trades EXPO 2010. Over 250 local trade businesses attended with Council showcasing what we are doing for "tradies" as well as providing information in a friendly environment on Council regulations and how they can comply. The trades' business sector is a significant employer on the Northern Beaches.

We participated in Small Business September with state and federal agencies delivering free seminars for Small and medium businesses on "Getting to know key NSW State & Federal Business - Leveraging Government Assistance to Grow Your Business". Over 200 people attended the seminars.

More than 87% of Warringah's businesses are homebased enterprises, solo businesses or companies with fewer than four employees. MicroBiz Week 2011 Warringah hosted two free information seminars on 'How to Surround Yourself with Ideal Clients'. More than 125 people attended to hear practical information on social media, marketing and public relations for micro businesses in the start and run phase of their business cycle.

NSW Manufacturing Week 2011 was an opportunity for Council to target manufacturers on the Northern Beaches. Working with Industry & Investment NSW a range of seminars were delivered highlighting best-practice techniques, strategies and case studies to assist manufacturers to compete in a global market

Finally, Warringah was a proud first time sponsor of the 2010 Cumberland Manly Daily Business Awards. This gave Council an opportunity to be part of the judging panel for the Awards and see first hand the innovative ways local business serves our community. Recognising success in business is important, it underpins local business communities.

### Local Business Mentoring Program

Local business owners could join a business mentoring program, two programs were offered this year tailored to woman (Women In Business) and owners over the age of 45 years (Over 45's Entrepreneurs and Women). Some 32 business owners completed the Programs.

Participants received specialist, state-of-the-art input from financial, sales, marketing and social media experts. Individual mentors also provided a strong sounding board and real life experiences to help face the many challenges that today's highly competitive and rapidly changing global marketplace presents. These Programs provide an environment for small business owners to reach their potential developing business networks and strategic alliances with other participants.

### Better Practice Community Engagement

In February 2011 Council adopted a revised community engagement policy and matrix. The new Policy and Matrix benefited from extensive consultation with the community including telephone research, focus groups and online forum comments. Many of the suggestion were incorporated into the final Framework.

Over the last twelve months we have used different engagement techniques to explore community sentiment on specific issues. Focus groups have been used to understand satisfaction with the development application process, perceptions of Council's responsiveness to Community needs, the types of Facilities required in Dee Why Town Centre and Brookvale Park, Economic development, Housing Strategy.

We have also used deliberative workshops where participants have an opportunity to consider an issue in depth, challenge each others opinions and develop their own views to reach an informed position. This style of workshops were successfully

Community deliberative workshops that encourage community discussion and gain views on their preferences on projects such as: Narrabeen Lagoon Plan of Management, Manly Dam Plan of Management, Narrabeen Lagoon Trail, Economic Development and exploring key topics raised from the Annual Survey including the DA process and Council Responsiveness to community needs.

Email updates - We have also collated the details of many community members who have expressed interest in being involved in Council planning and decision making. Regular updates are now being sent to this initial community engagement email register to raise awareness and encourage involvement.

### Being Recognised

Our engagement practice and results have been recognised within the industry including:

- being asked to present at a number of conferences on the topic of engagement practice including traditional methods and new online tools
- winning a number of awards for the Talk of the Town Community Summit including:
  - o IAP2 2010 winner - award for Robust Public Participation Process for the
  - o LGMA NSW 2010 Excellence awards: highly commended – Leadership in engaging communities
  - o PIA NSW 2010 winner – Media Award Public / Professional

### Online Discussion Forum - Your Say Warringah

We have continued to use this tool to support more traditional engagement approaches. In the last year we have hosted some 16 online forums along with a number of dedicated project information pages. These have included discussions on the following:

- Results from Talk of the Town
- Brookvale Park visioning
- Economic Development
- Narrabeen Lagoon Plan of Management
- Community Engagement Framework
- Dee Why Town Centre
- Narrabeen Lagoon Multi-Use Trail
- Manly Dam Plan of Management
- Friends of the Bush Code
- Dogs on Beaches
- Draft Budget 2011
- Collaroy Master Plan

The site has proved to be popular and to date the Your Say Warringah site has over 1,000 registered members. We have had over 16,300 individual visitors to the site, and they have made a total of 78,000 visits to the site. Over 240,000 pages have been viewed, 2,800 comments have been made and some 14,600 documents have been downloaded.

### Corporate Energy and Water Saving

Investment in energy efficiency measures at our facilities means that we used the same amount of energy in 2009 - 2010 as we did in 2005 - 2006 despite servicing a community that has grown by nearly 7,000 people in that time.

Since 2008 - 2009 our greenhouse gas emissions have declined by around 2% per year due to investment in renewable energy technology and energy efficiency measures, and the purchase of GreenPower for our largest sites. Our use of water has also declined by nearly 20% since 2004 - 2005, again due to investment in water efficiency technology and better water management of our facilities.

### Environmental Sustainability Strategy

The Environmental Sustainability Strategy is nearing completion and will set directions for Council and the community to 2020. The Strategy sets out nine aspirational targets and will provide a foundation for Council actions in relation to a sustainable Warringah over the decade.

The Plan demonstrates Council's commitment to taking-the-lead in sustainability initiatives; whether in terms of the way Council undertakes its business or prepares its plans and guidelines that apply to the wider Warringah community.



# 5

# STATUTORY RETURNS

*Faerie Glen Skye: Lyn Michie - Warringah Art Exhibition entrant*

Local Government Act 1993, Local Government (General) Regulation 2005 and other statutory information.



## Local Government Act 1993

### Section 428 (1)

#### Performance of Principal Activities in the Management Plan

Our performance against Principal Activities in the Strategic Community Plan 2010 is presented on pages 63 to 140.

### Section 428 (4)

#### Financial Statements

Our audited Financial Reports for the 2010 - 2011 financial year commences on page 172.

## Environmental Planning and Assessment Act 1979

Warringah Council did not enter into any planning agreements during 2010 - 2011.

## Local Government (General) Regulations 2005

### Clause 132

#### Rates and Charges Written Off 2010 - 2011

| Written Off 2010 - 2011          |                    |
|----------------------------------|--------------------|
| Rates abandoned (postponed)      | \$9,422            |
| Interest abandoned (postponed)   | \$4,125            |
| Interest abandoned (other)       | \$3,181            |
| Mandatory pension rebate         | \$1,856,240        |
| Voluntary pension rebate (rates) | \$128,800          |
| Voluntary pension rebate (waste) | \$204,422          |
| <b>Total</b>                     | <b>\$2,206,190</b> |

### Clause 217(1)(a)

#### Overseas Visits by Councillors or Council Staff 2010 - 2011

Nil.

### Clause 217(1) (a1)

#### Councillors Facilities and Expenses

| Facilities and Expenses   |                  |
|---|------------------|
| Dedicated office equipment to Councillors (incl. computers)           | \$3,707          |
| Communication charges (including phone calls, facsimile and internet) | \$26,868         |
| Seminars and conferences attended by Councillors                      | \$6,021          |
| Councillor training and skills development                            | \$11,160         |
| Interstate travel by Councillors                                      | \$11,582         |
| Overseas visits by Councillors  | \$0              |
| Expenses of spouse, partner, or person accompanying a Councillor      | \$0              |
| Provision of care for a child or family member of a Councillor        | \$2,187          |
| <b>Other expenses</b>   | <b>\$42,392</b>  |
| <b>Total</b>  | <b>\$103,917</b> |

## Local Government (General) Regulations 2005

### Clause 217(1) (a2)

#### Contracts Awarded in 2010 - 2011 for Goods and Services in Excess of \$150,000

| Contractor   | Good and services provided   | Approx. value as approved by Council   |
|--|--|--|
| AWT Survey Pty Ltd   | Stormwater Asset Data Collection for Manly Flood Study   | \$ 164,240 - eight months  |
| Fleetwood Urban Pty Ltd  | Construction of Narrabeen Lagoon Multi Use Trail - Stage 1   | \$ 2,072,191 (excl. GST) for six months  |
| Contract Control Services Pty Ltd  | Upgrade Works to Dee Why and Civic Centre Buildings  | \$ 1,335,046 (excl. GST) for 20 weeks  |
| ESD Landscapes Contractors Pty Ltd   | Manly Vale Playground & Community Gardens  | \$227,314 – 8 weeks duration   |
| Sinclair Knight Merz   | Adams Street Oval Contamination Site Consulting Services   | \$172,980.50 (incl. GST) one off   |
| GJ's Landscapes Pty Ltd  | Old Pittwater Road Park and Playground   | \$203,704 (incl. GST) - one off  |
| Panel of contractors:<br>Amrod Pty Ltd (t/a Summit Fencing), Andrew Minter & Petrina Minter, Australian Areas Management & Repair P/L, Australian Bushland Restoration Pty Ltd, Australian Environmental Services Pty Ltd, Australian Feral Management Pty Ltd, Bateman, Pamela A (t/a Paper Bark Horticulture and Design), Bush It Pty Ltd, Dragonfly Environmental Pty Ltd, E.J Metzler & J.L Wood (t/a Indigo Nursery), Eminent Waste Pty Ltd (t/a All Types of Rubbish), ESD Landscape Contractors Pty Ltd / The National Trust of Australia (NSW) - Partnership, Fleetwood Urban Pty Ltd Harvest Seed Company Pty Ltd (t/a Harvest Seeds & Native Plants), Koltai, Jan Christine, Land and Property Management Authority (t/a Soil Conservation Service), Leslie, Steven William (t/a Peninsular Rural Land Management), Marc Stetner (t/a Apunga Ecological Management), Northside Enterprise Incorporated, P.G. Mithieux & A Mithieux (t/a Australian Bushland Construction), Sydney Bush Regeneration Pty Ltd, The Trustee for AUSTIN FAMILY TRUST (t/a Sydney Feral Animal Control), Sydney Weed & Pest Management Pty Ltd, The Wheelchair & Disabled Association of Australia (t/a House With No Steps), Toolijooa Pty Ltd, Total Earth Care Pty Ltd, Vallis, Erick Armand (t/a Terra Australis Regeneration), Waratah Eco Works Pty Ltd | Natural Environment Works Panel of Contractors   | Estimated \$1 million over 3 years with an option for a further 2 years.   |
| Sydney Civil Pty Ltd   | The Strand, Dee Why - Streetscape Improvements   | \$1,776,863 (inc GST) for 5 months   |
| Group GSA Pty Ltd  | Preliminary and Detailed Designs for Streetscape & Reserve Improvements at Collaroy Accessibility  | \$177,100 (inc GST) – 8 months   |
| Murphy's Facilities Services PTY LTD   | Brookvale Oval Revitalisation Stage 2 - Existing Structural Steel, Concrete structure & Roof Works to Jane Try, Ken Arthurson and Southern Stand | \$1,289,942.15 ex GST – 6 months   |
| DG Sundin & Co Pty Ltd   | Middle Creek Amenity Upgrade Works   | \$305,500 one off  |
| Sub-Panel 1:<br>Asphalt Laying Services Pty Ltd, Kizan Civil Pty Ltd trading as A J Paving, Stateline Asphalt Pty Ltd, Sydney Civil Pty Ltd<br>Sub-Panel 2:<br>Asphalt Laying Services Pty Ltd, Downer EDI Works Pty Ltd, Kizan Civil Pty Ltd trading as A J Paving, Stateline Asphalt Pty Ltd, Sydney Civil Pty Ltd   | Minor Works Panel for Sub Panel 1 - Asphaltic Concrete Restorations Works<br>Sub Panel 2 - Asphaltic Concrete Repair Patching Works              | Two (2) years with three (3) twelve month extensions at Council's discretion<br>Estimated qty: 1900 sq.m of restoration per annum and up to \$150,000 worth of repair patching |
| Total Earth Care Pty Ltd   | Dee Why Rehabilitation and Cycleway  | \$250,542.63 (exc GST) – 8 weeks   |

### Clause 217(1) (a3)

#### Summary of Legal Proceedings

During 2010 - 2011 the following expenses were incurred in relation to legal proceedings:

|                                      |                  |
|--------------------------------------|------------------|
| Proceedings favourably finalised     | \$833,082        |
| Discontinued                         | \$ 31,326        |
| Proceedings not favourably finalised | \$ 48,962        |
| Proceedings not finalised            | \$ 75,297        |
| <b>TOTAL</b>                         | <b>\$988,667</b> |

#### Discontinued

Warringah v King

Warringah v Nieass

Warringah v Hassan

Warringah ats Murray

Warringah ats Howard

Warringah ats Gibson

Warringah ats Vigormaster

Warringah ats Dyne

Warringah ats Gomes

Warringah ats John Colet Schools Inc

Warringah ats D Jones & Southern Cross Constructions

Warringah ats Wright

#### Proceedings Favourably Finalised

Warringah v McHardy\Warringah v Coffee Club 54

Warringah v Cheng

Warringah v Staniland

Warringah v Henderson

Warringah v Planning Outcomes

Warringah v Bruna & Anthoness

Warringah v Araise Property

Warringah v Brown

Warringah v Pryke

Warringah v Adams

Warringah v Westaway

Warringah v Manotik

Warringah v Peek

Warringah v Bobanovic & Li'o

Warringah v Vallaydam

Warringah v Lever

Warringah ats Lipman

Warringah ats Adavale Investments Pty Limited

Warringah ats Narrabeen Investments Pty Limited

Warringah ats Vigormaster

Warringah ats Saleh

Warringah ats Adams

Warringah ats WEM Properties

Warringah ats Hosking Munro

Warringah ats Freshwater Developments

Warringah ats Narabang Developments

Warringah ats Ma

Warringah ats Trustees of the Sisters of Good Samaritan

Warringah ats Franks

#### Proceedings not Favourably Finalised

Warringah v Leol

Warringah v Mityr

Warringah v Vinski & Somers

Warringah ats Georgouras

Warringah ats Chapman

#### Proceedings not Finalised

Warringah vs Kahwam

Warringah ats Young

Warringah v Ma

Warringah v Gow

Warringah v Ullrich

Warringah v Loel

Warringah v Diggins

Warringah v Smith

Warringah ats Trinity Early Learning

Warringah ats Clairleigh Holdings

Warringah ats Bokanovic

Warringah ats Greenwood

Warringah ats Watson-Broadfoot



## Local Government (General) Regulations 2005

### Clause 217(1) (a4)

#### Council Works on Private Land

Nil.

### Clause 217(1) (a5)

#### Grants and Donations

| 2010/2011 Grants and Donations                  | Amount   |
|---|----------|
| Recipients                                      |          |
| Anglicare North Manly Daycare Centre            | \$100    |
| Artfocus Gallery and Studio                     | \$2,500  |
| Ausdance NSW                                    | \$2,500  |
| Collaroy Surf Life Saving Club Inc              | \$5,562  |
| Computer Pals for Seniors Northern Beaches      | \$2,950  |
| Dee Why RSL Day Care Club                       | \$100    |
| Dee Why School for Seniors                      | \$100    |
| Dee Why Senior Citizens Club Inc                | \$100    |
| Dee Why Surf Life Saving Club                   | \$5,562  |
| Eurofest Cultural and Sporting Association      | \$5,000  |
| Forest & Terrey Hills Seniors Club Inc          | \$2,450  |
| Freshwater Surf Life Saving Club                | \$5,562  |
| Harbord Diggers Daycare Club                    | \$100    |
| Kaddy Transport                                 | \$100    |
| Koori Kids Pty Ltd                              | \$450    |
| Learning Links                                  | \$4,997  |
| Lifestart Cooperative Ltd – Northern Beaches    | \$2,564  |
| Long Reef Surf Life Saving Club Inc             | \$5,562  |
| Manly Vale Community Garden                     | \$5,835  |
| Manly Council – 'hop, skip jump' bus subsidy    | \$18,500 |
| Manly Warringah Pittwater Community Aid         | \$3,800  |
| Manly Warringah Pittwater Community Transport   | \$3,000  |
| Mosman Council –SNWRC project officer funding   | \$1,500  |
| Narrabeen Beach Surf Life Saving Club Inc       | \$5,562  |
| North Curl Curl Surf Life Saving Club Inc       | \$5,562  |
| North Narrabeen Surf Life Saving Club Inc       | \$5,562  |
| Northern Beaches Eisteddfod                     | \$5,000  |
| Northern Beaches Food Services Inc              | \$6,200  |
| Northern Beaches Interchange                    | \$4,500  |
| Northside Community Connect                     | \$50,734 |
| Pacific and Maori 'Work on the Streets'         | \$2,000  |
| Peninsula Senior Citizen Toy Repair group       | \$316    |
| South Narrabeen Surf Life Saving Club           | \$5,562  |
| St John the Apostle community dinners           | \$5,000  |
| South Curl Curl Surf Life Saving Club Inc       | \$5,562  |
| Street Work Inc - Northern Beaches              | \$5,000  |
| Surf Life Saving Sydney Northern Beaches branch | \$11,680 |

|  |                  |
|--|------------------|
| Sydney Coastal Councils Group Inc.       | \$21,320         |
| Sydney Multicultural Festival Inc        | \$5,000          |
| Terrey Hills Community Library           | \$19,931         |
| The Book Lovers Warringah Inc            | \$1,032          |
| The Burdekin Association                 | \$12,300         |
| The Young Love Foundation                | \$5,000          |
| Tibetan Community of Australia           | \$10,000         |
| Visually Impaired Persons Group          | \$100            |
| Warringah Pittwater SES                  | \$68,224         |
| 24/7 Youth Film Festival -Mosman Council | \$909            |
| <b>Total</b>                             | <b>\$340,952</b> |

### Clause 217(1) (a6)

#### External Bodies with Council Delegated Authority

Warringah Development Assessment Panel independently determines major development applications.

### Clause 217(1) (a7)

#### Council Controlled Companies

##### Kimbriki Resource Recovery Centre

Kimbriki Environmental Enterprises Pty Limited (KEE) operates a recycling and waste disposal centre at Kimbriki Road, Terrey Hills. Warringah Council is the major shareholder in KEE with 51% of shares. The remaining shares are held by Pittwater, Manly and Mosman Councils holding 34.45%, 10.75% and 3.84% of shares respectively.

KEE commenced operation on 1 July 2009 following the necessary authorisations pursuant to sections 358 and 625 of the Local Government Act.

### Clause 217(1) (a8)

#### Partnerships, Cooperatives and Joint Ventures

##### Warringah Pittwater Rural Fire Committee

Warringah Council has a 50% interest in the assets and liabilities of a joint venture project with Pittwater Council for the provision, control and management of bush fires. The joint venture will continue on a year-to-year basis until dissolved in accordance with the terms of the deed of agreement. Both councils have signed a Service Level Agreement with the Commissioner of the NSW Rural Fire Services to cover the provision of these services.

### Warringah Pittwater State Emergency Service

Warringah Council has a two-thirds interest in the assets and liabilities of the Joint State Emergency Service for Warringah - Pittwater.

### Shore Regional Organisation of Council's (SHOROC)

Warringah Council is an equal member of SHOROC along with Manly, Mosman and Pittwater Councils. The SHOROC group develops and delivers regional strategies and initiatives of benefit to the member councils.

### Clause 217(1) (a9)

#### Equal Employment Opportunities (EEO) Activities

Our Equal Employment Opportunity (EEO) Management Plan aims to ensure fair outcomes in all areas of employment including: recruitment, learning and development, performance management, equal access to information about Council policies, procedures and practices, supervision and management of staff and conditions of employment. It assists in redressing past disadvantages by improving employment outcomes for EEO group members - women, Aboriginal people and Torres Strait Islanders, people whose first language was not English, and people with a disability.

The EEO plan was revised during 2010 - 2011 to ensure consistency with Council's corporate direction and now incorporates a cultural awareness training requirement and EEO considerations contained within Council's Reconciliation Action Plan.

Principal policy areas reviewed during the period included recruitment and selection, data collection, and training related to cultural awareness and bullying and harassment, and since EEO policy and practice is subject to ongoing monitoring, management includes EEO as a regular agenda item at team meetings.

In conjunction with the Office of Internal Ombudsman a major education program was continued in respect to bullying and harassment.

In keeping with EEO plan requirements that procedures for dealing with grievances and investigating complaints of harassment and discrimination are established and promoted, information about Council's EEO policy and grievance procedure is provided to all new employees at the corporate induction. In addition, refresher courses (including Code of Conduct) are offered to staff every two years, and Human Resources staff are available to provide advice on grievance resolution at any time.

### Clause 217 (1) (b) (c)

#### Senior Staff Salaries

Between 1 July 2010 and 30 June 2011 the following senior staff salaries were paid:

Council has four senior staff as defined by the Local Government Act (General Manager, Director Corporate Services, Director Strategic & Development Services and Director Community and Environmental Services). The all-inclusive remuneration packages that incorporate salary, employer superannuation, performance and higher duties payments and fringe benefits tax for the senior staff for the financial year ending 30 June 2011 were as follows:

|  | General Manager     | Senior staff        |
|--|---------------------|---------------------|
| Salary component of the package            | \$313,551.01        | \$650,633.81        |
| Bonus, Performance and other payments      | Nil                 | Nil                 |
| Councils contribution to superannuation    | \$15,140.84         | \$54,609.42         |
| Non cash benefits accounted in the package | \$ 516.00           | \$3,293.00          |
| Fringe benefits tax for non-cash benefits  | \$10,975.72         | \$20,291.66         |
| <b>Total package</b>                       | <b>\$340,183.57</b> | <b>\$728,827.89</b> |

### Clause 217 (1) (e) (e1)

#### Environmental Stormwater Special Rate Variation

The Environmental Stormwater Special Rate (ESSR) Levy commenced in 1996 and is funded by 6.9% of the ordinary rate. The ESSR Levy funds upgrades to the stormwater drainage system, water quality improvement works, coastal protection and enhancement, improved floodplain management, and the protection and restoration of important bushland areas. Following is a report on expenditure from the program during 2010 - 2011, including statements for any reason in variation in original versus actual budget expenditure.

## Local Government (General) Regulations 2005

| Capital Works                  | Original ESSR budget 2010/11 | Actual ESSR expenditure | Total budget 2010/11 | Total expenditure 2010/11 | Reason for variation  |
|--------------------------------|------------------------------|-------------------------|----------------------|---------------------------|---|
| Dee Why CBD Upgrade            | \$700,000                    | \$488,669               | \$700,000            | \$488,669                 | Project commenced with consultant appointed for design. Delays have been experienced due to issues arising from options investigations. |
| South Creek Cycleway           | \$216,000                    | \$184,000               | \$312,612            | \$207,606                 | Delays experienced in detailed design and the need to seek additional funding from Council. Project completion anticipated July 2011.   |
| 21 Ryan Place Stormwater Works | \$437,777                    | \$413,237               | \$437,777            | \$426,778                 | Stormwater components completed. Minor delays due to site rectification.  |
| Collaroy Stormwater Outlet     | \$0                          | \$10,765                | \$200,000            | \$46,142                  | Project delays due to non-conforming tenders. Re-tendering required. Project carried forward to 11/12.                                  |
| Emergency Stormwater Works     | \$230,000                    | \$700,006               | \$230,000            | \$700,006                 | Increased expenditure to cover emergency works and contracts.   |
| <b>Total</b>                   | <b>\$1,583,777</b>           | <b>\$1,796,677</b>      | <b>\$1,880,389</b>   | <b>\$1,869,201</b>        |   |

| Operational Works                        | Original ESSR budget 2010/11 | Actual ESSR expenditure | Total budget 2010/11 | Total expenditure 2010/11 | Reason for variation   |
|--|------------------------------|-------------------------|----------------------|---------------------------|--|
| Natural Environment – Strategic Outcomes | \$842,279                    | \$1,093,206             | \$2,417,911          | \$2,405,293               | Result of reduced contributions. Increased expenditure is balanced by decreased expenditure in Natural Environment - Projects program. |
| Natural Environment - Projects           | \$1,918,448                  | \$1,616,933             | \$1,868,262          | \$1,623,335               | Staff vacancies and reduced expenditure in materials and contracts when compared with original budget.                                 |
| Natural Environment – Business Systems   | \$85,160                     | \$104,234               | \$83,541             | \$104,234                 | Increased salaries.  |
| Natural Environment – Major Projects     | \$1,091,020                  | \$1,227,074             | \$1,090,589          | \$1,229,309               | Increased expenditure for stormwater maintenance   |
| <b>Total</b>                             | <b>\$3,936,907</b>           | <b>\$4,041,447</b>      | <b>\$5,460,303</b>   | <b>\$5,362,171</b>        |  |

### Clause 217 I (f)

#### Companion Animals Act and Regulation

##### Lodgement of Pound Data Collection Returns with the Department

The data collection returns were lodged with the Division of Local Government on 12 July 2011. A total of 37 cats and 440 dogs were transferred to Council's pound facility in 2010 - 2011 of these eight cats and 419 dogs were released back to their owners. Eight cats and two dogs were re-homed directly from the pound while five cats and 17 dogs were sent to a re-homing organisation. Two cats died at the pound due to illness or injury.

##### Reporting Dog Attacks to the Department

This occurs within 72 hours of the attack being reported to Council. Thirty Four dog attacks were reported to the Department of Local Government during 2010 - 2011. This was an increase of five on the previous year.

##### Expenditure on Companion Animal Management and Activities

Some \$151,297 was spent on the management of companion animals and related activities.

The funds were dispersed as follows.

|                          |                  |
|--------------------------|------------------|
| Employment related costs | \$85,563         |
| Pound Fees               | \$27,964         |
| Advertising/promotion    | \$13,121         |
| Materials/consumables    | \$18,464         |
| Other                    | \$6,185          |
| <b>Total</b>             | <b>\$151,297</b> |

The Department of Local Government contributed \$63,525 towards these costs.

#### Companion Animal Community Education Programs Carried Out

As part of Councils ongoing pet education strategy a number of new initiatives were undertaken. Council joined forces with Ku-ring-gai and Pittwater Councils to host three different free pet education nights. These focussed on pet health and welfare, including how to address problems such as barking or attacking dogs. Pets for small places were also discussed on one night due to the growing number of people living in medium density housing.

New educational brochures on owning a dogs and cats were produced. These give information on both requirements of owners under the Companion Animals Act 1998 as well as other useful information relevant to the local area and general pet ownership. The dog brochure included an updated list of dog unleashed exercise areas as well as a list of prohibited areas. Both can be either obtained from the Civic Centre or downloaded from Council's pet section of the website.

Warringah's Dogs Big Day Out was held on Sunday 29 August at Lionel Watts Oval. This attracted over 4,000 people with their dogs for a fun but educational day. Demonstrations on agility and obedience were enlightening while Dr Joanne Righetti spoke about fighting boredom in pets. A number of veterinarians and welfare groups were on hand to answer questions on dog ownership.

The pets section of Council's website was regularly updated to allow for easy access to pertinent information on responsible pet ownership in the area.

Council continues to hand out "pooch pouches" for owners to put dog waste collection bags in attached to the dogs lead as well as cat collars with bells to promote responsible pet ownership.



## Local Government (General) Regulations 2005

### Strategies Council has in Place to Promote and Assist in the Desexing of Dogs and Cats

Council promotes the desexing of dogs and cats through its educational activities including the promotion of desexing in council publications.

Operation Cat was carried out in June in collaboration with the Cat Protection Society. Pensioners and Health Care Card Holders were offered substantial discounts on both microchipping and desexing their cats. Cats were picked up by volunteers from the Cat Protection Society and returned later in the day after the procedures were carried out.

### Strategies to Seek Alternatives to Euthanasia for Unclaimed Animals

Council has a no kill policy at its pound for re-homable animals and has arrangements with the Animal Welfare League, Cat Protection Society and RSCPCA to take unclaimed dogs and cats that are suitable for re-homing (i.e. not dangerous).

Due to the large numbers of cats in particular needing homes a number of animals were advertised in the staff newsletter as well as in the local paper for sale. Council also worked with pet shops in the area to re-home a number of kittens.

As a result of the strategies in place no re-homable animals were euthanased.

### Off-Leash Areas Provided in the Council Area

Warringah has eight unleashed dog exercise areas with an additional four available at restricted times. This includes the four additional areas that were added as permanent during 2010. The new sites were

- Currie Road, Forestville
- Truman Reserve, Cromer
- Beacon Hill Oval, Beacon Hill (restricted hours)
- Melwood Oval, Forestville (restricted hours)

A dog swimming area is also available at Curl Curl lagoon.

Our aim is to provide more accessible options for residents to take their dogs for a walk and let them off the leash safely, while also protecting our natural environment and considering the needs of the wider community. We will continue to review these as required.

## Government Information (Public Access) Act 2009

### Review Under Section 7 (3)

The vast majority of Council-held information requested by members of the public relates to development applications. Warringah Council has a program in place to digitise all records currently held in non-digital formats. The first phase of this program has been to digitise all records relating to development applications. This program will result in the proactive release of a significant amount of Council's information.

### Schedule 2 Statistical Information About Access Applications

**Table A: Number of Applications by Type of Applicant and Outcome**

|   | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refuse to deal with application | Refuse to confirm / deny whether information is held | Application withdrawn |
|---|------------------------|------------------------|------------------------|----------------------|-------------------------------|---------------------------------|--|-----------------------|
| Media   | 0                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Members of Parliament                                       | 0                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Private Sector Business                                     | 0                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Not for Profit Organisations or Community Groups            | 0                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Members of the Public (application by legal representative) | 1                      | 2                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Members of the Public (other)                               | 1                      | 3                      | 1                      | 0                    | 1                             | 0                               | 0  | 0                     |

**Table B: Number of Applications by Type of Application and Outcome**

|  | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refuse to deal with application | Refuse to confirm / deny whether information is held | Application withdrawn |
|--|------------------------|------------------------|------------------------|----------------------|-------------------------------|---------------------------------|--|-----------------------|
| Personal information applications  | 0                      | 0                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |
| Access applications (other than personal information applications)                     | 2                      | 4                      | 1                      | 0                    | 1                             | 0                               | 0  | 0                     |
| Access applications that are partly personal information applications and partly other | 0                      | 1                      | 0                      | 0                    | 0                             | 0                               | 0  | 0                     |

## Government Information (Public Access) Act 2009

**Table C: Invalid Applications**

| Reason for invalidity   | Number of applications |
|---|------------------------|
| Application does not comply with formal requirements (Section 41 of the Act)  | 0                      |
| Application is for excluded information of the agency (Section 43 of the Act) | 0                      |
| Application contravenes restraint order (Section 110 of the Act)              | 0                      |
| Total Number of applications received   | 0                      |
| Invalid applications that subsequently became valid applications              | 0                      |

**Table D: Conclusive Presumption of Overriding Public Interest Against Disclosure: Matters Listed in Schedule 1 to Act**

|                               | Number of Times Consideration Used |
|-------------------------------|------------------------------------|
| Overriding secrecy laws       | 0                                  |
| Cabinet information           | 0                                  |
| Executive Council information | 0                                  |
| Contempt                      | 0                                  |
| Legal professional privilege  | 0                                  |
| Excluded information          | 0                                  |

**Table E: Other Public Interest Considerations Against Disclosure: Matters Listed in Table to Section 14 of Act**

|  | Number of occasions when application not successful |
|--|---|
| Responsible and effective government                                 | 0   |
| Law enforcement and security   | 0   |
| Individual rights, judicial processes and natural justice            | 1   |
| Business interests of agencies and other persons                     | 0   |
| Environment, culture, economy and general matters                    | 0   |
| Secrecy provisions   | 0   |
| Exempt documents under interstate Freedom of Information legislation | 0   |

**Table F: Timelines**

|  | Number of applications |
|--|------------------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 7                      |
| Decided after 35 days (by agreement with applicant)                  | 2                      |
| Not decided within time (deemed refusal)                             | 0                      |
| Total  | 9                      |

**Table G: Number of Applications Reviewed Under Part 5 of the Act (by Type of Review and Outcome)**

|  | Decision varied | Decision upheld | Total |
|--|-----------------|-----------------|-------|
| Internal review  | 0               | 0               | 0     |
| Review by Information Commissioner                               | 0               | 0               | 0     |
| Internal review following recommendation under section 93 of Act | 0               | 0               | 0     |
| Review by ADT  | 0               | 0               | 0     |
| Total  | 0               | 0               | 0     |

**Table H: Applications for Review Under Part 5 of the Act (by Type of Applicant)**

|   | Number of Applications for Review |
|---|-----------------------------------|
| Applications by access applicants   | 0                                 |
| Applications by persons to whom information the subject of access application relates (see section 54 of the Act) | 0                                 |





# FINANCIALS 6



Boardside: Julie Malouf - Warringah Art Exhibition entrant

Detailed account of our finances for the period ended 30 June 2011.

# Warringah Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2011

*Leading our community  
Protecting our environment  
Creating our future*

## General Purpose Financial Statements

for the financial year ended 30 June 2011

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| 1. Statement by Councillors & Management | 175  | (i) These Financial Statements are general purpose financial statements for Warringah Council and its controlled entities and are presented in Australian Currency.  |
| 2. Income Statement                      | 176  | (ii) Warringah Council is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.   |
| 3. Statement of Comprehensive Income     | 177  | Council's Statutory Charter is specified in Section 8 of the LGA and includes;   |
| 4. Balance Sheet                         | 178  | • carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public;   |
| 5. Statement of Changes in Equity        | 179  | • responsibility for administering regulatory requirements under the LGA and other applicable legislation, &   |
| 6. Statement of Cash Flows               | 180  | • a role in the management, improvement and development of the resources of the local government area.   |
| 7. Notes to the Financial Statements     | 181  | A description of the nature of Council's operations and its principal activities are provided in Note 2(b).  |
| 8. Auditors' Reports                     | 227  | (iii) The Financial Statements are authorised for issue by the Council on <b>24 August 2011</b> . Council has the power to amend and reissue the Financial Statements.   |
|  |      | (iv) 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 available on our website: <a href="http://www.warringah.nsw.gov.au">www.warringah.nsw.gov.au</a> . |

### Statement by Councillors and Management

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

The attached General Purpose Financial Report has been prepared in accordance with:

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

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

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

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

Signed in accordance with a resolution of Council made on 23 August 2011.

  
Michael Regan  
MAYOR

  
Rik Hart  
GENERAL MANAGER

  
Jason Falinski  
COUNCILLOR

  
David Walsh  
RESPONSIBLE ACCOUNTING OFFICER



## ANNUAL FINANCIAL STATEMENTS

### Income Statement for the year ended 30 June 2011

| Budget <sup>(1)</sup><br>2011              | \$ '000 | Notes | Actual<br>2011 | Actual<br>2010 |
|--|---------|-------|----------------|----------------|
| <b>INCOME FROM CONTINUING OPERATIONS</b>   |         |       |                |                |
| <b>Revenue:</b>                            |         |       |                |                |
| 78,725                                     |         | 3a    | 79,257         | 76,958         |
| 32,425                                     |         | 3b    | 30,287         | 26,797         |
| 4,202                                      |         | 3c    | 5,947          | 5,641          |
| 8,100                                      |         | 3d    | 7,624          | 12,818         |
| 7,331                                      |         | 3e,f  | 7,549          | 7,483          |
| 9,702                                      |         | 3e,f  | 6,921          | 5,517          |
| <b>Other Income:</b>                       |         |       |                |                |
| -  |         | 5     | 167            | 308            |
|  |         |       |                |                |
| -  |         | 19    | 71             | -              |
| <b>140,485</b>                             |         |       | <b>137,823</b> | <b>135,522</b> |
| <b>EXPENSES FROM CONTINUING OPERATIONS</b> |         |       |                |                |
| 53,440                                     |         | 4a    | 52,435         | 51,535         |
| 259  |         | 4b    | 330            | 600            |
| 48,558                                     |         | 4c    | 47,676         | 43,661         |
| 13,225                                     |         | 4d    | 13,566         | 13,148         |
| -  |         | 4d    | -              | -              |
| 15,232                                     |         | 4e    | 14,629         | 12,907         |
| -  |         | 3c    | -              | -              |
| -  |         | 5     | -              | -              |
|  |         |       |                |                |
| -  |         | 19    | -              | 216            |
| <b>130,714</b>                             |         |       | <b>128,636</b> | <b>122,067</b> |
| <b>9,771</b>                               |         |       | <b>9,187</b>   | <b>13,455</b>  |
| <b>DISCONTINUED OPERATIONS</b>             |         |       |                |                |
| -  |         | 24    | -              | -              |
| <b>9,771</b>                               |         |       | <b>9,187</b>   | <b>13,455</b>  |
| Attributable to:                           |         |       |                |                |
| 8,840                                      |         |       | 8,113          | 12,417         |
| 931  |         |       | 1,074          | 1,038          |
| <b>69</b>                                  |         |       | <b>2,266</b>   | <b>7,938</b>   |

<sup>(1)</sup>Original Budget as approved by Council - refer Note 16

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

## ANNUAL FINANCIAL STATEMENTS

### Statement of Comprehensive Income for the year ended 30 June 2011

| \$'000   | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>Net operating result for the year - from Income Statement</b> |       | <b>9,187</b>   | <b>13,455</b>  |
| <b>Other Comprehensive Income</b>                                |       |                |                |
|  | 9a    | 20,633         | 39,994         |
|  |       | -              | 139,882        |
|  |       | -              | (1,577)        |
|  |       | -              | 229            |
| <b>Total other Comprehensive Income for the year</b>             |       | <b>20,633</b>  | <b>178,528</b> |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>                   |       | <b>29,820</b>  | <b>191,983</b> |
| Attributable to:   |       |                |                |
| - Council  |       | 28,746         | 190,716        |
| - Minority Interests   |       | 1,074          | 1,267          |

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

# ANNUAL FINANCIAL STATEMENTS

## Balance Sheet

as at 30 June 2011

| \$ '000   | Notes | Actual<br>2011   | Actual<br>2010   |
|---|-------|------------------|------------------|
| <b>ASSETS</b>                                     |       |                  |                  |
| <b>Current Assets</b>                             |       |                  |                  |
| Cash & Cash Equivalents                           | 6a    | 11,182           | 9,946            |
| Investments                                       | 6b    | 71,038           | 71,707           |
| Receivables                                       | 7     | 8,294            | 7,471            |
| Inventories                                       | 8     | 90               | 90               |
| Other   | 8     | 862              | 537              |
| Non-current assets classified as "held for sale"  | 22    | 2,944            | 2,944            |
| <b>Total Current Assets</b>                       |       | <b>94,410</b>    | <b>92,695</b>    |
| <b>Non-Current Assets</b>                         |       |                  |                  |
| Investments                                       | 6b    | 5,623            | 14,066           |
| Receivables                                       | 7     | 497              | 446              |
| Inventories                                       | 8     | -                | -                |
| Infrastructure, Property, Plant & Equipment       | 9     | 2,369,616        | 3,502,380        |
| Investments accounted for using the equity method | 19    | 849              | 778              |
| Investment Property                               | 14    | 2,100            | 2,050            |
| Intangible Assets                                 | 25    | 1,270            | 135              |
| Other   | 8     | -                | -                |
| <b>Total Non-Current Assets</b>                   |       | <b>2,379,955</b> | <b>3,519,855</b> |
| <b>TOTAL ASSETS</b>                               |       | <b>2,474,365</b> | <b>3,612,550</b> |
| <b>LIABILITIES</b>                                |       |                  |                  |
| <b>Current Liabilities</b>                        |       |                  |                  |
| Payables  | 10    | 18,602           | 15,850           |
| Borrowings  | 10    | 574              | 1,427            |
| Provisions  | 10    | 11,582           | 11,162           |
| <b>Total Current Liabilities</b>                  |       | <b>30,758</b>    | <b>28,439</b>    |
| <b>Non-Current Liabilities</b>                    |       |                  |                  |
| Payables  | 10    | 400              | 200              |
| Borrowings  | 10    | 508              | 811              |
| Provisions  | 10    | 6,338            | 5,597            |
| Investments accounted for using the equity method | 19    | -                | -                |
| <b>Total Non-Current Liabilities</b>              |       | <b>7,246</b>     | <b>6,608</b>     |
| <b>TOTAL LIABILITIES</b>                          |       | <b>38,004</b>    | <b>35,047</b>    |
| <b>NET ASSETS</b>                                 |       | <b>2,436,361</b> | <b>3,577,503</b> |
| <b>EQUITY</b>                                     |       |                  |                  |
| Retained Earnings                                 | 20    | 2,318,827        | 3,481,267        |
| Revaluation Reserves                              | 20    | 110,929          | 90,296           |
| Council Equity Interest                           |       | 2,429,756        | 3,571,563        |
| Minority Equity Interest                          |       | 6,605            | 5,940            |
| <b>TOTAL EQUITY</b>                               |       | <b>2,436,361</b> | <b>3,577,503</b> |

The above Balance Sheet should be read in conjunction with the accompanying notes

# ANNUAL FINANCIAL STATEMENTS

## Statement of Changes in Equity

for the financial year ended 30 June 2011

| \$ '000                              | Notes     | Retained<br>Earnings | Reserves<br>(Refer 20b) | Council<br>Equity<br>Interest | Minority<br>Interest | Total Equity       |
|--------------------------------------|-----------|----------------------|-------------------------|-------------------------------|----------------------|--------------------|
| <b>2011</b>                          |           |                      |                         |                               |                      |                    |
| <b>Opening Balance</b>               | 20        | 3,481,267            | 90,296                  | 3,571,563                     | 5,940                | <b>3,577,503</b>   |
| Correction of Errors                 |           | -                    | -                       | -                             | -                    | -                  |
| Changes in Accounting Policies       | 20        | (1,170,553)          | -                       | (1,170,553)                   | -                    | <b>(1,170,553)</b> |
| <b>Restated Opening Balances</b>     | <b>20</b> | <b>2,310,714</b>     | <b>90,296</b>           | <b>2,401,010</b>              | <b>5,940</b>         | <b>2,406,950</b>   |
| Net Operating Result for the year    | 20        | 8,113                | -                       | 8,113                         | 1,074                | <b>9,187</b>       |
| Other Comprehensive Income           | 20        | -                    | 20,633                  | 20,633                        | -                    | <b>20,633</b>      |
| <b>Total Comprehensive Income</b>    |           | <b>8,113</b>         | <b>20,633</b>           | <b>28,746</b>                 | <b>1,074</b>         | <b>29,820</b>      |
| Dividends Paid to Minority Interests |           | -                    | -                       | -                             | (409)                | (409)              |
| <b>Closing Balance</b>               |           | <b>2,318,827</b>     | <b>110,929</b>          | <b>2,429,756</b>              | <b>6,605</b>         | <b>2,436,361</b>   |

| \$ '000                           | Notes     | Retained<br>Earnings | Reserves<br>(Refer 20b) | Council<br>Equity<br>Interest | Minority<br>Interest | Total Equity     |
|-----------------------------------|-----------|----------------------|-------------------------|-------------------------------|----------------------|------------------|
| <b>2010</b>                       |           |                      |                         |                               |                      |                  |
| <b>Opening Balance</b>            | 20        | 3,329,641            | 50,858                  | 3,380,499                     | 5,021                | <b>3,385,520</b> |
| Correction of Errors              |           | -                    | -                       | -                             | -                    | -                |
| Changes in Accounting Policies    |           | -                    | -                       | -                             | -                    | -                |
| <b>Restated Opening Balances</b>  | <b>20</b> | <b>3,329,641</b>     | <b>50,858</b>           | <b>3,380,499</b>              | <b>5,021</b>         | <b>3,385,520</b> |
| Net Operating Result for the year | 20        | 12,417               | -                       | 12,417                        | 1,267                | <b>13,684</b>    |
| Other Comprehensive Income        | 20        | 139,209              | 39,438                  | 178,647                       | (348)                | <b>178,299</b>   |
| <b>Total Comprehensive Income</b> |           | <b>151,626</b>       | <b>39,438</b>           | <b>191,064</b>                | <b>919</b>           | <b>191,983</b>   |
| <b>Closing Balance</b>            |           | <b>3,481,267</b>     | <b>90,296</b>           | <b>3,571,563</b>              | <b>5,940</b>         | <b>3,577,503</b> |

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



# ANNUAL FINANCIAL STATEMENTS

## Statement of Cash Flows

for the financial year ended 30 June 2011

| Budget                                      |   | Notes | Actual          | Actual          |
|---|---|-------|-----------------|-----------------|
| 2011  | \$ '000   |       | 2011            | 2010            |
| <b>Cash Flows from Operating Activities</b> |   |       |                 |                 |
| <b>Receipts:</b>                            |   |       |                 |                 |
| 78,725                                      | Rates & Annual Charges  |       | 79,628          | 76,777          |
| 32,425                                      | User Charges & Fees   |       | 29,449          | 27,445          |
| 4,202                                       | Interest & Investment Revenue Received                        |       | 5,810           | 4,628           |
| 17,033                                      | Grants & Contributions  |       | 13,906          | 12,930          |
| 8,101                                       | Other   |       | 7,498           | 12,904          |
| <b>Payments:</b>                            |   |       |                 |                 |
| (54,200)                                    | Employee Benefits & On-Costs                                  |       | (51,973)        | (50,585)        |
| (48,558)                                    | Materials & Contracts   |       | (45,260)        | (45,730)        |
| (259)                                       | Borrowing Costs   |       | (133)           | (413)           |
| (15,232)                                    | Other   |       | (14,279)        | (12,427)        |
| <b>22,237</b>                               | <b>Net Cash provided (or used in) Operating Activities</b>    | 11b   | <b>24,646</b>   | <b>25,529</b>   |
| <b>Cash Flows from Investing Activities</b> |   |       |                 |                 |
| <b>Receipts:</b>                            |   |       |                 |                 |
| -   | Sale of Investments   |       | 143,150         | 213,885         |
| -   | Sale of Investment Property                                   |       | -               | -               |
| 4,594                                       | Sale of Infrastructure, Property, Plant & Equipment           |       | 2,249           | 2,129           |
| <b>Payments:</b>                            |   |       |                 |                 |
| -   | Purchase of Investment Securities                             |       | (134,041)       | (215,073)       |
| (39,547)                                    | Purchase of Infrastructure, Property, Plant & Equipment       |       | (32,068)        | (32,722)        |
| -   | Purchase of Intangibles                                       |       | (1,135)         | (135)           |
| <b>(34,953)</b>                             | <b>Net Cash provided (or used in) Investing Activities</b>    |       | <b>(21,845)</b> | <b>(31,916)</b> |
| <b>Cash Flows from Financing Activities</b> |   |       |                 |                 |
| <b>Receipts:</b>                            |   |       |                 |                 |
| 160   | Proceeds from Borrowings & Advances                           |       | 707             | 659             |
| -   | Share Capital from Minority Interest                          |       | -               | 229             |
| <b>Payments:</b>                            |   |       |                 |                 |
| (4,032)                                     | Repayment of Borrowings & Advances                            |       | (1,222)         | (4,162)         |
| -   | Repayment of Finance Lease Liabilities                        |       | (641)           | (610)           |
| -   | Dividends Paid to Minority Interests                          |       | (409)           | -               |
| <b>(3,872)</b>                              | <b>Net Cash Flow provided (used in) Financing Activities</b>  |       | <b>(1,565)</b>  | <b>(3,884)</b>  |
| <b>(16,588)</b>                             | <b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b> |       | <b>1,236</b>    | <b>(10,271)</b> |
| 20,671                                      | Cash & Cash Equivalents at beginning of the year              | 11a   | 9,946           | 20,217          |
| <b>4,083</b>                                | <b>Cash &amp; Cash Equivalents - end of the year</b>          | 11a   | <b>11,182</b>   | <b>9,946</b>    |

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

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

# Notes to the Financial Statements

for the year ended 30 June 2011

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# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

#### (i) Historical Cost Convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

#### (ii) Critical Accounting Estimates

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 Council's accounting policies.

#### (b) Revenue Recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

#### Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue is recognised when the Council either obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

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 undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of Section 94A of the Environmental Planning & Assessment Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consent Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council. A detailed Note relating to developer contributions can be found at Note 17.

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 balance date.

#### User Charges, Fees and Other Income

User charges, fees and other income (including 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 first occurs.

#### Sale of Infrastructure, Property, Plant and Equipment

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

#### Interest and Rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

#### (c) Principles of Consolidation

##### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, 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. The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated Fund:

- General Purpose Operations
- Kimbriki Environmental Enterprises Pty Limited
- Glen Street Theatre
- Curl Curl Sports Centre Management Committee
- Forestville RSL Playing Field Committee
- Wyatt Avenue Tennis Centre

Other joint ventures and associated entities in which Council is involved are included to the extent set out in (iii), Joint Venture.

##### (ii) The Trust Fund

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

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these reports.

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

# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

### (iii) Joint Venture Jointly Controlled Assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated throughout the financial statements under the appropriate headings. Details of the joint ventures are set out in Note 19.

### Jointly Controlled Entities

The interest in a joint venture partnership is accounted for using the equity method and is carried at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in reserves is recognised in the balance sheet. Details relating to such partnerships are set out in Note 19.

### Jointly Controlled Operations

Council has no jointly controlled operations at present. However, when such operations are entered into the assets which are controlled and the liabilities incurred by Council are recognised in the balance sheet. Expenses incurred and Council's share of income are recognised in the income statement.

### (v) County Councils

Council is not a member of any County Councils

### (d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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 Council will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to

the income statement on a straight-line basis over the period of the lease. Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

### (e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

### (f) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### (g) Cash and Cash Equivalents

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

### (h) Receivables

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.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

### (i) Inventories

#### (i) 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. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs. The 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.



# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

### (ii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holdings are expensed as incurred.

### (j) Non-Current "Held for Sale"

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as those arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

### (k) Investments and Other Financial Assets

#### Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and

receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

### (i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in Receivables (Note 7) in the balance sheet.

### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

### Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, Council may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

### Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

### Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security.

# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 1(l).

### Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred.

The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the income statement.

### Investment Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Local Government Ministerial Investment Order. Council maintains an investment policy that complies with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds. Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed - for example subordinated debt obligations - however they have been retained under

grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

### (l) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

### (m) Infrastructure, Property, Plant and Equipment (I,PP&E)

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Division of Local Government.

At balance date the following classes of IPP&E were stated at their fair value:

- Operational land (External Valuation).
- Buildings – Specialised/Non Specialised (External Valuation).
- Plant and equipment (as approximated by depreciated historical cost).
- Road assets – roads, bridges and footpaths (Internal Valuation)
- Drainage assets – (Internal Valuation)
- Community Land – (Internal Valuation)
- Land Improvements (as approximated by depreciated historical cost).
- Other structures (as approximated by depreciated historical cost).
- Other assets (as approximated by depreciated historical cost).

For all assets, Council assesses at each reporting date whether there is any

indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount. Full revaluations are undertaken for all assets on a 5 year cycle.

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

| Plant & Equipment                     |                 |
|---------------------------------------|-----------------|
| Office Equipment                      | 5 to 10 years   |
| Office furniture                      | 10 to 20 years  |
| Vehicles                              | 5 to 8 years    |
| Heavy Plant and Road Making equipment | 5 to 8 years    |
| Other plant and equipment             | 5 to 15 years   |
| Other Equipment                       |                 |
| Playground equipment                  | 5 to 15 years   |
| Benches, seats etc                    | 10 to 20 years  |
| Park Structures                       |                 |
| – Masonry                             | 50 to 100 years |
| Park Structures - Other Construction  | 20 to 40 years  |
| Buildings                             |                 |
| Buildings – Masonry                   | 50 to 100 years |
| Buildings – Other                     | 20 to 40 years  |
| Stormwater Drainage                   |                 |
| Drains                                | 100 years       |
| Transportation Assets                 |                 |
| Sealed Roads : Surface                | 100 years       |
| Sealed Roads : Structure              | 100 years       |
| Bridge : Concrete                     | 100 years       |
| Bridge : Other                        | 100 years       |
| Road Pavements                        | 100 years       |
| Kerb, Gutter & Paths                  | 100 years       |

# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

### Other Assets

|               |               |
|---------------|---------------|
| Library Books | 5 to 15 years |
| Artworks      | Indefinite    |

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Land, other than land under roads, is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This classification is made in Note 9(a).

### Capitalisation Thresholds

All items of infrastructure, property, plant and equipment are capitalised with the exception where the cost of acquisition is as follows:

### Plant & Equipment

|                         |           |
|-------------------------|-----------|
| Office Furniture        | < \$2,000 |
| Office Equipment        | < \$2,000 |
| Other Plant & Equipment | < \$2,000 |

### Land

Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) is classified on purchase as either Operational or Community. This classification of Land is disclosed in Note 9(a).

### Restricted Assets

Note 9A includes property assets at No's 7, 8, 8A & 10 Kimbriki Rd, Ingleside which have been partly funded by the Domestic Waste Management Reserve to the extent of 35.5% of the purchase price, which equals \$2.868 million. These assets were acquired during previous reporting periods. As at June 2011, council holds equity in the four (4) properties at Kimbriki Rd, Ingleside for the purpose of site closure by agreement with Manly, Mosman and Pittwater councils.

### (n) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this

information is not available, Council uses alternative valuation methods such as recent prices in less active markets or discounted cash flow projections.

These valuations are reviewed annually by a member of the Australian Property Institute. Changes in fair values are recorded in profit or loss as part of other income. The last revaluation for Council's Investment Properties was dated 30 June 2011.

Investment property includes properties that are under construction for future use as investment properties. These are also carried at fair value unless the fair value can not yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

Council has only one property classified as investment situated at 521 Pittwater Rd Brookvale.

### (o) Payables

#### (i) Goods & Services

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

#### (ii) Payments received in advance & deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

The interest rate that Council will pay on monies held in bonds is 0.20% per annum. (Commonwealth Bank Streamline account.) Only accrued interest amounts over \$1.00 will be paid out.

### (p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is

probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet 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.

### (q) Borrowing costs

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

### (r) Provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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.

# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

### (s) Employee benefits

#### (i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be 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.

#### (ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be 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.

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.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

#### (iii) 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.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses)

less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions to recover that deficiency. 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, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

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.

### Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30 June 2011.

### (t) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

### (u) Land under roads

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

under roads that was recognised before 1 July 2008 was derecognised at 1 July 2008 against the opening balance of retained earnings.

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

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

### (v) Provisions for close down, restoration and for environmental clean up costs – Tips and Quarries

#### (i) Restoration

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period. The amortisation of the discount is shown as a borrowing cost.

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and



# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

equipment. These costs are then depreciated over the lives of the assets to which they relate.

### (ii) Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost. Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific information relating to Councils provisions relating to Close Down, Restoration and Environmental Clean Up costs can be found at Note 26.

### (w) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next

12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

### (x) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2011.

Council's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*, AASB 2009 11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2013)  
AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. There will be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

(ii) Revised AASB 124 *Related Party Disclosures* and AASB 2009 12 *Amendments to Australian Accounting Standards* (effective from 1 January 2011)  
In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. This amendment will have no impact on Council.

(iii) AASB 2009 14 *Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement* (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme. It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments. The amendment is therefore not expected to have any impact on Council's financial statements.

(iv) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Council is a local government and, as a result, is not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. The two standards will therefore have no impact on the financial statements of Council.

(v) AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (effective for annual reporting periods beginning on or after 1 July 2011)  
Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets. The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties. They are not expected to have any significant impact on Council's disclosures.

(vi) AASB 2010-8 *Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets* (effective from 1 January 2012)  
In December 2010, the AASB amended AASB 112 *Income Taxes* to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model. AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences

# Notes to the Financial Statements

for the financial year ended 30 June 2011

## Note 1

that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. This amendment will have no impact on Council.

### (y) Self insurance

Council has determined to self-insure for various risks including public liability and professional indemnity. This is up to a limit of \$150,000 (\$600,000 prior to 1 July 2006) per claim/event for public liability and \$50,000 per claim/event for professional indemnity. A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10. Council also maintains cash and investments to meet expected future claims and these are detailed in Note 6(c).

### (z) Intangible assets

#### Alternative Waste Technology

Costs incurred in acquiring licences and rights that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to licensing.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation will be calculated on a straight line basis over the life of the project. Development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

### (aa) Crown Reserves

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

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

Representations from both State and Local Government are being sought to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

### (bb) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed".

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to recognise Rural Fire Service assets including land, buildings, plant and vehicles and depreciation charges within the Financial Statements.

### (cc) Goods & 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 within the Balance Sheet are stated inclusive of any applicable GST. The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

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

### (dd) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

### (ee) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these Financial Statements and/or the Notes.

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 2

### NOTE 2(a) FUNCTIONS / ACTIVITIES - FINANCIAL DISCLOSURES

\$ '000

Income, Expenses and Assets have been directly attributed to the following Functions / Activities.

Details of these Functions/Activities are provided in Note 2(b).

| Functions/Activities   | Income from Continuing Operations |                |                | Expenses from Continuing Operations |                |                | Operating Result from Continuing Operations |                 |                 | Grants included in Income from Continuing Operations |              | Total Assets held (Current & Non-current) |                  |
|--|-----------------------------------|----------------|----------------|-------------------------------------|----------------|----------------|---|-----------------|-----------------|--|--------------|---|------------------|
|  | Original Budget                   | Actual         | Actual         | Original Budget                     | Actual         | Actual         | Original Budget                             | Actual          | Actual          | Actual   | Actual       | Actual                                    | Actual           |
|  | 2011                              | 2011           | 2010           | 2011                                | 2011           | 2010           | 2011  | 2011            | 2010            | 2011   | 2010         | 2011                                      | 2010             |
| Corporate Support  | 5,469                             | 8,186          | 12,572         | 15,704                              | 17,022         | 16,857         | (10,235)                                    | (8,836)         | (4,285)         | 350  | 804          | 1,822,651                                 | 2,997,412        |
| Good Governance  | 103                               | 121            | 30             | 7,293                               | 6,913          | 6,910          | (7,190)                                     | (6,792)         | (6,880)         | -  | -            | -   | -                |
| Certification  | 400                               | 355            | 426            | 787                                 | 773            | 706            | (387)                                       | (418)           | (280)           | -  | -            | -   | -                |
| Child Care Community & Safety  | 4,946                             | 4,892          | 4,490          | 6,159                               | 6,139          | 5,966          | (1,213)                                     | (1,247)         | (1,476)         | 632  | 625          | -   | -                |
| Compliance   | 1,572                             | 1,681          | 1,493          | 5,769                               | 6,026          | 5,336          | (4,197)                                     | (4,345)         | (3,843)         | 104  | 224          | 504                                       | 182              |
| Cultural Services  | 4,339                             | 3,359          | 4,437          | 5,667                               | 5,372          | 5,265          | (1,328)                                     | (2,013)         | (828)           | -  | -            | 23  | 148              |
| Development Assessment Glen Street Theatre                                       | 72                                | 56             | 52             | 1,066                               | 890            | 956            | (994)                                       | (834)           | (904)           | 203  | 64           | 858                                       | 445              |
| Information & Library  | 1,733                             | 2,087          | 2,022          | 5,522                               | 5,601          | 5,001          | (3,789)                                     | (3,514)         | (2,979)         | -  | -            | -   | 31               |
| Kimbriki Environmental Enterprises   | 2,626                             | 2,161          | 1,811          | 3,768                               | 3,342          | 3,199          | (1,142)                                     | (1,181)         | (1,388)         | -  | -            | -   | 253              |
| Natural Environment  | 594                               | 601            | 611            | 6,088                               | 6,128          | 5,365          | (5,494)                                     | (5,527)         | (4,754)         | 352  | 409          | -   | -                |
| Parks, Reserves & Foreshores   | 17,843                            | 14,931         | 12,357         | 14,636                              | 15,693         | 12,320         | 3,207                                       | (762)           | 37              | 7  | 9            | -   | 1,259            |
| Roads, Traffic & Waste   | 3,472                             | 2,941          | 1,274          | 12,841                              | 12,625         | 11,758         | (9,369)                                     | (9,684)         | (10,484)        | 2,714  | 1,268        | 238,708                                   | 241,640          |
| Strategic Planning   | 1,869                             | 973            | 529            | 8,857                               | 8,922          | 8,745          | (6,988)                                     | (7,949)         | (8,216)         | -  | 18           | 64,930                                    | 35,571           |
| Warringah Aquatic Centre   | 18,795                            | 19,057         | 18,757         | 30,577                              | 27,726         | 27,852         | (11,782)                                    | (8,669)         | (9,095)         | 942  | 925          | 345,267                                   | 334,791          |
|  | 413                               | 474            | 485            | 2,142                               | 1,804          | 2,258          | (1,729)                                     | (1,330)         | (1,773)         | -  | -            | -   | 18               |
|  | 2,288                             | 2,102          | 2,134          | 3,838                               | 3,660          | 3,357          | (1,550)                                     | (1,558)         | (1,223)         | -  | -            | 575                                       | 19               |
| <b>Total Functions &amp; Activities</b>  | <b>66,534</b>                     | <b>63,977</b>  | <b>63,480</b>  | <b>130,714</b>                      | <b>128,636</b> | <b>121,851</b> | <b>(64,180)</b>                             | <b>(64,659)</b> | <b>(58,371)</b> | <b>5,304</b>   | <b>4,346</b> | <b>2,473,516</b>                          | <b>3,611,769</b> |
| Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method) | 470                               | (71)           | -              | -                                   | -              | 216            | 470   | (71)            | (216)           | -  | -            | 849                                       | 778              |
| General Purpose Income <sup>1</sup>  | 73,481                            | 73,917         | 72,042         | -                                   | -              | -              | 73,481                                      | 73,917          | 72,042          | 4,837  | 4,570        | -   | -                |
| <b>Totals</b>  | <b>140,485</b>                    | <b>137,823</b> | <b>135,522</b> | <b>130,714</b>                      | <b>128,636</b> | <b>122,067</b> | <b>9,771</b>                                | <b>9,187</b>    | <b>13,455</b>   | <b>10,141</b>  | <b>8,916</b> | <b>2,474,365</b>                          | <b>3,612,550</b> |
| <b>Operating Result attributable to Council</b>                                  |                                   |                |                |                                     |                |                | <b>8,840</b>                                | <b>8,113</b>    | <b>12,417</b>   |  |              |   |                  |
| <b>Operating Result attributable to Minority Interest</b>                        |                                   |                |                |                                     |                |                | <b>931</b>                                  | <b>1,074</b>    | <b>1,038</b>    |  |              |   |                  |

<sup>1</sup> Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 2

### NOTE 2(b) COMPONENTS OF FUNCTIONS / ACTIVITIES

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

#### Certification Services

Issue of certificates and approvals (including Construction, Occupations, Strata, Compliance and Building Certificates), as well as conducting principal certifying authority functions.

#### Children's Services

Long day, mobile occasional and family day care. Provision of programs, events, information and referral for children and their families. Aboriginal services, family and community education and vulnerable family service and support.

#### Community & Safety Services

Seniors and disabled service and support, beach management, community centre management, community development program and vulnerable service and support.

#### Compliance Services

Investigate and enforce compliance relating to unlawful building works, unlawful land uses, fire safety and breach of consent. Complaints investigation, public safety and health projects, environmental health, animal management and education.

#### Corporate Support Services

Costs not otherwise attributed to other services (includes Customer Service, Finance, Human Resources, Information Management & Technology, Procurement and Property and Commercial Development).

#### Cultural Services

Co-ordination of civic and landmark events (eg Citizenship and Australia Day), community festivals, exhibitions and cultural programs.

#### Development Assessment Services

Assessment on development and subdivision, advice on development, advice and service on civil engineering.

#### Glen Street Theatre

Host performing arts professionals, community groups, schools and corporate users.

#### Good Governance

Corporate planning, strategic advice and support, corruption prevention strategies, community engagement, elected council support, policy development and review and manage complaints service.

#### Information and Library Services

Public libraries providing lending, information and search services, communal space for study/research and supporting communities information, education, cultural and recreational needs.

#### Kimbriki Environmental Enterprises

Operation of landfill and recycling from commercial and domestic customers.

#### Natural Environment

Advice on natural areas and environmental issues, planning and research on environmental sustainability, environmental education and stormwater management.

#### Parks, Reserves and Foreshores

Management of parks, reserves, foreshores assets including sportsgrounds, playgrounds, rock pools and other recreational facilities.

#### Roads, Traffic and Waste

Street lighting, collection of commercial and domestic waste, public place cleaning, road network asset maintenance and traffic management.

#### Strategic Planning

Advice on land use, development and policy.

#### Warringah Aquatic Centre

Aquatic centre management, providing water safety, water fitness, learn to swim and coaching programs.



## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 3

#### NOTE 3 INCOME FROM CONTINUING OPERATIONS

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>(a) Rates &amp; Annual Charges</b>  |       |                |                |
| <b>Ordinary Rates</b>  |       |                |                |
| Residential  |       | 52,004         | 50,285         |
| Business   |       | 12,942         | 13,015         |
| <b>Total Ordinary Rates</b>  |       | <b>64,946</b>  | <b>63,300</b>  |
| <b>Special Rates</b>   |       |                |                |
| Nil  |       |                |                |
| <b>Annual Charges</b> (pursuant to s.496 & s.501)  |       |                |                |
| Domestic Waste Management Services   |       | 14,311         | 13,658         |
| <b>Total Annual Charges</b>  |       | <b>14,311</b>  | <b>13,658</b>  |
| <b>TOTAL RATES &amp; ANNUAL CHARGES</b>  |       | <b>79,257</b>  | <b>76,958</b>  |
| Council has used 2009 year valuations provided by the NSW Valuer General in calculating its rates. |       |                |                |
| <b>(b) User Charges &amp; Fees</b>   |       |                |                |
| <b>User Charges</b> (pursuant to s.502)  |       |                |                |
| Waste Management Services (non-domestic)   |       | 372            | 364            |
| <b>Total User Charges</b>  |       | <b>372</b>     | <b>364</b>     |
| <b>Fees</b>  |       |                |                |
| Planning & Building Regulation   |       | 2,434          | 1,873          |
| Regulatory/ Statutory Fees   |       | 358            | 841            |
| Section 149 Certificates (EPA Act)   |       | 364            | 391            |
| Section 603 Certificates   |       | 204            | 211            |
| Section 611 Charges  |       | 67             | 66             |
| Dog Registration   |       | 52             | 67             |
| Road & Shop Inspection   |       | 141            | 181            |
| Child Care   |       | 4,771          | 4,337          |
| Community Centres  |       | 1,296          | 1,193          |
| Glen Street Theatre  |       | 1,462          | 1,009          |
| Kimbriki Waste & Recycling Centre  |       | 13,060         | 11,192         |
| Libraries  |       | 214            | 213            |
| Parking Areas  |       | 845            | 664            |
| Restoration Charges  |       | 1,103          | 1,080          |
| Swimming Centres   |       | 1,862          | 1,891          |
| Other  |       | 1,682          | 1,224          |
| <b>Total Fees</b>  |       | <b>29,915</b>  | <b>26,433</b>  |
| <b>TOTAL USER CHARGES &amp; FEES</b>   |       | <b>30,287</b>  | <b>26,797</b>  |

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 3

#### NOTE 3 INCOME FROM CONTINUING OPERATIONS (continued)

| \$ '000   | Notes | Actual<br>2011 | Actual<br>2010 |
|---|-------|----------------|----------------|
| <b>(c) Interest &amp; Investment Revenue (incl. losses)</b>                 |       |                |                |
| <b>Interest &amp; Dividends</b>   |       |                |                |
| - Interest on Overdue Rates & Annual Charges                                |       | 180            | 178            |
| - Interest earned on Investments (interest & coupon payment income)         |       | 5,770          | 5,165          |
| <b>Fair Value Adjustments</b>   |       |                |                |
| - Fair Valuation Movements in Investments unrealised capital gains/(losses) |       | (3)            | 298            |
| <b>TOTAL INTEREST &amp; INVESTMENT REVENUE</b>                              |       | <b>5,947</b>   | <b>5,641</b>   |
| <b>Interest Revenue is attributable to:</b>                                 |       |                |                |
| <b>Unrestricted Investments/Financial Assets:</b>                           |       |                |                |
| Overdue Rates & Annual Charges  |       | 180            | 178            |
| General Council Cash & Investments  |       | 4,119          | 4,159          |
| <b>Restricted Investments/Funds - External:</b>                             |       |                |                |
| Development Contributions   |       |                |                |
| - Section 94A   |       | 1,648          | 1,304          |
| <b>Total Interest &amp; Investment Revenue Recognised</b>                   |       | <b>5,947</b>   | <b>5,641</b>   |
| <b>(d) Other Revenues</b>   |       |                |                |
| Fair Value Adjustments - Investment Properties                              | 14    | 50             | 50             |
| Rental Income - Investment Properties                                       |       | 184            | 177            |
| Rental Income - Other Council Properties                                    |       | 2,197          | 1,896          |
| Ex Gratia Rates   |       | 15             | 13             |
| Parking Fines   |       | 2,044          | 2,299          |
| Other Fines   |       | 435            | 854            |
| Other Fines - Repayment due to SDRO Error*                                  |       | (564)          | -              |
| Legal Fees Recovery - Rates & Charges (Extra Charges)                       |       | 86             | 101            |
| Legal Fees Recovery - Other   |       | 106            | 48             |
| Insurance Claim Recoveries  |       | 74             | 61             |
| Recycling Income (non domestic)   |       | 1,191          | 626            |
| Sale of Abandoned Vehicles  |       | -              | 10             |
| Sales - General   |       | 19             | 17             |
| Sullage Income/Sponsorship  |       | 29             | 36             |
| Waste Performance Improvement   |       | 716            | 536            |
| Sale of Access Rights - Kimbriki Environmental Enterprises Pty Ltd          |       | -              | 5,000          |
| Other Revenues  |       | 1,042          | 1,094          |
| <b>TOTAL OTHER REVENUE</b>  |       | <b>7,624</b>   | <b>12,818</b>  |

\* Council will seek to recover Premium Processing Service fees paid to the SDRO to mitigate the impact of this error by the SDRO.

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 3

#### NOTE 3 INCOME FROM CONTINUING OPERATIONS (continued)

| \$ '000   | Notes | 2011<br>Operating | 2010<br>Operating | 2011<br>Capital | 2010<br>Capital |
|---|-------|-------------------|-------------------|-----------------|-----------------|
| <b>(e) Grants</b>                               |       |                   |                   |                 |                 |
| <b>General Purpose (Untied)</b>                 |       |                   |                   |                 |                 |
| Financial Assistance - General Component        |       | 2,875             | 2,673             | -               | -               |
| Financial Assistance - Local Roads Component    |       | 1,167             | 1,086             | -               | -               |
| Pensioners' Rates Subsidies - General Component |       | 795               | 811               | -               | -               |
| <b>Total General Purpose</b>                    |       | <b>4,837</b>      | <b>4,570</b>      | <b>-</b>        | <b>-</b>        |
| <b>Specific Purpose</b>                         |       |                   |                   |                 |                 |
| Pensioners' Rates Subsidies:                    |       |                   |                   |                 |                 |
| - Domestic Waste Management                     |       | 226               | 227               | -               | -               |
| Bushfire & Emergency Services                   |       | 160               | 188               | -               | 150             |
| Child Care                                      |       | 632               | 625               | -               | -               |
| Coast & Estuaries                               |       | 120               | 942               | 2,386           | 7               |
| Community Care                                  |       | 104               | 94                | -               | -               |
| Community Centres                               |       | -                 | -                 | -               | 130             |
| Environmental Protection                        |       | 5                 | 14                | -               | -               |
| Heritage & Cultural                             |       | 12                | -                 | -               | -               |
| Library   |       | 89                | 73                | 263             | 336             |
| Noxious Weeds                                   |       | 44                | 15                | -               | -               |
| Recreation & Culture                            |       | 1                 | 3                 | 190             | 61              |
| Sport & Recreation                              |       | -                 | 18                | 100             | 290             |
| Street Lighting                                 |       | 334               | 319               | -               | -               |
| Transport (Roads to Recovery)                   |       | -                 | -                 | 607             | 607             |
| Other   |       | 31                | 249               | -               | -               |
| <b>Total Specific Purpose</b>                   |       | <b>1,758</b>      | <b>2,766</b>      | <b>3,546</b>    | <b>1,580</b>    |
| <b>Total Grants</b>                             |       | <b>6,595</b>      | <b>7,336</b>      | <b>3,546</b>    | <b>1,580</b>    |
| <b>Grant Revenue is attributable to:</b>        |       |                   |                   |                 |                 |
| - Commonwealth Funding                          |       | 4,300             | 4,087             | 2,871           | 804             |
| - State Funding                                 |       | 2,295             | 3,249             | 675             | 776             |
|   |       | <b>6,595</b>      | <b>7,336</b>      | <b>3,546</b>    | <b>1,580</b>    |

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 3

#### NOTE 3 INCOME FROM CONTINUING OPERATIONS (continued)

| \$ '000  | Notes | 2011<br>Operating | 2010<br>Operating | 2011<br>Capital | 2010<br>Capital |
|--|-------|-------------------|-------------------|-----------------|-----------------|
| <b>(f) Contributions</b>   |       |                   |                   |                 |                 |
| <b>Developer Contributions:</b>  |       |                   |                   |                 |                 |
| <b>(s93 &amp; s94 - EP&amp;A Act, s64 of the NSW LG Act):</b>  |       |                   |                   |                 |                 |
| S 94 - Contributions towards amenities/services  |       | -                 | -                 | 385             | 364             |
| S 94A - Fixed Development Consent Levies   |       | -                 | -                 | 2,404           | 1,892           |
| <b>Total Developer Contributions</b>   | 17    | <b>-</b>          | <b>-</b>          | <b>2,789</b>    | <b>2,256</b>    |
| <b>Other Contributions:</b>  |       |                   |                   |                 |                 |
| Bushfire Services  |       | -                 | 33                | -               | 952             |
| Coast & Estuaries  |       | 97                | -                 | -               | -               |
| EPA Rebate   |       | 435               | -                 | -               | -               |
| Other Councils - Joint Works/Services  |       | 163               | 34                | -               | -               |
| Recreation & Culture   |       | -                 | 8                 | -               | 198             |
| RTA Contributions (Regional/Local, Block Grant)  |       | 245               | 47                | 586             | 486             |
| Other  |       | 14                | 25                | -               | 45              |
| <b>Total Other Contributions</b>   |       | <b>954</b>        | <b>147</b>        | <b>586</b>      | <b>1,681</b>    |
| <b>Total Contributions</b>   |       | <b>954</b>        | <b>147</b>        | <b>3,375</b>    | <b>3,937</b>    |
| <b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>  |       | <b>7,549</b>      | <b>7,483</b>      | <b>6,921</b>    | <b>5,517</b>    |
| <b>(g) Restrictions relating to Grants and Contributions</b>   |       |                   |                   |                 |                 |
| <b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>               |       |                   |                   |                 |                 |
| Unexpended at the Close of the Previous Reporting Period   |       |                   |                   | 33,937          | 35,615          |
| <b>add:</b> Grants and contributions recognised in the current period which have not been spent:                                       |       |                   |                   | 4,867           | 4,701           |
| <b>less:</b> Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period: |       |                   |                   | (7,344)         | (6,379)         |
| <b>Net Increase (Decrease) in Restricted Assets during the Current Reporting Period</b>  |       |                   |                   | <b>(2,477)</b>  | <b>(1,678)</b>  |
| <b>Unexpended at the Close of this Reporting Period and held as Restricted Assets</b>  |       |                   |                   |                 |                 |
|  |       |                   |                   | <b>31,460</b>   | <b>33,937</b>   |
| <b>Comprising:</b>   |       |                   |                   |                 |                 |
| - Specific Purpose Unexpended Grants   |       |                   |                   | 2,105           | 6,877           |
| - Developer Contributions  |       |                   |                   | 29,032          | 26,737          |
| - Other Contributions  |       |                   |                   | 323             | 323             |
|  |       |                   |                   | <b>31,460</b>   | <b>33,937</b>   |



## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 4

#### NOTE 4 EXPENSES FROM CONTINUING OPERATIONS

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>(a) Employee Benefits &amp; On-Costs</b>            |       |                |                |
| Salaries and Wages                                     |       | 41,495         | 39,905         |
| Employee Termination Costs                             |       | 787            | 1,181          |
| Travelling   |       | 39             | 58             |
| Employee Leave Entitlements (ELE)                      |       | 4,425          | 5,094          |
| Superannuation   |       | 4,882          | 4,757          |
| Workers' Compensation Insurance                        |       | 549            | 131            |
| Fringe Benefit Tax (FBT)                               |       | 361            | 190            |
| Training Costs (other than Salaries & Wages)           |       | 465            | 408            |
| Recruitment Costs                                      |       | 184            | 133            |
| Other  |       | 772            | 717            |
| <b>Total Employee Costs</b>                            |       | <b>53,959</b>  | <b>52,574</b>  |
| Less: Capitalised Costs                                |       | (1,524)        | (1,039)        |
| <b>TOTAL EMPLOYEE COSTS EXPENSED</b>                   |       | <b>52,435</b>  | <b>51,535</b>  |
| Number of "Full Time Equivalent" Employees at year end |       | 554            | 560            |
| <b>(b) Borrowing Costs</b>                             |       |                |                |
| Interest on Loans                                      |       | 31             | 321            |
| Charges on Finance Leases                              |       | 82             | 75             |
| Amortisation of Discounts and Premiums                 |       |                |                |
| - Remediation Liabilities                              |       | 217            | 204            |
| Less: Capitalised Costs                                |       | -              | -              |
| <b>TOTAL BORROWING COSTS EXPENSED</b>                  |       | <b>330</b>     | <b>600</b>     |
| <b>(c) Materials &amp; Contracts</b>                   |       |                |                |
| Raw Materials & Consumables                            |       | 8,625          | 8,623          |
| Contractor & Consultancy Costs                         |       |                |                |
| - Bush Regeneration                                    |       | 1,462          | 722            |
| - Cleaning   |       | 939            | 776            |
| - Garbage  |       | 4,692          | 4,453          |
| - Recycling  |       | 3,297          | 4,814          |
| - External Roadwork                                    |       | 851            | 530            |
| - Waste Disposal                                       |       | 4,196          | 3,954          |
| - Other  |       | 22,818         | 19,167         |
| Auditors Remuneration:                                 |       |                |                |
| - Audit Services                                       |       | 74             | 49             |
| - Other Services                                       |       | 10             | 25             |
| Legal Fees:  |       |                |                |
| - Planning & Development                               |       | 954            | 562            |
| - Other  |       | 540            | 516            |
| Operating Leases:                                      |       |                |                |
| - Printers   |       | 100            | 116            |
| Less: Capitalised Costs                                |       | (882)          | (646)          |
| <b>TOTAL MATERIALS &amp; CONTRACTS</b>                 |       | <b>47,676</b>  | <b>43,661</b>  |

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 4

#### NOTE 4 EXPENSES FROM CONTINUING OPERATIONS (continued)

| \$ '000  | Notes  | Depreciation/Amortisation |                | Impairment Costs |                |
|--|--------|---------------------------|----------------|------------------|----------------|
|  |        | Actual<br>2011            | Actual<br>2010 | Actual<br>2011   | Actual<br>2010 |
| <b>(d) Depreciation, Amortisation &amp; Impairment</b>             |        |                           |                |                  |                |
| Plant and Equipment  |        | 1,831                     | 1,781          | -                | -              |
| Office Equipment   |        | 862                       | 798            | -                | -              |
| Furniture & Fittings   |        | 163                       | 159            | -                | -              |
| Property, Plant & Equipment - Leased                               |        | 640                       | 461            | -                | -              |
| Land Improvements (depreciable)                                    |        | 40                        | 26             | -                | -              |
| Buildings - Non Specialised  |        | 1,875                     | 1,982          | -                | -              |
| Buildings - Specialised  |        | 232                       | 230            | -                | -              |
| Other Structures   |        | 521                       | 420            | -                | -              |
| Infrastructure:  |        |                           |                |                  |                |
| - Roads, Bridges & Footpaths                                       |        | 3,478                     | 3,458          | -                | -              |
| - Stormwater Drainage  |        | 3,375                     | 3,298          | -                | -              |
| Other Assets   |        |                           |                |                  |                |
| - Library Books  |        | 508                       | 494            | -                | -              |
| Tip Asset  | 9 & 26 | 41                        | 41             | -                | -              |
| Less: Capitalised Costs  |        | -                         | -              | -                | -              |
| <b>TOTAL DEPRECIATION &amp; TOTAL IMPAIRMENT</b>                   |        | <b>13,566</b>             | <b>13,148</b>  | <b>-</b>         | <b>-</b>       |
| <b>(e) Other Expenses</b>  |        |                           |                |                  |                |
| Other Expenses for the year include the following:                 |        |                           |                |                  |                |
| Advertising  |        |                           |                | 649              | 645            |
| Bad & Doubtful Debts   |        |                           |                | (7)              | 33             |
| Mayoral Fee  |        |                           |                | 54               | 52             |
| Councillors' Fees  |        |                           |                | 203              | 197            |
| Councillors' (incl. Mayor) Expenses - Other (excluding fees above) |        |                           |                | 104              | 113            |
| Contributions to Other Levels of Government                        |        |                           |                |                  |                |
| - Planning Levy  |        |                           |                | 262              | 255            |
| - Waste Levy   |        |                           |                | 3,822            | 3,248          |
| - Emergency Services Levy  |        |                           |                | 2,371            | 2,405          |
| - Other Levies   |        |                           |                | 388              | 510            |
| Contributions & Donations (Section 356)                            |        |                           |                | 341              | 306            |
| Data Services  |        |                           |                | 247              | 242            |
| Electricity & Heating  |        |                           |                | 2,221            | 2,063          |
| Insurance  |        |                           |                | 1,485            | 617            |
| Interest on Bonds & Deposits                                       |        |                           |                | 18               | -              |
| SHOROC Contributions   |        |                           |                | 138              | 167            |
| Street Lighting  |        |                           |                | 1,504            | 1,137          |
| Telephone & Communications   |        |                           |                | 551              | 660            |
| Valuation Fees   |        |                           |                | 204              | 229            |
| Other  |        |                           |                | 74               | 28             |
| <b>TOTAL OTHER EXPENSES</b>  |        |                           |                | <b>14,629</b>    | <b>12,907</b>  |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Notes 5

#### NOTE 5 GAINS OR LOSSES FROM THE DISPOSAL OF ASSETS

| \$ '000   | Notes | Actual       |              |
|---|-------|--------------|--------------|
|   |       | 2011         | 2010         |
| <b>Property (excl. Investment Property)</b>             |       |              |              |
| Proceeds from Disposal                                  |       | -            | -            |
| less: Carrying Amount of Property Assets Sold           |       | -            | (111)        |
| <b>Net Gain/(Loss) on Disposal</b>                      |       | -            | <b>(111)</b> |
| <b>Plant &amp; Equipment</b>                            |       |              |              |
| Proceeds from Disposal                                  |       | 2,249        | 2,047        |
| less: Carrying Amount of P&E Assets Sold                |       | (1,888)      | (1,628)      |
| <b>Net Gain/(Loss) on Disposal</b>                      |       | <b>361</b>   | <b>419</b>   |
| <b>Infrastructure</b>                                   |       |              |              |
| Proceeds from Disposal                                  |       | -            | -            |
| less: Carrying Amount of Infrastructure Assets Sold     |       | (194)        | -            |
| <b>Net Gain/(Loss) on Disposal</b>                      |       | <b>(194)</b> | -            |
| <b>Financial Assets</b>                                 |       |              |              |
| Proceeds from Disposal                                  |       | 143,150      | 213,885      |
| less: Carrying Amount of Financial Assets Sold          |       | (143,150)    | (213,885)    |
| <b>Net Gain/(Loss) on Disposal</b>                      |       | -            | -            |
| <b>Non Current Assets Classified as "Held for Sale"</b> |       |              |              |
| Proceeds from Disposal                                  |       | -            | -            |
| less: Carrying Amount of "Held for Sale" Assets Sold    |       | -            | -            |
| <b>Net Gain/(Loss) on Disposal</b>                      |       | -            | -            |
| <b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>            |       | <b>167</b>   | <b>308</b>   |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Notes 6

#### NOTE 6(a) CASH AND CASH EQUIVALENTS

| \$ '000                                  | Notes | 2011 Actual   |             | 2010 Actual  |             |
|--|-------|---------------|-------------|--------------|-------------|
|  |       | Current       | Non Current | Current      | Non Current |
| Cash on Hand and at Bank                 |       | 11,182        | -           | 9,946        | -           |
| <b>Total Cash &amp; Cash Equivalents</b> |       | <b>11,182</b> | -           | <b>9,946</b> | -           |

#### NOTE 6(b) INVESTMENTS

|  | 2011 Actual   |              | 2010 Actual   |               |
|--|---------------|--------------|---------------|---------------|
|  | Current       | Non Current  | Current       | Non Current   |
| Financial Assets at fair value through Profit and Loss - Held for Trading <sup>(1)</sup> | 1,498         | 4,623        | 2,494         | 7,984         |
| Held to Maturity Investments   | 69,540        | 1,000        | 69,213        | 6,082         |
| <b>Total</b>   | <b>71,038</b> | <b>5,623</b> | <b>71,707</b> | <b>14,066</b> |

#### Financial Assets at fair value through

##### Profit and Loss - Held for Trading

|                                       | 2011 Actual  | 2010 Actual  | 2011 Actual  | 2010 Actual  |
|---------------------------------------|--------------|--------------|--------------|--------------|
| At beginning of year                  | 2,494        | 7,984        | -            | 22,690       |
| Revaluation to Income Statement       | 10           | (13)         | -            | 298          |
| Additions                             | -            | -            | -            | -            |
| Disposals                             | (2,501)      | (1,853)      | -            | (12,510)     |
| Transfers between Current/Non Current | 1,495        | (1,495)      | 2,494        | (2,494)      |
| <b>At end of year</b>                 | <b>1,498</b> | <b>4,623</b> | <b>2,494</b> | <b>7,984</b> |

#### Comprising of:

|                            | 2011 Actual  | 2010 Actual  | 2011 Actual  | 2010 Actual  |
|----------------------------|--------------|--------------|--------------|--------------|
| FRNs                       | 1,498        | 2,906        | 2,494        | 4,293        |
| Mortgage Backed Securities | -            | 1,717        | -            | 3,691        |
|                            | <b>1,498</b> | <b>4,623</b> | <b>2,494</b> | <b>7,984</b> |

#### Held to Maturity Investments

|  | 2011 Actual   | 2010 Actual  | 2011 Actual   | 2010 Actual  |
|--|---------------|--------------|---------------|--------------|
| At beginning of year                   | 69,213        | 6,082        | 50,544        | 11,053       |
| Amortisation of discounts and premiums | -             | -            | -             | -            |
| Additions                              | 133,041       | 1,000        | 210,073       | 5,000        |
| Disposals                              | (137,714)     | (1,082)      | (200,544)     | (831)        |
| Transfers between Current/Non Current  | 5,000         | (5,000)      | 9,140         | (9,140)      |
| <b>At end of year</b>                  | <b>69,540</b> | <b>1,000</b> | <b>69,213</b> | <b>6,082</b> |

#### Comprising of:

|               | 2011 Actual   | 2010 Actual  | 2011 Actual   | 2010 Actual  |
|---------------|---------------|--------------|---------------|--------------|
| Term Deposits | 69,540        | -            | 69,213        | 6,082        |
| FRNs          | -             | 1,000        | -             | -            |
|               | <b>69,540</b> | <b>1,000</b> | <b>69,213</b> | <b>6,082</b> |



## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 6

#### NOTE 6(c) RESTRICTED CASH, CASH EQUIVALENTS & INVESTMENTS

| \$ '000   | Notes | 2011<br>Actual |              | 2010<br>Actual |               |
|---|-------|----------------|--------------|----------------|---------------|
|   |       | Current        | Non Current  | Current        | Non Current   |
| <b>Total Cash, Cash Equivalents and Investments</b> |       | <b>82,220</b>  | <b>5,623</b> | <b>81,653</b>  | <b>14,066</b> |
| External Restrictions (refer below)                 |       | 37,432         | 5,623        | 31,391         | 14,066        |
| Internal Restrictions (refer below)                 |       | 9,366          | -            | 17,308         | -             |
| Unrestricted  |       | 35,422         | -            | 32,954         | -             |
|   |       | <b>82,220</b>  | <b>5,623</b> | <b>81,653</b>  | <b>14,066</b> |

| 2011<br>\$ '000  | Opening<br>Balance | Transfers to<br>Restrictions | Transfers from<br>Restrictions | Closing<br>Balance |
|--|--------------------|------------------------------|--------------------------------|--------------------|
| <b>External Restrictions - Included in Liabilities</b> |                    |                              |                                |                    |
| Nil  |                    |                              |                                |                    |
| <b>External Restrictions - Other</b>                   |                    |                              |                                |                    |
| Developer Contributions - General (A)                  | 26,737             | 4,437                        | (2,142)                        | 29,032             |
| RTA Contributions (B)                                  | 323                | -                            | -                              | 323                |
| Specific Purpose Unexpended Grants (C)                 | 6,877              | 427                          | (5,199)                        | 2,105              |
| Domestic Waste Management (D)                          | -                  | 14,835                       | (14,724)                       | 111                |
| Stormwater Management (D)                              | 5,217              | 5,592                        | (5,461)                        | 5,348              |
| Sportsfield Levy (D)                                   | 4,452              | 1,330                        | (1,890)                        | 3,892              |
| Infrastructure Levy (D)                                | 1,664              | 4,323                        | (3,946)                        | 2,041              |
| Subdivision and Duffy's Forest Concurrence             | 187                | 16                           | -                              | 203                |
| <b>External Restrictions - Other</b>                   | <b>45,457</b>      | <b>30,960</b>                | <b>(33,362)</b>                | <b>43,055</b>      |
| <b>Total External Restrictions</b>                     | <b>45,457</b>      | <b>30,960</b>                | <b>(33,362)</b>                | <b>43,055</b>      |

**A** Development contributions which are not yet expended for the provision of services and amenities in accordance with contribution plans (refer Note 17).

**B** Roads and Traffic Authority contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.

**C** Grants which are not yet expended for the purposes for which the grants were obtained (refer Note 1).

**D** Domestic Waste management (DWM) and other special rates, levies and charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Notes to the Financial Statements

for the year ended 30 June 2011

#### NOTE 6(c) RESTRICTED CASH, CASH EQUIVALENTS & INVESTMENTS (Continued)

| 2011<br>\$ '000                           | Opening<br>Balance | Transfers to<br>Restrictions | Transfers from<br>Restrictions | Closing<br>Balance |
|---|--------------------|------------------------------|--------------------------------|--------------------|
| <b>Internal Restrictions</b>              |                    |                              |                                |                    |
| Beach Parking                             | 236                | -                            | (118)                          | 118                |
| Compulsory Open Space Acquisition Reserve | 625                | -                            | (209)                          | 416                |
| Deposits, Retentions & Bonds              | 4,691              | -                            | (131)                          | 4,560              |
| Employees Leave Entitlement               | 2,360              | 3                            | -                              | 2,363              |
| Insurance Reserve                         | 737                | 296                          | -                              | 1,033              |
| Long Reef SLSC Renewal Reserve            | 239                | -                            | (68)                           | 171                |
| Narrabeen Lagoon Entrance                 | 999                | -                            | (484)                          | 515                |
| Stormwater Asset Replacement Reserve      | 225                | -                            | (35)                           | 190                |
| Affordable Housing Reserve                | 105                | -                            | (105)                          | -                  |
| Bus Shelter Reserve                       | 20                 | -                            | (20)                           | -                  |
| Child Care Parent Fundraising             | 28                 | -                            | (28)                           | -                  |
| Community Advisory Committee (CAC)        | 100                | -                            | (100)                          | -                  |
| Community Development                     | 886                | -                            | (886)                          | -                  |
| Freshwater Village Underground Power      | 1,208              | -                            | (1,208)                        | -                  |
| Glen Street Theatre                       | 1,354              | -                            | (1,354)                        | -                  |
| LEMC Local Emergency Management Committee | 80                 | -                            | (80)                           | -                  |
| Loan Repayment (Sinking Fund)             | 1,325              | -                            | (1,325)                        | -                  |
| Netball Courts Reserve                    | 756                | -                            | (756)                          | -                  |
| Property Development                      | 1,034              | -                            | (1,034)                        | -                  |
| Recreational Improvements Reserve         | 151                | -                            | (151)                          | -                  |
| S355 Community Centres                    | 117                | -                            | (117)                          | -                  |
| Unexpended Loans                          | 32                 | -                            | (32)                           | -                  |
| <b>Total Internal Restrictions</b>        | <b>17,308</b>      | <b>299</b>                   | <b>(8,241)</b>                 | <b>9,366</b>       |
| <b>TOTAL RESTRICTIONS</b>                 | <b>62,765</b>      | <b>31,259</b>                | <b>(41,603)</b>                | <b>52,421</b>      |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 7

#### NOTE 7 RECEIVABLES

| \$ '000   | 2011         |             | 2010         |             |
|---|--------------|-------------|--------------|-------------|
|   | Current      | Non Current | Current      | Non Current |
| <b>Purpose</b>                                      |              |             |              |             |
| Rates & Annual Charges                              | 2,072        | 313         | 2,490        | 275         |
| Interest & Extra Charges                            | 165          | 184         | 162          | 171         |
| User Charges & Fees                                 | 2,048        | -           | 2,105        | -           |
| Accrued Revenues                                    |              |             |              |             |
| - Interest on Investments                           | 1,331        | -           | 1,210        | -           |
| Government Grants & Subsidies                       | 1,745        | -           | 694          | -           |
| Net GST Receivable                                  | 983          | -           | 991          | -           |
| Other Debtors                                       | 99           | -           | 12           | -           |
| <b>Total</b>  | <b>8,443</b> | <b>497</b>  | <b>7,664</b> | <b>446</b>  |
| <b>less: Provision for Impairment</b>               |              |             |              |             |
| Rates & Annual Charges                              | -            | -           | (9)          | -           |
| User Charges & Fees                                 | (149)        | -           | (184)        | -           |
| <b>Total Provision for Impairment - Receivables</b> | <b>(149)</b> | <b>-</b>    | <b>(193)</b> | <b>-</b>    |
| <b>TOTAL NET RECEIVABLES</b>                        | <b>8,294</b> | <b>497</b>  | <b>7,471</b> | <b>446</b>  |
| <b>Externally Restricted Receivables</b>            |              |             |              |             |
| Domestic Waste Management                           | 405          | 109         | 389          | 49          |
| Other   |              |             |              |             |
| - Stormwater Levy                                   | 134          | -           | 161          | -           |
| - Sportsfield Levy                                  | 39           | -           | 46           | -           |
| - Infrastructure Levy                               | 126          | -           | 151          | -           |
| <b>Total External Restrictions</b>                  | <b>704</b>   | <b>109</b>  | <b>747</b>   | <b>49</b>   |
| <b>Internally Restricted Receivables</b>            |              |             |              |             |
| Nil   |              |             |              |             |
| <b>Unrestricted Receivables</b>                     | <b>7,590</b> | <b>388</b>  | <b>6,724</b> | <b>397</b>  |
| <b>TOTAL NET RECEIVABLES</b>                        | <b>8,294</b> | <b>497</b>  | <b>7,471</b> | <b>446</b>  |

#### Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 9.00% (2010 9.00%).
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 8

#### Note 8 INVENTORIES & OTHER ASSETS

| \$ '000                                     | 2011       |             | 2010       |             |
|---|------------|-------------|------------|-------------|
|   | Current    | Non Current | Current    | Non Current |
| <b>Inventories</b>                          |            |             |            |             |
| Stores & Materials                          | 70         | -           | 69         | -           |
| Trading Stock                               | 20         | -           | 21         | -           |
| <b>Total Inventories</b>                    | <b>90</b>  | <b>-</b>    | <b>90</b>  | <b>-</b>    |
| <b>Other Assets</b>                         |            |             |            |             |
| Prepayments                                 | 862        | -           | 537        | -           |
| <b>Total Other Assets</b>                   | <b>862</b> | <b>-</b>    | <b>537</b> | <b>-</b>    |
| <b>TOTAL INVENTORIES &amp; OTHER ASSETS</b> | <b>952</b> | <b>-</b>    | <b>627</b> | <b>-</b>    |
| <b>(i) Externally Restricted Assets</b>     |            |             |            |             |
| <b>Water</b>                                |            |             |            |             |
| Nil   |            |             |            |             |
| <b>Sewerage</b>                             |            |             |            |             |
| Nil   |            |             |            |             |
| <b>Domestic Waste Management</b>            |            |             |            |             |
| Nil   |            |             |            |             |
| <b>Other</b>                                |            |             |            |             |
| Nil   |            |             |            |             |
| <b>Total Externally Restricted Assets</b>   | <b>-</b>   | <b>-</b>    | <b>-</b>   | <b>-</b>    |
| <b>Total Internally Restricted Assets</b>   | <b>-</b>   | <b>-</b>    | <b>-</b>   | <b>-</b>    |
| <b>Total Unrestricted Assets</b>            | <b>952</b> | <b>-</b>    | <b>627</b> | <b>-</b>    |
| <b>TOTAL INVENTORIES &amp; OTHER ASSETS</b> | <b>952</b> | <b>-</b>    | <b>627</b> | <b>-</b>    |



Notes to the Financial Statements  
for the year ended 30 June 2011

Note 9

NOTE 9(a) INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

|   | Asset Movements during the Reporting Period |                  |                  |                         |                  |               |                  |                     |                            |                                      | At 30/6/2011     |                  |                         |                  |
|---|---|------------------|------------------|-------------------------|------------------|---------------|------------------|---------------------|----------------------------|--------------------------------------|------------------|------------------|-------------------------|------------------|
|   | At 30/6/2010                                | Cost/Deemed Cost | At Fair Value    | Accum Depn & Impairment | Carrying value   | Additions     | WDV of Disposals | Depn and Impairment | Adjust - ments & Transfers | Revaluation Increments/ (decrements) | Cost/Deemed Cost | At Fair Value    | Accum Depn & Impairment | Carrying value   |
| Capital Work in Progress  |   | 5,433            | -                | -                       | 5,433            | 3,070         | -                | -                   | (4,758)                    | -                                    | 3,745            | -                | -                       | 3,745            |
| Plant & Equipment   |   | -                | 11,108           | 4,566                   | 6,542            | 3,522         | (1,889)          | (1,831)             | 22                         | -                                    | -                | 11,300           | 4,934                   | 6,366            |
| Office Equipment  |   | -                | 10,381           | 7,406                   | 2,975            | 502           | -                | (862)               | 24                         | -                                    | -                | 10,899           | 8,260                   | 2,639            |
| Furniture & Fittings  |   | -                | 2,920            | 2,147                   | 773              | 10            | -                | (163)               | -                          | -                                    | -                | 2,930            | 2,310                   | 620              |
| Plant & Equipment (under Finance Lease)                                       |   | -                | 1,677            | 692                     | 985              | 706           | -                | (640)               | -                          | -                                    | -                | 1,843            | 792                     | 1,051            |
| <b>Land:</b>  |   |                  |                  |                         |                  |               |                  |                     |                            |                                      |                  |                  |                         |                  |
| - Operational Land  |   | -                | 147,124          | -                       | 147,124          | -             | -                | -                   | -                          | -                                    | -                | 147,124          | -                       | 147,124          |
| - Community Land  |   | 2,600,305        | -                | -                       | 2,600,305        | 1,245         | -                | (1,172,359)         | -                          | -                                    | -                | 1,429,191        | -                       | 1,429,191        |
| - Land Under Roads  |   | -                | -                | -                       | -                | -             | -                | -                   | 1,806                      | -                                    | -                | 1,806            | -                       | 1,806            |
| Land Improvements - depreciable   |   | 3,388            | -                | 953                     | 2,435            | 4,023         | -                | (40)                | 188                        | 15,563                               | -                | 23,280           | 1,111                   | 22,169           |
| Buildings - Non Specialised   |   | -                | 189,645          | 76,727                  | 112,918          | 8,070         | (194)            | (1,875)             | (1,914)                    | -                                    | -                | 193,830          | 76,825                  | 117,005          |
| Buildings - Specialised   |   | -                | 22,867           | 10,137                  | 12,730           | 53            | -                | (232)               | 264                        | -                                    | -                | 23,184           | 10,369                  | 12,815           |
| Other Structures  |   | 34,135           | -                | 3,053                   | 31,082           | 4,418         | -                | (521)               | 5,207                      | 5,070                                | -                | 53,497           | 8,240                   | 45,257           |
| <b>Infrastructure:</b>  |   |                  |                  |                         |                  |               |                  |                     |                            |                                      |                  |                  |                         |                  |
| - Roads, Bridges, Footpaths   |   | -                | 394,174          | 59,275                  | 334,899          | 5,946         | -                | (3,478)             | 667                        | -                                    | -                | 400,787          | 62,753                  | 338,034          |
| - Stormwater Drainage   |   | -                | 332,778          | 91,350                  | 241,428          | 707           | -                | (3,375)             | 308                        | -                                    | -                | 333,793          | 94,725                  | 239,068          |
| <b>Other Assets:</b>  |   |                  |                  |                         |                  |               |                  |                     |                            |                                      |                  |                  |                         |                  |
| - Library Books   |   | 6,465            | -                | 4,904                   | 1,561            | 532           | -                | (508)               | (8)                        | -                                    | -                | 6,989            | 5,412                   | 1,577            |
| - Other   |   | 975              | -                | 975                     | -                | -             | -                | -                   | -                          | -                                    | -                | -                | -                       | -                |
| <b>Reinstatement, Rehabilitation &amp; Restoration Assets (refer Note 26)</b> |   |                  |                  |                         |                  |               |                  |                     |                            |                                      |                  |                  |                         |                  |
| - Tip Asset   |   | 2,019            | -                | 829                     | 1,190            | -             | -                | (41)                | -                          | -                                    | 2,019            | -                | 870                     | 1,149            |
| <b>TOTAL</b>  |   | <b>2,652,720</b> | <b>1,112,674</b> | <b>263,014</b>          | <b>3,502,380</b> | <b>32,804</b> | <b>(2,083)</b>   | <b>(13,566)</b>     | <b>(1,170,553)</b>         | <b>20,633</b>                        | <b>5,764</b>     | <b>2,640,453</b> | <b>276,601</b>          | <b>2,369,616</b> |

|   |                        |               |
|---|------------------------|---------------|
| Asset acquisitions were apportioned between | New Assets             | 9,569         |
|   | Renewals               | 23,235        |
|   | <b>Total Additions</b> | <b>32,804</b> |

NOTE 9(b) RESTRICTED INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

| \$ '000                            | Actual 2011 |               |                   |                | Actual 2010 |               |                   |                |
|------------------------------------|-------------|---------------|-------------------|----------------|-------------|---------------|-------------------|----------------|
|                                    | At Cost     | At Fair Value | A/Dep & Impairm't | Carrying Value | At Cost     | At Fair Value | A/Dep & Impairm't | Carrying Value |
| <b>Domestic Waste Management</b>   |             |               |                   |                |             |               |                   |                |
| - 35.5% Kimbriki Tip Land          | -           | 4,476         | -                 | 4,476          | -           | 4,476         | -                 | 4,476          |
| <b>Total DWM</b>                   | -           | <b>4,476</b>  | -                 | <b>4,476</b>   | -           | <b>4,476</b>  | -                 | <b>4,476</b>   |
| <b>Other Restricted Assets</b>     |             |               |                   |                |             |               |                   |                |
| - 64.5% Kimbriki Tip Land          | -           | 8,133         | -                 | 8,133          | -           | 8,133         | -                 | 8,133          |
| - Non-Cash S94 Contribution        | -           | 716           | -                 | 716            | -           | 716           | -                 | 716            |
| <b>Total Other Restrictions</b>    | -           | <b>8,849</b>  | -                 | <b>8,849</b>   | -           | <b>8,849</b>  | -                 | <b>8,849</b>   |
| <b>TOTAL RESTRICTED I,PP&amp;E</b> | -           | <b>13,325</b> | -                 | <b>13,325</b>  | -           | <b>13,325</b> | -                 | <b>13,325</b>  |

Notes to the Financial Statements  
for the year ended 30 June 2011

Note 10

NOTE 10(a) PAYABLES, BORROWINGS AND PROVISIONS

| \$ '000  | Notes | Actual 2011   |              | Actual 2010   |              |
|--|-------|---------------|--------------|---------------|--------------|
|  |       | Current       | Non Current  | Current       | Non Current  |
| <b>Payables</b>  |       |               |              |               |              |
| Goods & Services   |       | 4,618         | -            | 3,754         | -            |
| Accrued Expenses   |       |               |              |               |              |
| - Wages and Salaries   |       | 781           | -            | 586           | -            |
| - Borrowings   |       | -             | -            | 20            | -            |
| - Other  |       | 6,302         | 400          | 4,214         | 200          |
| Payments Received In Advance   |       | 1,337         | -            | 1,710         | -            |
| Deposits & Retentions  |       | 4,560         | -            | 4,691         | -            |
| Fringe Benefits Tax Payable  |       | 88            | -            | 82            | -            |
| Other Payables   |       | 916           | -            | 793           | -            |
| <b>Total Payables</b>  |       | <b>18,602</b> | <b>400</b>   | <b>15,850</b> | <b>200</b>   |
| <b>Current Payables not expected to be settled within the next 12 months</b>   |       |               |              |               |              |
| Deposits & Retentions  |       | 2,736         | -            | 2,851         | -            |
| <b>Total</b>   |       | <b>2,736</b>  | <b>-</b>     | <b>2,851</b>  | <b>-</b>     |
| <b>Borrowings</b>  |       |               |              |               |              |
| Loans - Secured <sup>(1)</sup>   |       | -             | -            | 852           | 370          |
| Finance Lease Liability  |       | 574           | 508          | 575           | 441          |
| <b>Total Borrowings</b>  |       | <b>574</b>    | <b>508</b>   | <b>1,427</b>  | <b>811</b>   |
| <b>Provisions<sup>(2)</sup></b>  |       |               |              |               |              |
| <b>Employee Benefits;</b>  |       |               |              |               |              |
| Annual Leave   |       | 3,594         | -            | 3,591         | -            |
| Sick Leave   |       | 377           | -            | 447           | -            |
| Long Service Leave   |       | 6,699         | 922          | 6,512         | 903          |
| Gratuities   |       | 51            | -            | 52            | -            |
| Redundancies   |       | 422           | -            | 293           | -            |
| <b>Sub Total - Aggregate Employee Benefits</b>                                 |       | <b>11,143</b> | <b>922</b>   | <b>10,895</b> | <b>903</b>   |
| Self Insurance - Workers Compensation  |       | 248           | 739          | 141           | 596          |
| - Public Liability   |       | 191           | 842          | 126           | 480          |
| - Other  |       | -             | -            | -             | -            |
| Asset Remediation  | 26    | -             | 3,835        | -             | 3,618        |
| <b>Total Provisions</b>  |       | <b>11,582</b> | <b>6,338</b> | <b>11,162</b> | <b>5,597</b> |
| <b>Current Provisions not expected to be settled within the next 12 months</b> |       | 4,461         | -            | 4,856         | -            |

Notes:

<sup>(1)</sup>Loans are secured over the income of Council

<sup>(2)</sup>Vested ELE is all carried as a current provision

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 10

#### NOTE 10(a) PAYABLES, BORROWINGS AND PROVISIONS (continued)

| \$ '000  | Actual<br>2011 |             | Actual<br>2010 |             |
|--|----------------|-------------|----------------|-------------|
|  | Current        | Non Current | Current        | Non Current |
| <b>Liabilities relating to Restricted Assets</b>       |                |             |                |             |
| <b>Externally Restricted Assets</b>                    |                |             |                |             |
| Domestic Waste Management                              | 625            | -           | 391            | -           |
| Sportsfield Levy                                       | 25             | -           | 210            | -           |
| Stormwater Levy  | 2,130          | -           | 565            | -           |
| Infrastructure Levy                                    | 254            | -           | 267            | -           |
| <b>Total</b>   | <b>3,034</b>   | <b>-</b>    | <b>1,433</b>   | <b>-</b>    |
| <b>Internally Restricted Assets</b>                    |                |             |                |             |
| Security Bonds, Deposits & Retentions                  | 4,560          | -           | 4,585          | -           |
| Employee Leave Entitlements                            | 2,007          | 174         | 1,799          | 345         |
| Self Insurance Claims - Reserve                        | 248            | 739         | 141            | 596         |
| <b>Total</b>   | <b>6,815</b>   | <b>913</b>  | <b>6,525</b>   | <b>941</b>  |
| <b>Total Liabilities relating to restricted assets</b> | <b>9,849</b>   | <b>913</b>  | <b>7,958</b>   | <b>941</b>  |

#### NOTE 10(b) DESCRIPTION OF AND MOVEMENTS IN PROVISIONS

| Class of Provision<br>\$'000 | Opening<br>Balance | Additional<br>Provisions | Payments       | Remeasurement | Closing<br>Balance |
|------------------------------|--------------------|--------------------------|----------------|---------------|--------------------|
| Annual Leave                 | 3,591              | 3,235                    | (3,232)        | -             | 3,594              |
| Sick Leave                   | 447                | (66)                     | (4)            | -             | 377                |
| Long Service Leave           | 7,415              | 1,199                    | (993)          | -             | 7,621              |
| Gratuities                   | 52                 | (1)                      | -              | -             | 51                 |
| Redundancies                 | 293                | 190                      | (61)           | -             | 422                |
| Self Insurance               | 1,343              | 1,096                    | (419)          | -             | 2,020              |
| Asset Remediation            | 3,618              | 217                      | -              | -             | 3,835              |
| <b>TOTAL</b>                 | <b>16,759</b>      | <b>5,870</b>             | <b>(4,709)</b> | <b>-</b>      | <b>17,920</b>      |

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess. For public liability this limit is \$150,000 (\$600,000 prior to 1 July 2006) per claim/event and for professional indemnity \$50,000 per claim/event.

c. Asset Remediation Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

d. Specific uncertainties relating to the final costs and the assumptions made in determining Provisions for Self Insurance include:

- Claims Escalation of 4% per annum and Bond Yields of between 4.705% and 5.305% per annum over a 12 year period;
- All monetary amounts for past Workers Compensation Claims were indexed to bring them to "standardised" values at June 2011;
- Workers Compensation Claim payments projected into the future by the adopted actuarial model will be in "standardised" values as at June 2011; and
- The outstanding estimates for Public Liability & Professional Indemnity claims include medical, legal and other claim related costs.

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 11

#### Note 11 RECONCILIATION OF OPERATING RESULT TO NET CASH MOVEMENT FROM OPERATING ACTIVITIES

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>(a) Reconciliation of Cash Assets</b>   |       |                |                |
| Total Cash & Cash Equivalent Assets  | 6a    | 11,182         | 9,946          |
| <b>Balances as per Statement of Cash Flows</b>   |       | <b>11,182</b>  | <b>9,946</b>   |
| <b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b> |       |                |                |
| <b>Net Operating Result from Income Statement</b>  |       | <b>9,187</b>   | <b>13,455</b>  |
| <b>Add:</b>  |       |                |                |
| Depreciation and Amortisation  |       | 13,566         | 13,148         |
| Increase in Provision for Leave Entitlements   |       | 267            | 660            |
| Increase in Other Provisions   |       | 677            | 1              |
| Decrease in Inventories  |       | -              | 17             |
| Decrease in Equity Share in Joint Venture  |       | -              | 216            |
| Increase in Payables   |       | 2,582          | -              |
| Increase in Other Current Liabilities  |       | -              | 1,379          |
| Unwinding of Discount Rates on Reinstatement Provisions                                      |       | 217            | 204            |
| Fair Value Adjustments to Financial Assets through Profit and Loss                           |       | 3              | -              |
|  |       | 26,499         | 29,080         |
| <b>Less:</b>   |       |                |                |
| Increase in Receivables  |       | (830)          | (884)          |
| Decrease in Provision for Doubtful Debts   |       | (44)           | (16)           |
| Increase in Other Current Assets   |       | (325)          | (80)           |
| Increase in Equity Share in Joint Venture  |       | (71)           | -              |
| Decrease in Payables   |       | -              | (1,898)        |
| Decrease in Accrued Interest Payable   |       | (20)           | (17)           |
| Decrease in Other Current Liabilities  |       | (346)          | -              |
| Gain on Disposal of Assets   |       | (167)          | (308)          |
| Fair Value Adjustments to Investment Property  |       | (50)           | (50)           |
| Fair Value Adjustments to Financial Assets through Profit and Loss                           |       | -              | (298)          |
| <b>NET CASH PROVIDED FROM/(USED IN)</b>  |       |                |                |
| <b>OPERATING ACTIVITIES from CASH FLOW STATEMENT</b>   |       | <b>24,646</b>  | <b>25,529</b>  |



## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 11

#### Note 11 RECONCILIATION OF OPERATING RESULT TO NET CASH MOVEMENT FROM OPERATING ACTIVITIES (Continued)

| \$ '000   | Notes | Actual<br>2011 | Actual<br>2010 |
|---|-------|----------------|----------------|
| <b>(c) Non-Cash Investing &amp; Financing Activities</b>            |       |                |                |
| Land  |       | -              | -              |
| <b>(d) Financing Arrangements</b>                                   |       |                |                |
| Unrestricted access was available at balance date to the following: |       |                |                |
| Bank Overdraft Facilities <sup>(1)</sup>                            |       | 500            | 500            |
| Corporate Credit Cards  |       | 150            | 150            |
| Bank Guarantee for possible Workers Compensation Claims             |       | 1,500          | 2,000          |
|   |       | <b>2,150</b>   | <b>2,650</b>   |

#### Notes:

<sup>(1)</sup>The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. Interest rates on Overdrafts and Loans are disclosed in Note 15.

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 12

#### NOTE 12 COMMITMENTS FOR EXPENDITURE

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>(a) Capital Commitments (exclusive of GST)</b>  |       |                |                |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: |       |                |                |
| - Buildings  |       | 59             | 1,510          |
| - Plant & Equipment  |       | 64             | 406            |
| - Office Equipment   |       | 30             | 52             |
| - Other Structures   |       | 904            | 1,835          |
| - Infrastructure   |       | 3,077          | 389            |
| <b>Total</b>   |       | <b>4,134</b>   | <b>4,192</b>   |
| <b>These expenditures are payable as follows:</b>  |       |                |                |
| - Not later than one year  |       | 4,049          | 4,163          |
| - Later than one year and not later than 5 years   |       | 85             | 29             |
| - Later than 5 years   |       | -              | -              |
| <b>Total</b>   |       | <b>4,134</b>   | <b>4,192</b>   |

#### **(b) Other Expenditure Commitments (exclusive of GST)**

Other non-capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities include:

|   |  |               |               |
|---|--|---------------|---------------|
| - Audit Services                                  |  | 149           | 224           |
| - Garbage and Recycling Services                  |  | 45,850        | 51,982        |
| - Cleaning Services                               |  | 432           | 361           |
| - Other   |  | 16,298        | 12,225        |
| <b>Total</b>                                      |  | <b>62,729</b> | <b>64,792</b> |
| <b>These expenditures are payable as follows:</b> |  |               |               |
| - Not later than one year                         |  | 22,841        | 25,489        |
| - Later than one year and not later than 5 years  |  | 39,888        | 39,303        |
| - Later than 5 years                              |  | -             | -             |
| <b>Total</b>                                      |  | <b>62,729</b> | <b>64,792</b> |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 12

#### NOTE 12 COMMITMENTS FOR EXPENDITURE continued

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>(c) Finance Lease Commitments</b>   |       |                |                |
| Commitments under Finance Leases at the Reporting Date are payable as follows:   |       |                |                |
| - Not later than one year  |       | 639            | 627            |
| - Later than one year and not later than 5 years   |       | 539            | 469            |
| - Later than 5 years   |       | -              | -              |
| <b>Total</b>   |       | <b>1,178</b>   | <b>1,096</b>   |
| Minimum Lease Payments   |       | 1,178          | 1,096          |
| less: Future Finance Charges   |       | (96)           | (79)           |
| <b>Lease Liability</b>   |       | <b>1,082</b>   | <b>1,017</b>   |
| Representing lease liabilities   |       |                |                |
| - Current Liabilities  |       | 574            | 575            |
| - Non-Current Liabilities  |       | 508            | 442            |
| <b>Total</b>   |       | <b>1,082</b>   | <b>1,017</b>   |
| <b>(d) Operating Lease Commitments</b>   |       |                |                |
| - Not later than one year  |       | 79             | 94             |
| - Later than one year and not later than 5 years   |       | 79             | 157            |
| - Later than 5 years   |       | -              | -              |
| <b>Total</b>   |       | <b>158</b>     | <b>251</b>     |
| <b>(e) Repairs and Maintenance - Investment Property</b>   |       |                |                |
| Nil  |       |                |                |
| <b>(f) Remuneration Commitments</b>  |       |                |                |
| Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities, payable: |       |                |                |
| - Not later than one year  |       | 4,875          | 5,664          |
| - Later than one year and not later than 5 years   |       | 7,177          | 10,317         |
| - Later than 5 years   |       | -              | -              |
| <b>Total</b>   |       | <b>12,052</b>  | <b>15,981</b>  |
| <b>(g) Investment in Associates / Joint Ventures - Commitments</b>   |       |                |                |
| For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)   |       |                |                |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 13

#### NOTE 13 STATEMENT OF PERFORMANCE MEASURES - CONSOLIDATED RESULTS

| \$ '000   | Amounts<br>2011 | Indicator<br>2011 | 2010    | 2009    |
|---|-----------------|-------------------|---------|---------|
| <b>1. Unrestricted Current Ratio</b>  |                 |                   |         |         |
| Current Assets less all External Restrictions <sup>(1)</sup>  | 56,274          | 2.74              | 3.14    | 3.41    |
| Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>  | 20,527          |                   |         |         |
| <b>2. Debt Service Ratio</b>  |                 |                   |         |         |
| Debt Service Cost   | 1,976           | 1.54%             | 4.07%   | 1.67%   |
| Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions  | 128,190         |                   |         |         |
| <b>3. Rates &amp; Annual Charges Coverage Ratio</b>   |                 |                   |         |         |
| Rates & Annual Charges  | 79,257          | 57.51%            | 56.79%  | 55.91%  |
| Revenue from Continuing Operations  | 137,823         |                   |         |         |
| <b>4a. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>   |                 |                   |         |         |
| Rates, Annual & Extra Charges Outstanding   | 2,734           | 3.31%             | 3.85%   | 3.96%   |
| Rates, Annual & Extra Charges Collectible   | 82,612          |                   |         |         |
| <b>4b. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage *</b>   |                 |                   |         |         |
| Rates, Annual & Extra Charges Outstanding   | 2,075           | 2.51%             | 3.06%   | 3.07%   |
| Rates, Annual & Extra Charges Collectible   | 82,612          |                   |         |         |
| * It is Council's policy not to pursue pensioners.<br>This calculation is used to demonstrate to users the effect of actively pursuing outstanding amounts from pensioners. |                 |                   |         |         |
| <b>5. Building &amp; Infrastructure Renewals Ratio</b>  |                 |                   |         |         |
| Asset Renewals <sup>(4)</sup> [Buildings & Infrastructure]  | 16,677          | 186.13%           | 168.74% | 106.17% |
| Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)  | 8,960           |                   |         |         |

#### Notes

<sup>(1)</sup> Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

<sup>(2)</sup> Refer to Note 10(a).

<sup>(3)</sup> Refer to Note 10(c) - excludes all ELE not expected to be paid in the next 12 months.

<sup>(4)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 14

### NOTE 14 INVESTMENT PROPERTIES

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>(a) Investment Properties at Fair value</b> |       |                |                |
| <hr/>  |       |                |                |
| Investment Properties on Hand                  |       | 2,100          | 2,050          |
| <hr/>  |       |                |                |
| <b>Reconciliation of Annual Movement:</b>      |       |                |                |
| Opening Balance                                |       | 2,050          | 2,000          |
| - Net Gain/(Loss) from Fair Value Adjustments  |       | 50             | 50             |
| <b>CLOSING BALANCE - INVESTMENT PROPERTIES</b> |       | <b>2,100</b>   | <b>2,050</b>   |

#### (b) Valuation Basis

The basis of Valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2011 revaluations were based on Independent Assessments made by: Scott Fullarton Valuations Pty Ltd., Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

#### (c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

#### (d) Leasing Arrangements

Details of leased Investment Properties are as follows;

Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are due:

|  |            |            |
|--|------------|------------|
| Within 1 year                                  | 193        | 182        |
| Later than 1 year but less than 5 years        | 498        | 649        |
| Later than 5 years                             | -          | -          |
| <b>Total Minimum Lease Payments Receivable</b> | <b>691</b> | <b>831</b> |

#### (e) Investment Property Income & Expenditure - summary

|  |            |            |
|--|------------|------------|
| <b>Rental Income from Investment Properties:</b>           |            |            |
| - Minimum Lease Payments                                   | 184        | 177        |
| <b>Direct Operating Expenses on Investment Properties:</b> |            |            |
| - that generated rental income                             | (22)       | (21)       |
| <b>Net Revenue Contribution from Investment Properties</b> | <b>162</b> | <b>156</b> |
| plus:  |            |            |
| <b>Fair Value Movement for year</b>                        | <b>50</b>  | <b>50</b>  |
| <b>Total Income attributable to Investment Properties</b>  | <b>212</b> | <b>206</b> |

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 15

### NOTE 15 FINANCIAL RISK MANAGEMENT

#### Risk Management

Council's activities expose it to a variety of financial risks including (i) price risk, (ii) credit risk, (iii) liquidity risk and (iv) interest rate risk. 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.

Council held the following financial instruments at balance date:

| \$'000   | Carrying Value |                | Fair Value    |                |
|--|----------------|----------------|---------------|----------------|
|  | 2011           | 2010           | 2011          | 2010           |
| <b>Financial Assets</b>  |                |                |               |                |
| Cash and Cash Equivalents  | 11,182         | 9,946          | 11,182        | 9,946          |
| Receivables  | 8,791          | 7,917          | 8,791         | 7,917          |
| Financial Assets at Fair value through profit or loss - Held for Trading | 6,121          | 10,478         | 6,121         | 10,478         |
| Held-to-Maturity Investments   | 70,540         | 75,295         | 70,540        | 75,295         |
| <b>Total Financial Assets</b>  | <b>96,634</b>  | <b>103,636</b> | <b>96,634</b> | <b>103,681</b> |
| <b>Financial Liabilities</b>   |                |                |               |                |
| Payables   | 17,665         | 14,340         | 17,665        | 14,340         |
| Loans / Advances   | 1,082          | 2,238          | 1,082         | 2,238          |
| <b>Total Financial Liabilities</b>                                       | <b>18,747</b>  | <b>16,578</b>  | <b>18,747</b> | <b>16,578</b>  |

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - estimated to be the carrying value which approximates market value.
- **Borrowings & Held to Maturity Investments** - estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles.
- **Financial Assets classified at Fair Value through profit and loss** - based upon quoted market prices in active markets for identical investments.

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 15

#### NOTE 15 FINANCIAL RISK MANAGEMENT (continued)

\$ '000

##### (c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities can be drawn down in extenuating circumstances.

The contractual undiscounted cash outflows of Council's Payables & Borrowings are set out in the Liquidity Sensitivity Table below:

| \$'000                             | Due Within 1 Year | Due Between 1 and 5 Years | Due after 5 Years | Total Contractual Cash Flows | Carrying Values |
|------------------------------------|-------------------|---------------------------|-------------------|------------------------------|-----------------|
| <b>2011</b>                        |                   |                           |                   |                              |                 |
| Payables                           | 17,265            | 400                       | -                 | 17,665                       | 17,665          |
| Borrowings                         | 639               | 539                       | -                 | 1,178                        | 1,082           |
| <b>Total Financial Liabilities</b> | <b>17,904</b>     | <b>939</b>                | <b>-</b>          | <b>18,843</b>                | <b>18,747</b>   |
| <b>2010</b>                        |                   |                           |                   |                              |                 |
| Payables                           | 14,140            | 200                       | -                 | 14,340                       | 14,340          |
| Borrowings                         | 1,530             | 848                       | -                 | 2,378                        | 2,238           |
| <b>Total Financial Liabilities</b> | <b>15,670</b>     | <b>1,048</b>              | <b>-</b>          | <b>16,718</b>                | <b>16,578</b>   |

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

The following interest rates were applicable to Council's Borrowings at balance date:

|                           | 2011                           |                | 2010                           |                |
|---------------------------|--------------------------------|----------------|--------------------------------|----------------|
|                           | Weighted Average Interest Rate | Balance \$'000 | Weighted Average Interest Rate | Balance \$'000 |
| Overdraft                 | -                              | -              | -                              | -              |
| Bank Loans - Fixed        | 0.0%                           | -              | 6.9%                           | -              |
| - Variable <sup>(1)</sup> | 0.0%                           | -              | 5.1%                           | 1,222          |
|                           |                                |                |                                | 1,222          |

<sup>(1)</sup> The interest rate risk applicable to Variable Rate Bank Loans is not considered significant.

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 16

#### NOTE 16 MATERIAL BUDGET VARIATIONS

Council's Original Financial Budget for 2010/11 was incorporated as part of its Strategic Community Plan and was adopted by the Council on 22 June 2010.

While the Income Statement included in these General Purpose Financial Statements must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the variations between actuals and budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

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

Note that for Variations: **F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

| \$ '000   | 2011 Budget | 2011 Actual | 2011 Variance* |       |          |
|---|-------------|-------------|----------------|-------|----------|
| <b>REVENUES</b>   |             |             |                |       |          |
| <b>Rates &amp; Annual Charges</b>   | 78,725      | 79,257      | 532            | 1%    | <b>F</b> |
| <b>User Charges &amp; Fees</b>  | 32,425      | 30,287      | (2,138)        | (7%)  | <b>U</b> |
| <b>Interest &amp; Investment Revenue</b>  | 4,202       | 5,947       | 1,745          | 42%   | <b>F</b> |
| This variance is principally due to the strong performance of the Council's investment portfolio which has exceeded the bank bill benchmark return by over 1% and higher than anticipated cash balances due to lower than budgeted expenditure on Capital Projects. |             |             |                |       |          |
| <b>Other Revenues</b>   | 8,100       | 7,624       | (476)          | (6%)  | <b>U</b> |
| <b>Operating Grants &amp; Contributions</b>   | 7,331       | 7,549       | 218            | 3%    | <b>F</b> |
| <b>Capital Grants &amp; Contributions</b>   | 9,702       | 6,921       | (2,781)        | (29%) | <b>U</b> |
| This variance principally relates to a budgeted grant for a disability tourism precinct at Collaroy that was not received.  |             |             |                |       |          |
| <b>Net Gains on the Disposal of Assets</b>  | -           | 167         | 167            | 0%    | <b>F</b> |
| This gain reflects the positive nature of the disposal of Council's fleet vehicles which had not be budgeted.   |             |             |                |       |          |
| <b>Share of Net Gain - Joint Ventures &amp; Associates</b>  | -           | 71          | 71             | 0%    | <b>F</b> |
| <b>EXPENSES</b>   |             |             |                |       |          |
| <b>Employee Benefits &amp; On-Costs</b>   | 53,440      | 52,435      | 1,005          | (2%)  | <b>F</b> |
| <b>Borrowing Costs</b>  | 259         | 330         | (71)           | 27%   | <b>U</b> |
| This variance relates to a higher than anticipated level of renewal of finance leases of information technology hardware.   |             |             |                |       |          |
| <b>Materials &amp; Contracts</b>  | 48,558      | 47,676      | 882            | (2%)  | <b>F</b> |
| <b>Depreciation &amp; Amortisation</b>  | 13,225      | 13,566      | (341)          | 3%    | <b>U</b> |
| <b>Other Expenses</b>   | 15,232      | 14,629      | 603            | (4%)  | <b>F</b> |



## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 17

#### NOTE 17 STATEMENT OF DEVELOPER CONTRIBUTIONS

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council.

All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

#### SUMMARY OF CONTRIBUTIONS & LEVIES

| PURPOSE                                 | Contributions received during the Year |              |          | Projections             |                 |                              |                          |               |                       |                         |  |
|---|--|--------------|----------|-------------------------|-----------------|------------------------------|--------------------------|---------------|-----------------------|-------------------------|--|
|   | Opening Balance                        | Cash         | Non Cash | Interest earned in Year | Exp during Year | Internal Borrowing (to)/from | Held as Restricted Asset | Future income | Exp still outstanding | Over or (under) Funding | Cumulative Internal Borrowings due/(payable) |
| Traffic Facilities                      | 452                                    | 3            | -        | 28                      | -               | -                            | 483                      | -             | (483)                 | -                       | -  |
| Parking                                 | 5,487                                  | -            | -        | 332                     | -               | -                            | 5,819                    | -             | (5,819)               | -                       | -  |
| Open Space Community Facilities         | 6,695                                  | 292          | -        | 406                     | (545)           | -                            | 6,848                    | -             | (6,848)               | -                       | -  |
| Other                                   | 8,376                                  | 90           | -        | 506                     | (75)            | -                            | 8,897                    | -             | (8,897)               | -                       | -  |
| Other                                   | 2,241                                  | -            | -        | 135                     | -               | -                            | 2,376                    | -             | (2,376)               | -                       | -  |
| <b>S94 Contributions - under a Plan</b> | <b>23,251</b>                          | <b>385</b>   | <b>-</b> | <b>1,407</b>            | <b>(620)</b>    | <b>-</b>                     | <b>24,423</b>            | <b>-</b>      | <b>(24,423)</b>       | <b>-</b>                | <b>-</b>                                     |
| <b>S94A Levies - under a Plan</b>       | <b>3,316</b>                           | <b>2,404</b> | <b>-</b> | <b>231</b>              | <b>(1,522)</b>  | <b>-</b>                     | <b>4,429</b>             | <b>10,000</b> | <b>(14,429)</b>       | <b>-</b>                | <b>-</b>                                     |
| <b>Total S94 Revenue Under Plans</b>    | <b>26,567</b>                          | <b>2,789</b> | <b>-</b> | <b>1,638</b>            | <b>(2,142)</b>  | <b>-</b>                     | <b>28,852</b>            | <b>10,000</b> | <b>(38,852)</b>       | <b>-</b>                | <b>-</b>                                     |
| S94 not under Plans                     | 886                                    | -            | -        | 10                      | -               | -                            | 896                      | -             | (896)                 | -                       | -  |
| <b>Total Contributions</b>              | <b>27,453</b>                          | <b>2,789</b> | <b>-</b> | <b>1,648</b>            | <b>(2,142)</b>  | <b>-</b>                     | <b>29,748</b>            | <b>10,000</b> | <b>(39,748)</b>       | <b>-</b>                | <b>-</b>                                     |
| Less: Land                              | (716)                                  | -            | -        | -                       | -               | -                            | (716)                    | -             | 716                   | -                       | -  |
| <b>Total Cash Contributions</b>         | <b>26,737</b>                          | <b>2,789</b> | <b>-</b> | <b>1,648</b>            | <b>(2,142)</b>  | <b>-</b>                     | <b>29,032</b>            | <b>10,000</b> | <b>(39,032)</b>       | <b>-</b>                | <b>-</b>                                     |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 17

#### NOTE 17 STATEMENT OF DEVELOPER CONTRIBUTIONS (continued)

\$ '000

#### S94 CONTRIBUTIONS - UNDER A PLAN

##### CONTRIBUTION PLAN - Pre 2001 Plan

| PURPOSE                         | Contributions received during the Year |          |          | Projections             |                 |                              |                          |               |                       |                         |  |
|---------------------------------|--|----------|----------|-------------------------|-----------------|------------------------------|--------------------------|---------------|-----------------------|-------------------------|--|
|                                 | Opening Balance                        | Cash     | Non Cash | Interest earned in Year | Exp during Year | Internal Borrowing (to)/from | Held as Restricted Asset | Future income | Exp still outstanding | Over or (under) Funding | Cumulative Internal Borrowings due/(payable) |
| Parking                         | 361                                    | -        | -        | 22                      | -               | -                            | 383                      | -             | (383)                 | -                       | -  |
| Open Space Community Facilities | 319                                    | -        | -        | 19                      | -               | -                            | 338                      | -             | (338)                 | -                       | -  |
| Other                           | 776                                    | -        | -        | 46                      | -               | -                            | 822                      | -             | (822)                 | -                       | -  |
| <b>Total</b>                    | <b>1,456</b>                           | <b>-</b> | <b>-</b> | <b>87</b>               | <b>-</b>        | <b>-</b>                     | <b>1,543</b>             | <b>-</b>      | <b>(1,543)</b>        | <b>-</b>                | <b>-</b>                                     |

##### CONTRIBUTION PLAN - 2001 Plan

| PURPOSE                         | Contributions received during the Year |            |          | Projections             |                 |                              |                          |               |                       |                         |  |
|---------------------------------|--|------------|----------|-------------------------|-----------------|------------------------------|--------------------------|---------------|-----------------------|-------------------------|--|
|                                 | Opening Balance                        | Cash       | Non Cash | Interest earned in Year | Exp during Year | Internal Borrowing (to)/from | Held as Restricted Asset | Future income | Exp still outstanding | Over or (under) Funding | Cumulative Internal Borrowings due/(payable) |
| Traffic Facilities              | 452                                    | 3          | -        | 28                      | -               | -                            | 483                      | -             | (483)                 | -                       | -  |
| Parking                         | 5,126                                  | -          | -        | 310                     | -               | -                            | 5,436                    | -             | (5,436)               | -                       | -  |
| Open Space Community Facilities | 6,376                                  | 292        | -        | 387                     | (545)           | -                            | 6,510                    | -             | (6,510)               | -                       | -  |
| Other                           | 7,600                                  | 90         | -        | 460                     | (75)            | -                            | 8,075                    | -             | (8,075)               | -                       | -  |
| Other                           | 2,241                                  | -          | -        | 135                     | -               | -                            | 2,376                    | -             | (2,376)               | -                       | -  |
| <b>Total</b>                    | <b>21,795</b>                          | <b>385</b> | <b>-</b> | <b>1,320</b>            | <b>(620)</b>    | <b>-</b>                     | <b>22,880</b>            | <b>-</b>      | <b>(22,880)</b>       | <b>-</b>                | <b>-</b>                                     |

#### S94A LEVIES - UNDER A PLAN

##### CONTRIBUTION PLAN

| PURPOSE      | Contributions received during the Year |              |          | Projections             |                 |                              |                          |               |                       |                         |  |
|--------------|--|--------------|----------|-------------------------|-----------------|------------------------------|--------------------------|---------------|-----------------------|-------------------------|--|
|              | Opening Balance                        | Cash         | Non Cash | Interest earned in Year | Exp during Year | Internal Borrowing (to)/from | Held as Restricted Asset | Future income | Exp still outstanding | Over or (under) Funding | Cumulative Internal Borrowings due/(payable) |
| Other        | 3,316                                  | 2,404        | -        | 231                     | (1,522)         | -                            | 4,429                    | 10,000        | (14,429)              | -                       | -  |
| <b>Total</b> | <b>3,316</b>                           | <b>2,404</b> | <b>-</b> | <b>231</b>              | <b>(1,522)</b>  | <b>-</b>                     | <b>4,429</b>             | <b>10,000</b> | <b>(14,429)</b>       | <b>-</b>                | <b>-</b>                                     |

#### S94A LEVIES - NOT UNDER A PLAN

| PURPOSE                      | Contributions received during the Year |          |          | Projections             |                 |                              |                          |               |                       |                         |  |
|------------------------------|--|----------|----------|-------------------------|-----------------|------------------------------|--------------------------|---------------|-----------------------|-------------------------|--|
|                              | Opening Balance                        | Cash     | Non Cash | Interest earned in Year | Exp during Year | Internal Borrowing (to)/from | Held as Restricted Asset | Future income | Exp still outstanding | Over or (under) Funding | Cumulative Internal Borrowings due/(payable) |
| Drainage                     | 40                                     | -        | -        | 2                       | -               | -                            | 42                       | -             | (42)                  | -                       | -  |
| Parking                      | 79                                     | -        | -        | 8                       | -               | -                            | 87                       | -             | (87)                  | -                       | -  |
| Child Care Reserve- Austlink | 48                                     | -        | -        | -                       | -               | -                            | 48                       | -             | (48)                  | -                       | -  |
| Other                        | 3                                      | -        | -        | -                       | -               | -                            | 3                        | -             | (3)                   | -                       | -  |
| Land                         | 716                                    | -        | -        | -                       | -               | -                            | 716                      | -             | (716)                 | -                       | -  |
| <b>Total</b>                 | <b>886</b>                             | <b>-</b> | <b>-</b> | <b>10</b>               | <b>-</b>        | <b>-</b>                     | <b>896</b>               | <b>-</b>      | <b>(896)</b>          | <b>-</b>                | <b>-</b>                                     |

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 18

### NOTE 18 CONTINGENCIES

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

#### CONTINGENT LIABILITIES

##### 1. Guarantees

###### (i) Defined Benefit Superannuation Contribution Plans

"The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2011 was \$1,450,926. The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 16 February 2010 and covers the period ended 30 June 2009. However the position is monitored annually and the Actuary has estimated that as at 30 June 2011 a deficit still exists. Effective from 1 July 2009, employers were required to contribute at twice the "notional" or long term cost for a period of up to ten years in order to rectify this deficit. The share of this deficit that can be broadly attributed to the employer was estimated to be in the order of \$3,169,504 as at 30 June 2011.

###### (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) WorkCover

Council has provided a \$1.5 million guarantee to WorkCover as a provision for all known liabilities disclosed in an Actuarial Report prepared by David Zaman Pty Ltd. as at 10 July 2011.

###### (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) S94 Plans

Council levies Section 94 and 94A Contributions upon various developments across the Council area through the required Contributions Plans. As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans. As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds. These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Council's Intention to spend funds in the manner and timing set out in those plans.

##### (iii) Legal Expenses

Council is the planning consent authority for its area under the Environmental Planning & Assessment Act (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal to the Land & Environment Court. It is the Court's normal practice that parties bear their own legal costs.

At the date of these reports, Council had notice of five (5) appeals against planning decisions made prior to reporting date. All known costs have been recognised, but the amount of further costs cannot be known until the appeals are determined.

Council is involved in other litigation (including other Land and Environment Court proceedings, civil liability proceedings and Local Court prosecutions). Whilst these matters are unlikely to cost Council in excess of \$100,000 individually (subject to the comments below), the amount of further costs cannot be known until these proceedings are concluded. In relation to these other proceedings it is noted that Council is involved in a Supreme Court matter, the hearing of which has concluded. Council's maximum exposure to costs is the limit of its excess of \$50,000.

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 18

### NOTE 18 CONTINGENCIES (Continued)

#### (iv) 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.

#### CONTINGENT ASSETS

##### (i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to and including 30 June 2008.

##### (ii) Infringement Notices/Fines

Fines and Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau. Councils 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.

##### (iii) Building Commencements

There was one (1) current construction certificate on hand awaiting collection.

There is still building activity that may have commenced without proper approval and payment of appropriate fees. However, the number has dropped significantly due to ongoing investigations and monthly audits that were implemented to monitor the possibility of further unlawful works.



## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 19

#### NOTE 19 INTERESTS IN SUBSIDIARIES AND JOINT VENTURES

Council's objectives can and in some cases are best met through the use of separate entities and operations. These operations and entities range from 51% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils. The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Council's interest and control and the type of entity as follows:

##### Subsidiary Note 19(a)

Operational Arrangements where Council's ownership exceeds 50%

##### Joint Venture Entities Note 19(b)

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under the Joint Venture Entities, Council jointly controls the operations with other parties.

##### Accounting Recognition:

- (i) The subsidiary disclosed under Note 19(a), is accounted for on a Consolidation basis within the Income and Balance Sheet.
- (ii) Joint Venture Entities as per Notes 19(b) are accounted for using the Equity Accounting Method - and are disclosed as a one line entry in the Income Statement and Balance Sheet.

##### (a) Subsidiary

Council is the majority shareholder in Kimbriki Environmental Enterprises Pty Limited. The company commenced operating its waste and recycling business on 1 July 2009 with a lease over the site for a period of 25 years. The minority shareholders in the company are Manly, Mosman and Pittwater Councils.

| \$ '000  | Notes | Actual<br>2011 | Actual<br>2010 |
|--|-------|----------------|----------------|
| <b>Current Assets</b>                                      |       |                |                |
| Cash and Cash Equivalents                                  |       | 2,034          | 1,659          |
| Investments  |       | 9,540          | 9,650          |
| Receivables  |       | 1,343          | 1,236          |
| <b>Total Current Assets</b>                                |       | <b>12,917</b>  | <b>12,545</b>  |
| <b>Non-Current Assets</b>                                  |       |                |                |
| Infrastructure, Property, Plant & Equipment                |       | 1,764          | 1,259          |
| Intangibles  |       | 1,270          | 135            |
| <b>Total Non-Current Assets</b>                            |       | <b>3,034</b>   | <b>1,394</b>   |
| <b>Total Assets</b>  |       | <b>15,951</b>  | <b>13,939</b>  |
| <b>Current Liabilities</b>                                 |       |                |                |
| Payables   |       | 1,756          | 1,375          |
| Provisions   |       | 315            | 241            |
| <b>Total Current Liabilities</b>                           |       | <b>2,071</b>   | <b>1,616</b>   |
| <b>Non-Current Liabilities</b>                             |       |                |                |
| Payables   |       | 400            | 200            |
| <b>Total Non-Current Liabilities</b>                       |       | <b>400</b>     | <b>200</b>     |
| <b>Total Liabilities</b>                                   |       | <b>2,471</b>   | <b>1,816</b>   |
| <b>Net Assets</b>  |       | <b>13,480</b>  | <b>12,123</b>  |
| <b>Equity</b>  |       |                |                |
| Share Capital  |       | 10,033         | 10,033         |
| Retained Earnings  |       | 3,447          | 2,090          |
| <b>Total Equity</b>  |       | <b>13,480</b>  | <b>12,123</b>  |
| <b>Share of Subsidiary's revenue, expenses and results</b> |       |                |                |
| Revenues   |       | 9,877          | 7,945          |
| Expenses   |       | 8,758          | 6,879          |
| <b>Operating Result</b>                                    |       | <b>1,119</b>   | <b>1,066</b>   |
| <b>Share of Subsidiary's commitments</b>                   |       |                |                |
| Expenditure Commitments                                    |       | 7,074          | 4,081          |
| Operating Lease Commitments                                |       | 19,982         | 18,192         |
| Other Commitments  |       | 861            | 954            |
| <b>Total Commitments</b>                                   |       | <b>27,917</b>  | <b>23,226</b>  |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 19

#### NOTE 19 INTERESTS SUBSIDIARIES AND JOINT VENTURES (continued)

##### (b) Joint Venture Entity

Council has a Joint Venture with Pittwater Council for the Warringah - Pittwater District Rural Fire Service.

| \$ '000   | Notes | Actual<br>2011 | Actual<br>2010 |
|---|-------|----------------|----------------|
| <b>Current Assets</b>   |       |                |                |
| Cash and Cash Equivalents                                     |       | 676            | 555            |
| Receivables   |       | -              | 36             |
| <b>Total Current Assets</b>                                   |       | <b>676</b>     | <b>591</b>     |
| <b>Non-Current Assets</b>                                     |       |                |                |
| Infrastructure, Property, Plant & Equipment                   |       | 173            | 187            |
| <b>Total Non-Current Assets</b>                               |       | <b>173</b>     | <b>187</b>     |
| <b>Total Assets</b>   |       | <b>849</b>     | <b>778</b>     |
| <b>Current Liabilities</b>                                    |       |                |                |
| Payables  |       | -              | -              |
| <b>Total Current Liabilities</b>                              |       | <b>-</b>       | <b>-</b>       |
| <b>Total Liabilities</b>                                      |       | <b>-</b>       | <b>-</b>       |
| <b>Net Assets</b>   |       | <b>849</b>     | <b>778</b>     |
| <b>Share of Joint Venture's revenue, expenses and results</b> |       |                |                |
| Revenues  |       | 833            | 884            |
| Expenses  |       | 762            | 1,100          |
| <b>Operating Result</b>                                       |       | <b>71</b>      | <b>(216)</b>   |
| <b>Share of Joint Venture's commitments</b>                   |       |                |                |
| Expenditure Commitments                                       |       | -              | -              |
| <b>Total Commitments</b>                                      |       | <b>-</b>       | <b>-</b>       |

## Notes to the Financial Statements

for the financial year ended 30 June 2011

### Note 20

#### NOTE 20 EQUITY - RETAINED EARNINGS AND REVALUATION RESERVES

| \$ '000   | Notes  | Actual<br>2011     | Actual<br>2010   |
|---|--------|--------------------|------------------|
| <b>(a) Retained Earnings</b>  |        |                    |                  |
| <b>Movements in Retained Earnings were as follows:</b>  |        |                    |                  |
| Balance at beginning of Year  |        | 3,481,267          | 3,329,641        |
| Adjustment to correct Prior Period Errors   | 20 (d) | -                  | 139,209          |
| Adjustment for Changes in Accounting Policies   | 20 (e) | (1,170,553)        | -                |
| Net Operating Result for the Year   |        | 8,113              | 12,417           |
| <b>Balance at end of Year</b>   |        | <b>2,318,827</b>   | <b>3,481,267</b> |
| <b>(b) Reserves</b>   |        |                    |                  |
| Infrastructure, Property, Plant & Equipment Revaluation Reserve   |        | 110,924            | 90,296           |
| <b>Total</b>  |        | <b>110,924</b>     | <b>90,296</b>    |
| <b>Movements</b>  |        |                    |                  |
| <b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>  |        |                    |                  |
| Balance at beginning of Year  |        | 90,296             | 50,858           |
| Adjustment to correct Prior Period Errors   | 20 (d) | -                  | (556)            |
| Revaluations for the year   | 9(a)   | 20,633             | 39,994           |
| <b>Balance at end of Year</b>   |        | <b>110,929</b>     | <b>90,296</b>    |
| <b>(c) Nature and Purpose of Reserves</b>   |        |                    |                  |
| <b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>  |        |                    |                  |
| The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments and decrements on the revaluation of non-current assets.   |        |                    |                  |
| <b>(d) Correction of Errors in Previous Periods</b>   |        |                    |                  |
| <b>Adjusted to Retained Earnings</b>  |        |                    |                  |
| Depreciation overstated on roads and drains   |        | -                  | 139,356          |
| Buildings previously overvalued   |        | -                  | (497)            |
| Minority interest previously overstated   |        | -                  | 348              |
| Other   |        | -                  | 2                |
| <b>Total</b>  |        | <b>-</b>           | <b>139,209</b>   |
| <b>Adjusted to Asset Revaluation Reserve</b>  |        |                    |                  |
| Buildings previously overvalued   |        | -                  | (362)            |
| Other   |        | -                  | (194)            |
| <b>Total</b>  |        | <b>-</b>           | <b>(556)</b>     |
| <b>(e) Changes in Accounting Policies</b>   |        |                    |                  |
| <b>Adjusted to Retained Earnings</b>  |        |                    |                  |
| First time adoption of the valuation of Land Under Roads acquired for periods after 1 July 2008   |        | 1,806              | -                |
| Change in methodology in Valuing Community Land - Council has revalued its Community Land during the financial year. In doing so the methodology has been changed to value the Community Land at the actual Valuer General rate or where this was not available an average rate using the Valuer General rates for Community Land within the Local Government Area. This is not the initial application of the accounting policy to revalue assets and consistent with previous revaluations has been adjusted against Retained Earnings. |        | (1,172,359)        | -                |
| <b>Total</b>  |        | <b>(1,170,553)</b> | <b>-</b>         |

## Notes to the Financial Statements

for the year ended 30 June 2011

### Notes 21 and 22

#### NOTE 21 RESULTS BY FUND

Council does not have any Water or Sewer Funds.

#### NOTE 22 NON CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

| \$ '000   | Actual<br>2011 |             | Actual<br>2010 |             |
|---|----------------|-------------|----------------|-------------|
|   | Current        | Non Current | Current        | Non Current |
| Land  | 2,571          | -           | 2,571          | -           |
| Buildings   | 373            | -           | 373            | -           |
| <b>Total Non Current Assets Held for Sale</b>             | <b>2,944</b>   | <b>-</b>    | <b>2,944</b>   | <b>-</b>    |
| <b>Reconciliation of Non Current Assets Held for Sale</b> |                |             |                |             |
| <b>Opening Balance</b>                                    | <b>2,944</b>   |             | <b>2,944</b>   | <b>-</b>    |
| <b>less: Carrying Value of Assets/Operations Sold</b>     | <b>-</b>       |             | <b>-</b>       | <b>-</b>    |
| <b>Balance still unsold after 12 months:</b>              | <b>2,944</b>   | <b>-</b>    | <b>2,944</b>   | <b>-</b>    |
| <b>plus New Transfer in:</b>                              |                |             |                |             |
| Assets "Held for Sale"                                    | -              | -           | -              | -           |
| <b>Closing Balance of "Held for Sale"</b>                 |                |             |                |             |
| <b>Non Current Assets &amp; Operations</b>                | <b>2,944</b>   | <b>-</b>    | <b>2,944</b>   | <b>-</b>    |



## Notes to the Financial Statements

for the year ended 30 June 2011

### Notes 23 - 25

#### NOTE 23 EVENTS OCCURRING AFTER BALANCE SHEET DATE

Events that occur after the reporting date of 30 June 2011, up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

Accordingly, the "authorised for issue" date is 24/08/11.

Events that occur after the Reporting Date represent one of two types:

##### (i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial reports (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2011.

##### (ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial reports (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2011 and which are only indicative of conditions that arose after 30 June 2011.

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

#### NOTE 24 DISCONTINUED OPERATIONS

Council has not classified any of its Operations as "Discontinued".

#### NOTE 25 INTANGIBLE ASSETS

| \$ '000                                       | Notes | Actual<br>2011 | Actual<br>2010 |
|---|-------|----------------|----------------|
| At Cost                                       |       | 1,270          | 135            |
| Accumulated Amortisation & Impairment         |       | -              | -              |
| <b>Net Book Amount</b>                        |       | <b>1,270</b>   | <b>135</b>     |
| <b>Movements for the year</b>                 |       |                |                |
| Opening Net Book Amount                       |       | 135            | -              |
| Additions - internal development              |       | 1,135          | 135            |
| Amortisation Charge                           |       | -              | -              |
| <b>Closing Net Book Amount <sup>(1)</sup></b> |       | <b>1,270</b>   | <b>135</b>     |

#### Notes:

<sup>(1)</sup>Development costs relating to gaining planning approvals for the right to build an alternate/advanced waste facility on the Kimbriki site.

## Notes to the Financial Statements

for the year ended 30 June 2011

### Note 26

#### NOTE 26 REINSTATEMENT, REHABILITATION & RESTORATION LIABILITIES

| \$ '000                                       | Note                          | NPV of Provision |              |
|---|-------------------------------|------------------|--------------|
| Asset/Operation                               | Estimated year of restoration | 2011             | 2010         |
| Recycling Tip                                 | 2030                          | 3,835            | 3,618        |
| <b>Balance at End of the Reporting Period</b> | <b>10</b>                     | <b>3,835</b>     | <b>3,618</b> |

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations;

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Specific uncertainties relating to the final costs and the assumptions made in determining the amounts of provisions include:

- Estimation of the closure and post closure cost was limited to the extent that there was uncertainty in the cost amount. It was assumed that the closure and post closure costs would be incurred
- The probabilistic approach used in the remediation plan assumes that there is virtually no upper limit to the cost distributions used in the model and that for each cost estimate distribution that higher costs have lower likelihoods of being incurred. The costs are estimates and there is some chance (extremely low) that the costs could be substantially exceeded.
- Environmental laws and relevant codes, guidelines and standards of any authority, applicable at the time the remediation plan was undertaken continue to apply.

#### Reconciliation of movement in Provision for year:

|  |              |              |
|--|--------------|--------------|
| Balance at beginning of year   | 3,618        | 3,414        |
| Revised Costs  | -            | -            |
| Effect of a change in discount rates used in PV calculations           | -            | -            |
| Amortisation of discount (expensed to borrowing costs)                 | 217          | 204          |
| <b>Total - Reinstatement, rehabilitation and restoration provision</b> | <b>3,835</b> | <b>3,618</b> |

#### Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

# Notes to the Financial Statements

for the year ended 30 June 2011

## Note 27

### NOTE 27 ADDITIONAL COUNCIL DISCLOSURES - COUNCIL INFORMATION

#### Principal Place of Business:

725 Pittwater Road  
Dee Why NSW 2099

#### Contact Details

##### Mailing Address:

DX 9118  
Dee Why NSW 2099

**Telephone:** 02 9942 2111

**Facsimile:** 02 9971 4522

#### Officers

##### GENERAL MANAGER

Rik Hart

##### RESPONSIBLE ACCOUNTING OFFICER

David Walsh

##### PUBLIC OFFICER

John Warburton

##### AUDITORS

Hill Rogers Spencer Steer

#### Other Information

**ABN:** 31 565 068 406

#### Opening Hours

Monday to Friday  
8.30am - 5.00pm

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

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

#### Elected Members

##### MAYOR

Michael Regan

##### COUNCILLORS

Michelle Ray

Jason Falinski

Vincent De Luca OAM

Bob Giltinan

Dr Christina Kirsch

Dr Helen Wilkins

Dr Conny Harris

Virginia Laugesen

Julie Sutton

## INDEPENDENT AUDITORS' REPORT

for the year ended 30 June 2011

### GENERAL PURPOSE FINANCIAL STATEMENTS

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *general purpose financial statements* of *Warringah Council*, which comprises the Balance Sheet as at 30 June 2011, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

#### Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion,

- (a) 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; and
- (b) the financial statements:
  - (i) have been presented in accordance with the requirements of this Division;
  - (ii) are consistent with the Council's accounting records;
  - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
  - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

**HILL ROGERS SPENCER STEER**



**G V STEER**  
Partner

Dated at Sydney this 24th day of August 2011



**The Mayor**

Warringah Council  
Pittwater Road  
DEE WHY NSW 2099

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2011 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

**1. RESULTS FOR THE YEAR**

**1.1 Operating Result**

The operating result for the year was a surplus of \$8.113 million as compared with \$12.417 million in the previous year.

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

|  | 2011<br>Total<br>\$000 | % of<br>Total | 2010<br>Total<br>\$000 | % of<br>Total | Increase<br>(Decrease)<br>\$000 |
|--|------------------------|---------------|------------------------|---------------|---------------------------------|
| <b>Revenues before capital items</b>                   |                        |               |                        |               |                                 |
| Rates & annual charges                                 | 79,257                 | 61%           | 76,958                 | 59%           | 2,299                           |
| User charges, fees & other revenues                    | 38,149                 | 29%           | 39,923                 | 31%           | (1,774)                         |
| Grants & contributions provided for operating purposes | 7,549                  | 6%            | 7,483                  | 6%            | 66                              |
| Interest & investment revenue                          | 5,947                  | 5%            | 5,641                  | 4%            | 306                             |
|  | <b>130,902</b>         | <b>100%</b>   | <b>130,005</b>         | <b>100%</b>   | <b>897</b>                      |
| <b>Expenses</b>  |                        |               |                        |               |                                 |
| Employee benefits & costs                              | 52,435                 | 41%           | 51,535                 | 42%           | 900                             |
| Materials, contracts & other expenses                  | 62,305                 | 48%           | 56,784                 | 47%           | 5,521                           |
| Depreciation, amortisation & impairment                | 13,566                 | 11%           | 13,148                 | 11%           | 418                             |
| Borrowing costs  | 330                    | 0%            | 600                    | 0%            | (270)                           |
|  | <b>128,636</b>         | <b>100%</b>   | <b>122,067</b>         | <b>100%</b>   | <b>6,569</b>                    |
| <b>Surplus before capital items</b>                    |                        |               |                        |               |                                 |
|  | <b>2,266</b>           |               | <b>7,938</b>           |               | <b>(5,672)</b>                  |
| Grants & contributions provided for capital purposes   | 6,921                  |               | 5,517                  |               | 1,404                           |
| <b>Surplus before minority interests</b>               |                        |               |                        |               |                                 |
|  | <b>9,187</b>           |               | <b>13,455</b>          |               | <b>(4,268)</b>                  |
| Attributable to Minority Interests                     | (1,074)                |               | (1,038)                |               | (36)                            |
| <b>Net Surplus for the year</b>                        |                        |               |                        |               |                                 |
|  | <b>8,113</b>           |               | <b>12,417</b>          |               | <b>(4,304)</b>                  |

**1.2 Funding Result**

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.

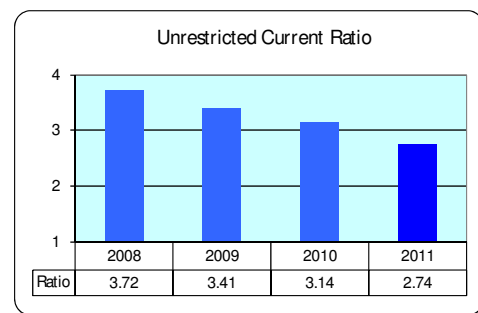
|   | 2011<br>\$000   | 2010<br>\$000   |
|---|-----------------|-----------------|
| <b>Funds were provided by:-</b>                         |                 |                 |
| <b>Operating Result (as above)</b>                      | <b>8,113</b>    | <b>12,417</b>   |
| Add back non funding items:-                            |                 |                 |
| - Depreciation, amortisation & impairment               | 13,566          | 13,148          |
| - Book value of non current assets sold                 | 2,082           | 1,739           |
| - (Gain)/Loss of fair value to investment properties    | (50)            | (50)            |
| - (Surplus)/Deficit in joint ventures                   | (71)            | 216             |
|   | <b>23,640</b>   | <b>27,470</b>   |
| Decrease/Redemption in Non Current Investments          | 8,443           | 19,677          |
| Finance Leases  | 707             | 659             |
| Transfers from internal reserves (net)                  | 7,942           | 20,595          |
| Increase in minority interests                          | 665             | 919             |
| Net Changes in current/non current assets & liabilities | 1,179           | 727             |
|   | <b>42,576</b>   | <b>70,047</b>   |
| <b>Funds were applied to:-</b>                          |                 |                 |
| Purchase and construction of assets                     | (33,939)        | (32,148)        |
| Principal repaid on loans                               | (1,222)         | (4,162)         |
| Finance lease instalments                               | (641)           | (610)           |
| Transfers to externally restricted assets (net)         | (4,397)         | (16,093)        |
|   | <b>(40,199)</b> | <b>(53,013)</b> |
| <b>Increase/(Decrease) in Available Working Capital</b> | <b>2,377</b>    | <b>17,034</b>   |

**2. FINANCIAL POSITION**

**2.1 Unrestricted Current Ratio**

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$35.747 million representing a factor of 2.74 to 1.



**2.2 Available Working Capital – (Working Funds)**

At the close of the year the Available Working Capital of Council stood at \$35.900 million as detailed below;

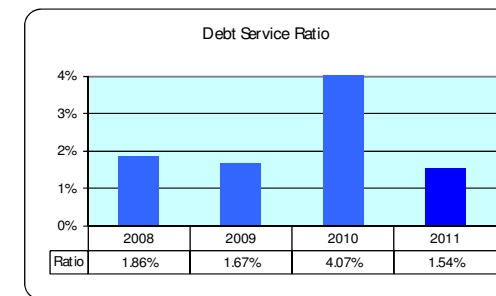
|  | 2011<br>\$000   | 2010<br>\$000   | Change<br>\$000 |
|--|-----------------|-----------------|-----------------|
| <b>Net Current Assets (Working Capital) as per Accounts</b>  | <b>63,652</b>   | <b>64,256</b>   | <b>(604)</b>    |
| <b>Add:</b> Payables & provisions not expected to be realised in the next 12 months included above | 7,197           | 7,707           | (510)           |
| <b>Adjusted Net Current Assets</b>   | <b>70,849</b>   | <b>71,963</b>   | <b>(1,114)</b>  |
| <b>Add:</b> Budgeted & expected to pay in the next 12 months                                       |                 |                 |                 |
| - Borrowings   | 574             | 1,427           | (853)           |
| - Employees leave entitlements   | 6,682           | 6,039           | 643             |
| - Self insurance claims  | 439             | 267             | 172             |
| - Deposits & retention moneys  | 1,824           | 1,840           | (16)            |
| <b>Less:</b> Externally restricted assets  | <b>(35,102)</b> | <b>(30,705)</b> | <b>(4,397)</b>  |
| <b>Less:</b> Internally restricted assets  | <b>(9,366)</b>  | <b>(17,308)</b> | <b>7,942</b>    |
| <b>Available Working Capital as at 30 June</b>   | <b>35,900</b>   | <b>33,523</b>   | <b>2,377</b>    |

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside to fund future works and services and liabilities, Council's Available Working Capital at year end was sound.

**2.3 Debt**

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 1.54%. The increase is attributable to the early repayment of loans.

After repaying principal and interest of \$1.976 million, total debt as at 30 June 2011 stood at \$1.082 million (2010 - \$2.238 million).



**2.4 Summary**

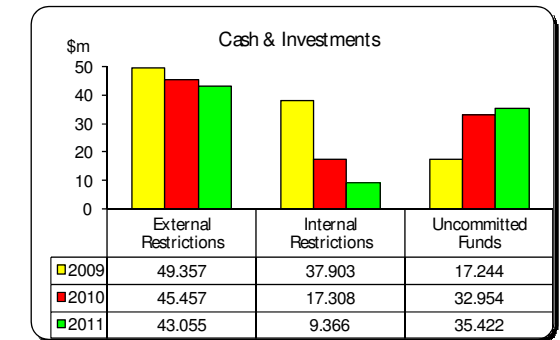
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

**3. CASH ASSETS**

**3.1 Cash & Investment Securities**

Cash and investments amounted \$87.843 million at 30 June 2011 as compared with \$95.719 million in 2010 and \$104.504 million in 2009.

The chart below summarises the purposes for which cash and investments securities were held.



**Externally restricted cash and investments** are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 (\$29.032 million), domestic waste management charges (\$111,000), sports field rectification levies (\$3.892 million), stormwater management levy (\$5.348 million), infrastructure levy (\$2.041 million) and specific purpose grants and contributions (\$2.631 million).

**Internally restricted cash and investments** have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "Reserves". These Reserves totalled \$9.366 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$35.422 million, which is available to provide liquidity for day to day operations and forms the basis of Council's sound financial position.

**3.2 Cash Flows**

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash increased by \$1.236 million to \$11.182 million at the close of the year. In addition to operating activities which contributed net cash of \$24.646 million were the proceeds from the sale of investment securities (\$143.150 million), sale of assets (\$2.249 million) and new finance lease commitments (\$707,000). Cash outflows other than operating activities were used to purchase investment securities (\$134.041 million), repay loans (\$1.222 million), pay finance lease instalments (\$641,000), pay dividends to minority interests in Kimbriki Environmental Enterprises Pty Limited (\$409,000) and to purchase and construct assets (\$32.068 million).

**4. RECEIVABLES**

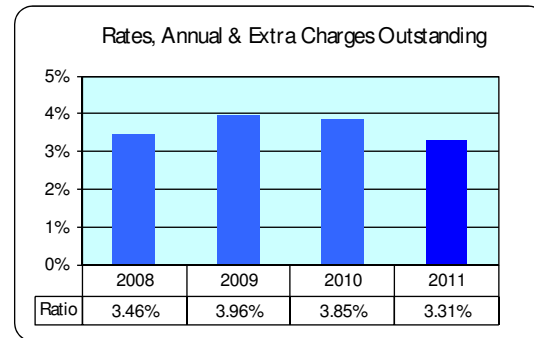
**4.1 Rates & Annual Charges (excluding interest & extra charges)**

Net rates and annual charges levied during the year totalled \$79.257 million and represented 57.51% (2009 – 56.79%) of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$82.013 million of which \$79.628 million (97.09%) was collected.

#### 4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$2.734 million at the end of the year & represented 3.31% of those receivables.



#### 4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$6,206 million. Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$149,000.

### 5. PAYABLES

#### 5.1 Self Insurance

**Workers Compensation** insurance claims have been actuarially assessed at \$987,000 (2010 - \$737,000) and a bank guarantee of \$1.5 million is held to cover these claims as required by the Workcover Authority of NSW.

**Public Liability & Professional Indemnity** claims payable by Council (ie up to the excess layer) have been actuarially assessed at \$1.033 million (2010 - \$606,000) and is fully funded with internally restricted cash and investments.

#### 5.2 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$12.065 million. Internally restricted cash and investments of \$2.363 million was held representing 20% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

#### 5.3 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$4.560 million and were fully funded by internally restricted cash and investments.

### 6. REVALUATION OF ASSETS

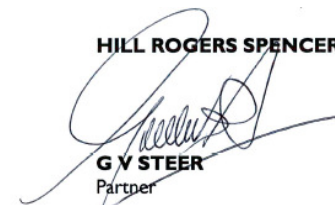
The valuation at 'fair value' of Council's infrastructure, property, plant and equipment is being introduced in a staged approach. In previous years several asset categories, including operational land and buildings, plant and equipment and infrastructure assets have been valued.

This year saw the revaluation of the community land, land improvements and all remaining asset categories. The revaluation process resulted in a transfer to the asset revaluation reserve of \$20.633 million. A revaluation decrement of \$1.171 billion arising primarily from a change in the valuation methodology of community land was recognised directly in retained earnings. Notes 1(m) & 9 of the financial statements provide further details.

### 7. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

  
**HILL ROGERS SPENCER STEER**  
**G V STEER**  
Partner

# Warringah Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2011

*Leading our community  
Creating our future  
Protecting our environment*



# SPECIAL PURPOSE FINANCIAL STATEMENTS

for the financial year ended 30 June 2011

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|--|------|--|
| <b>1. Statement by Councillors &amp; Management</b>      | 232  | (i) The Special Purpose Financial Statements have been prepared for the use by both Council and the Department of Local Government in fulfilling their requirements under National Competition Policy.   |
| <b>2. Special Purpose Financial Reports:</b>             |      | (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market particularly between private and public sector competitors. Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.  |
| - Income Statement of Other Business Activities          | 233  |  |
| - Balance Sheet of Other Business Activities             | 235  |  |
| <b>3. Notes to the Special Purpose Financial Reports</b> | 237  | (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities. These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and (b) those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities). |
| <b>4. Auditor's Report</b>                               | 239  | (iv) In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).   |

## STATEMENT BY COUNCILLORS AND MANAGEMENT

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.

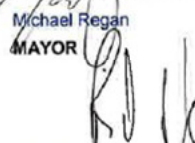
To the best of our knowledge and belief, these Reports:

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.


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

Signed in accordance with a resolution of Council made on 23 August 2011.

  
Michael Regan  
MAYOR

  
Rik Hart  
GENERAL MANAGER

  
Jason Falinski  
COUNCILLOR

  
David Walsh  
RESPONSIBLE ACCOUNTING OFFICER

# SPECIAL PURPOSE FINANCIAL STATEMENTS

## Income Statement of Council's Other Business Activities

for the year ended 30 June 2011

| \$ '000  | Children Services |                | Kimbriki       |                |
|--|-------------------|----------------|----------------|----------------|
|  | Actual<br>2011    | Actual<br>2010 | Actual<br>2011 | Actual<br>2010 |
| <b>Income from continuing operations</b>                                   |                   |                |                |                |
| Access charges   | 4,329             | 3,927          | 16,841         | 14,038         |
| User charges   | -                 | -              | -              | -              |
| Fees   | -                 | -              | -              | -              |
| Interest   | -                 | -              | 635            | 368            |
| Grants and contributions provided for non capital purposes                 | 469               | 451            | 442            | 341            |
| Profit from the sale of assets   | -                 | -              | 9              | 7              |
| Other income   | -                 | 9              | 1,439          | 825            |
| <b>Total income from continuing operations</b>                             | <b>4,798</b>      | <b>4,387</b>   | <b>19,366</b>  | <b>15,579</b>  |
| <b>Expenses from continuing operations</b>                                 |                   |                |                |                |
| Employee benefits and on-costs   | 3,762             | 3,618          | 2,478          | 2,128          |
| Borrowing costs  | -                 | -              | -              | -              |
| Materials and contracts  | 666               | 752            | 8,663          | 6,219          |
| Depreciation and impairment  | 223               | 147            | 157            | 111            |
| Loss on sale of assets   | -                 | -              | -              | -              |
| Calculated taxation equivalents  | -                 | -              | -              | -              |
| Debt guarantee fee (if applicable)   | -                 | -              | -              | -              |
| Other expenses   | 8                 | 14             | 5,875          | 5,031          |
| <b>Total expenses from continuing operations</b>                           | <b>4,659</b>      | <b>4,531</b>   | <b>17,173</b>  | <b>13,489</b>  |
| <b>Surplus (deficit) from Continuing Operations before capital amounts</b> | <b>139</b>        | <b>(144)</b>   | <b>2,193</b>   | <b>2,090</b>   |
| Grants and contributions provided for capital purposes                     | -                 | -              | -              | -              |
| <b>Surplus (deficit) from Continuing Operations after capital amounts</b>  | <b>139</b>        | <b>(144)</b>   | <b>2,193</b>   | <b>2,090</b>   |
| Surplus (deficit) from discontinued operations                             | -                 | -              | -              | -              |
| <b>Surplus (deficit) from ALL Operations before tax</b>                    | <b>139</b>        | <b>(144)</b>   | <b>2,193</b>   | <b>2,090</b>   |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | (42)              | -              | (658)          | (627)          |
| <b>SURPLUS (DEFICIT) AFTER TAX</b>   | <b>97</b>         | <b>(144)</b>   | <b>1,535</b>   | <b>1,463</b>   |
| <b>plus Opening Retained Profits</b>                                       | <b>2,581</b>      | <b>2,725</b>   | <b>12,123</b>  | <b>9,534</b>   |
| <b>plus/less: Prior Period Adjustments</b>                                 | <b>-</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>plus/less: Allocation Adjustments related to IPPE</b>                   | <b>-</b>          | <b>-</b>       | <b>-</b>       | <b>-</b>       |
| <b>plus Adjustments for amounts unpaid:</b>                                |                   |                |                |                |
| - Taxation equivalent payments   | -                 | -              | -              | -              |
| - Debt guarantee fees  | -                 | -              | -              | -              |
| - Corporate taxation equivalent  | 42                | -              | 658            | 627            |
| <b>add:</b>  |                   |                |                |                |
| - Subsidy Paid/Contribution To Operations                                  | -                 | -              | -              | 499            |
| <b>less:</b>   |                   |                |                |                |
| - TER dividend paid  | -                 | -              | -              | -              |
| - Dividend paid  | -                 | -              | (836)          | -              |
| <b>Closing Retained Profits</b>  | <b>2,720</b>      | <b>2,581</b>   | <b>13,480</b>  | <b>12,123</b>  |
| Return on Capital %  | 4.5%              | -4.8%          | 124.3%         | 166.0%         |
| Subsidy from Council   | 28                | 309            | -              | -              |

## SPECIAL PURPOSE FINANCIAL STATEMENTS

### Income Statement of Council's Other Business Activities for the year ended 30 June 2011

|  | Glen Street Theatre |              | Construction Certificate Certification |              |
|--|---------------------|--------------|--|--------------|
|  | Actual 2011         | Actual 2010  | Actual 2011                            | Actual 2010  |
| <b>\$ '000</b>   |                     |              |  |              |
| <b>Income from continuing operations</b>                                   |                     |              |  |              |
| Access charges   | -                   | -            | -                                      | -            |
| User charges   | -                   | -            | 355                                    | 426          |
| Fees   | 2,156               | 1,750        | -                                      | -            |
| Interest   | 62                  | 53           | -                                      | -            |
| Grants and contributions provided for non capital purposes                 | 624                 | 671          | -                                      | -            |
| Profit from the sale of assets   | -                   | -            | -                                      | -            |
| Other income   | -                   | -            | -                                      | 3            |
| <b>Total income from continuing operations</b>                             | <b>2,842</b>        | <b>2,474</b> | <b>355</b>                             | <b>429</b>   |
| <b>Expenses from continuing operations</b>                                 |                     |              |  |              |
| Employee benefits and on-costs   | 1,069               | 1,137        | 422                                    | 418          |
| Borrowing costs  | -                   | -            | -                                      | -            |
| Materials and contracts  | 1,231               | 1,341        | 346                                    | 288          |
| Depreciation and impairment  | 187                 | 106          | -                                      | -            |
| Loss on sale of assets   | -                   | -            | -                                      | -            |
| Calculated taxation equivalents  | -                   | -            | -                                      | -            |
| Debt guarantee fee (if applicable)   | -                   | -            | -                                      | -            |
| Other expenses   | 331                 | 76           | 5                                      | 4            |
| <b>Total expenses from continuing operations</b>                           | <b>2,818</b>        | <b>2,660</b> | <b>773</b>                             | <b>710</b>   |
| <b>Surplus (deficit) from Continuing Operations before capital amounts</b> | <b>24</b>           | <b>(186)</b> | <b>(418)</b>                           | <b>(281)</b> |
| Grants and contributions provided for capital purposes                     | -                   | 61           | -                                      | -            |
| <b>Surplus (deficit) from Continuing Operations after capital amounts</b>  | <b>24</b>           | <b>(125)</b> | <b>(418)</b>                           | <b>(281)</b> |
| Surplus (deficit) from discontinued operations                             | -                   | -            | -                                      | -            |
| <b>Surplus (deficit) from ALL Operations before tax</b>                    | <b>24</b>           | <b>(125)</b> | <b>(418)</b>                           | <b>(281)</b> |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | (7)                 | -            | -                                      | -            |
| <b>SURPLUS (DEFICIT) AFTER TAX</b>   | <b>17</b>           | <b>(125)</b> | <b>(418)</b>                           | <b>(281)</b> |
| <b>plus Opening Retained Profits</b>                                       | <b>2,001</b>        | <b>2,126</b> | <b>107</b>                             | <b>107</b>   |
| <b>plus/less: Prior Period Adjustments</b>                                 | <b>-</b>            | <b>-</b>     | <b>-</b>                               | <b>-</b>     |
| <b>plus/less: Allocation Adjustments related to IPPE</b>                   | <b>-</b>            | <b>-</b>     | <b>-</b>                               | <b>-</b>     |
| <b>plus Adjustments for amounts unpaid:</b>                                |                     |              |  |              |
| - Taxation equivalent payments   | -                   | -            | -                                      | -            |
| - Debt guarantee fees  | -                   | -            | -                                      | -            |
| - Corporate taxation equivalent  | 7                   | -            | -                                      | -            |
| <b>add:</b>  |                     |              |  |              |
| - Subsidy Paid/Contribution To Operations                                  | -                   | -            | 418                                    | 281          |
| <b>less:</b>   |                     |              |  |              |
| - TER dividend paid  | -                   | -            | -                                      | -            |
| - Dividend paid  | -                   | -            | -                                      | -            |
| <b>Closing Retained Profits</b>  | <b>2,025</b>        | <b>2,001</b> | <b>107</b>                             | <b>107</b>   |
| Return on Capital %  | 0.5%                | -3.5%        | -390.7%                                | -262.6%      |
| Subsidy from Council   | 293                 | 476          | 424                                    | 96           |

## SPECIAL PURPOSE FINANCIAL STATEMENTS

### Balance Sheet of Council's Other Business Activities as at 30 June 2011

|  | Children Services Category 1 |              | Kimbriki Category 1 |               |
|--|------------------------------|--------------|---------------------|---------------|
|  | Actual 2011                  | Actual 2010  | Actual 2011         | Actual 2010   |
| <b>\$ '000</b>                                 |                              |              |                     |               |
| <b>ASSETS</b>                                  |                              |              |                     |               |
| <b>Current Assets</b>                          |                              |              |                     |               |
| Cash and cash equivalents                      | -                            | -            | 2,034               | 1,659         |
| Investments                                    | -                            | -            | 9,540               | 9,650         |
| Receivables                                    | -                            | -            | 1,343               | 1,236         |
| Inventories                                    | -                            | -            | -                   | -             |
| Other  | -                            | -            | -                   | -             |
| Non-current assets classified as held for sale | 529                          | 529          | -                   | -             |
| <b>Total Current Assets</b>                    | <b>529</b>                   | <b>529</b>   | <b>12,917</b>       | <b>12,545</b> |
| <b>Non-Current Assets</b>                      |                              |              |                     |               |
| Investments                                    | -                            | -            | -                   | -             |
| Receivables                                    | -                            | -            | -                   | -             |
| Inventories                                    | -                            | -            | -                   | -             |
| Infrastructure, property, plant and equipment  | 3,120                        | 2,981        | 1,764               | 1,259         |
| Investments accounted for using equity method  | -                            | -            | -                   | -             |
| Investment property                            | -                            | -            | -                   | -             |
| Other  | -                            | -            | 1,270               | 135           |
| <b>Total Non-Current Assets</b>                | <b>3,120</b>                 | <b>2,981</b> | <b>3,034</b>        | <b>1,394</b>  |
| <b>TOTAL ASSETS</b>                            | <b>3,649</b>                 | <b>3,510</b> | <b>15,951</b>       | <b>13,939</b> |
| <b>LIABILITIES</b>                             |                              |              |                     |               |
| <b>Current Liabilities</b>                     |                              |              |                     |               |
| Payables                                       | -                            | -            | 1,756               | 1,375         |
| Interest bearing liabilities                   | -                            | -            | -                   | -             |
| Provisions                                     | -                            | -            | 315                 | 241           |
| <b>Total Current Liabilities</b>               | <b>-</b>                     | <b>-</b>     | <b>2,071</b>        | <b>1,616</b>  |
| <b>Non-Current Liabilities</b>                 |                              |              |                     |               |
| Payables                                       | -                            | -            | 400                 | 200           |
| Interest bearing liabilities                   | -                            | -            | -                   | -             |
| Provisions                                     | -                            | -            | -                   | -             |
| Other Liabilities                              | -                            | -            | -                   | -             |
| <b>Total Non-Current Liabilities</b>           | <b>-</b>                     | <b>-</b>     | <b>400</b>          | <b>200</b>    |
| <b>TOTAL LIABILITIES</b>                       | <b>-</b>                     | <b>-</b>     | <b>2,471</b>        | <b>1,816</b>  |
| <b>NET ASSETS</b>                              | <b>3,649</b>                 | <b>3,510</b> | <b>13,480</b>       | <b>12,123</b> |
| <b>EQUITY</b>                                  |                              |              |                     |               |
| Retained earnings                              | 2,720                        | 2,581        | 13,480              | 12,123        |
| Revaluation reserves                           | 929                          | 929          | -                   | -             |
| Council equity interest                        | 3,649                        | 3,510        | 13,480              | 12,123        |
| Minority equity interest                       | -                            | -            | -                   | -             |
| <b>TOTAL EQUITY</b>                            | <b>3,649</b>                 | <b>3,510</b> | <b>13,480</b>       | <b>12,123</b> |



# SPECIAL PURPOSE FINANCIAL STATEMENTS

## Balance Sheet of Council's Other Business Activities

as at 30 June 2011

|  | Glen Street Theatre |                | Construction Certificate Certification |                |
|--|---------------------|----------------|--|----------------|
|  | Category 1          |                | Category 2                             |                |
|  | Actual<br>2011      | Actual<br>2010 | Actual<br>2011                         | Actual<br>2010 |
| <b>\$ '000</b>                                 |                     |                |  |                |
| <b>ASSETS</b>                                  |                     |                |  |                |
| <b>Current Assets</b>                          |                     |                |  |                |
| Cash and cash equivalents                      | 1,444               | 1,355          | -                                      | -              |
| Investments                                    | -                   | -              | -                                      | -              |
| Receivables                                    | -                   | 32             | -                                      | -              |
| Inventories                                    | 5                   | 8              | -                                      | -              |
| Other  | 201                 | 165            | -                                      | -              |
| Non-current assets classified as held for sale | -                   | -              | -                                      | -              |
| <b>Total Current Assets</b>                    | <b>1,650</b>        | <b>1,560</b>   | <b>-</b>                               | <b>-</b>       |
| <b>Non-Current Assets</b>                      |                     |                |  |                |
| Investments                                    | -                   | -              | -                                      | -              |
| Receivables                                    | -                   | -              | -                                      | -              |
| Inventories                                    | -                   | -              | -                                      | -              |
| Infrastructure, property, plant and equipment  | 5,065               | 5,243          | 107                                    | 107            |
| Investments accounted for using equity method  | -                   | -              | -                                      | -              |
| Investment property                            | -                   | -              | -                                      | -              |
| Other  | -                   | -              | -                                      | -              |
| <b>Total Non-Current Assets</b>                | <b>5,065</b>        | <b>5,243</b>   | <b>107</b>                             | <b>107</b>     |
| <b>TOTAL ASSETS</b>                            | <b>6,715</b>        | <b>6,803</b>   | <b>107</b>                             | <b>107</b>     |
| <b>LIABILITIES</b>                             |                     |                |  |                |
| <b>Current Liabilities</b>                     |                     |                |  |                |
| Payables                                       | 802                 | 935            | -                                      | -              |
| Interest bearing liabilities                   | -                   | -              | -                                      | -              |
| Provisions                                     | 95                  | 74             | -                                      | -              |
| <b>Total Current Liabilities</b>               | <b>897</b>          | <b>1,009</b>   | <b>-</b>                               | <b>-</b>       |
| <b>Non-Current Liabilities</b>                 |                     |                |  |                |
| Payables                                       | -                   | -              | -                                      | -              |
| Interest bearing liabilities                   | -                   | -              | -                                      | -              |
| Provisions                                     | -                   | -              | -                                      | -              |
| Other Liabilities                              | -                   | -              | -                                      | -              |
| <b>Total Non-Current Liabilities</b>           | <b>-</b>            | <b>-</b>       | <b>-</b>                               | <b>-</b>       |
| <b>TOTAL LIABILITIES</b>                       | <b>897</b>          | <b>1,009</b>   | <b>-</b>                               | <b>-</b>       |
| <b>NET ASSETS</b>                              | <b>5,818</b>        | <b>5,794</b>   | <b>107</b>                             | <b>107</b>     |
| <b>EQUITY</b>                                  |                     |                |  |                |
| Retained earnings                              | 2,025               | 2,001          | 107                                    | 107            |
| Revaluation reserves                           | 3,793               | 3,793          | -                                      | -              |
| Council equity interest                        | 5,818               | 5,794          | 107                                    | 107            |
| Minority equity interest                       | -                   | -              | -                                      | -              |
| <b>TOTAL EQUITY</b>                            | <b>5,818</b>        | <b>5,794</b>   | <b>107</b>                             | <b>107</b>     |

# Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2011

## Note 1

### NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

A statement summarising the supplemental accounting policies adopted in the preparation of the SPFS for National Competition Policy reporting purposes follows:

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by the Council and the Department of Local Government. For the purposes of these statements, the Council is not a reporting entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition criteria of applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretation. The disclosures in these special purpose financial statements have been prepared in accordance with the Local Government Act and Regulation and the Local Government Code of Accounting Practice and Financial reporting.

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

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government Policy statement on the 'Application of National Competition Policy to Local Government'. The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; Council subsidies; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

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

#### Category 1

(where gross operating turnover is over \$2 million)

**Children Services** - Child Care and Long Day Care  
**Kimbriki Environmental Enterprises Pty Limited** - Domestic & Commercial Waste Management  
**Glen Street Theatre** - Council's local Theatre

#### Category 2

(where gross operating turnover is less than \$2 million)

**Construction Certificate Certification** - Construction Certificate Certification activity of the Urban Development Approval Service (part of Council's Local Approval Service Unit)

#### Monetary Amounts

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

#### (i) Taxation Equivalent Charges

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

For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

#### Notional Rate Applied %

Corporate Income Tax Rate - 30%

Land Tax - The first \$387,000 of combined land values attracts 0%. From \$387,001 to \$2,366,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,366,000, a premium marginal rate of 2.0% applies.

Payroll Tax - 5.5% on the value of taxable salaries and wages in excess of \$331,704 from 1 July 2010 to 31 December 2010 and 5.45% on the value of taxable salaries and wages in excess of \$326,296 from 1 January 2011 to 30 June 2011.

#### Income Tax

An income tax equivalent has been applied on the profits of the business. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor - that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved. Since the taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council.

Accordingly, there is no need for disclosure of internal charges in the GPFS. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

#### Local Government Rates & Charges

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

#### Loan & Debt Guarantee Fees

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

#### (ii) Subsidies

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

# Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2011

## Note 1

### (iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field". Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return achieved is disclosed for each of Council's business activities on the Income Statement.

The Rate of Return on Capital is calculated as follows:

#### Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 5.20% at 30 June 2011.

### (iv) Dividends

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

## INDEPENDENT AUDITORS' REPORT

for the year ended 30 June 2011

### SPECIAL PURPOSE FINANCIAL STATEMENTS

#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of *Warringah Council*, which comprises the Balance Sheet as at 30 June 2011, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

#### Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

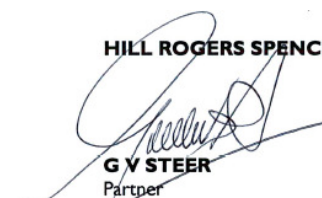
#### Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

#### Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



G V STEER  
Partner

Dated at Sydney this 24th day of August 2011



# Warringah Council

## SPECIAL SCHEDULES

for the year ended 30 June 2011

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*Leading our community  
Protecting our environment  
Creating our future*

## SPECIAL SCHEDULES

for the financial year ended 30 June 2011

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<sup>1</sup> Special Purpose Schedules are not audited.

### BACKGROUND

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as the:

- NSW Grants Commission
- Australian Bureau of Statistics (ABS),
- Department of Premier & Cabinet, Division of Local Government (DLG)
- Department of Environment, Climate Change and Water (DECCW)

(ii) The financial data is collected for various uses including:

- the allocation of Financial Assistance Grants
- the incorporation of Local Government financial figures in national statistics
- the monitoring of loan approvals
- the allocation of borrowing rights, and
- the monitoring of specific service financial activities

## SPECIAL SCHEDULES

for the financial year ended 30 June 2011

### Special Schedule No. 1 - Net Cost of Services

| \$'000   | Expenses from continuing operations | Income from continuing operations (non capital) | Income from continuing operations (capital) | Net Cost of Services |
|--|-------------------------------------|---|---|----------------------|
| <b>Function or Activity</b>                            |                                     |   |   |                      |
| <b>Governance</b>                                      | 5,261                               | 79  | -   | (5,182)              |
| <b>Administration</b>                                  | 40,979                              | 3,945   | 4,247                                       | (32,787)             |
| <b>Public Order and Safety</b>                         |                                     |   |   |                      |
| Fire Service Levy, Fire protection, Emergency Services | 317                                 | -   | -   | (317)                |
| Beach Control  | 254                                 | 19  | -   | (235)                |
| Enforcement of Local Govt Regs                         | 1,561                               | 2,005   | -   | 444                  |
| Animal Control   | 152                                 | 73  | -   | (79)                 |
| Other  | 271                                 | -   | -   | (271)                |
| <b>Total Public Order and Safety</b>                   | 2,555                               | 2,097   | -   | (458)                |
| <b>Health</b>  | 473                                 | 107   | -   | (366)                |
| <b>Environment</b>                                     |                                     |   |   |                      |
| Noxious Plants and Insects/ Vermin control             | 642                                 | 17  | -   | (625)                |
| Other Environmental Protection                         | 4,596                               | 455   | 2,386                                       | (1,755)              |
| Solid Waste Management                                 | 12,505                              | 15,488  | -   | 2,983                |
| Street Cleaning  | 741                                 | -   | -   | (741)                |
| Drainage   | 755                                 | 152   | -   | (603)                |
| Stormwater Management                                  | 2,338                               | 210   | -   | (2,128)              |
| <b>Total Environment</b>                               | 21,577                              | 16,322  | 2,386                                       | (2,869)              |
| <b>Community Services and Education</b>                |                                     |   |   |                      |
| Administration & Education                             | 2,484                               | 1,414   | -   | (1,070)              |
| Social Protection (Welfare)                            | -                                   | -   | -   | -                    |
| Aged Persons & Disabled                                | 260                                 | 73  | -   | (187)                |
| Childrens Services                                     | 3,748                               | 4,082   | -   | 334                  |
| <b>Total Community Services and Education</b>          | 6,492                               | 5,569   | -   | (923)                |
| <b>Housing and Community Amenities</b>                 |                                     |   |   |                      |
| Public Cemeteries                                      | -                                   | -   | -   | -                    |
| Public Conveniences                                    | -                                   | -   | -   | -                    |
| Street Lighting  | 2,248                               | 334   | -   | (1,914)              |
| Town Planning  | 5,177                               | 2,149   | -   | (3,028)              |
| Other Community Amenities                              | -                                   | -   | -   | -                    |
| <b>Total Housing and Community Amenities</b>           | 7,425                               | 2,483   | -   | (4,942)              |
| <b>Water Supplies</b>                                  | -                                   | -   | -   | -                    |
| <b>Sewerage Services</b>                               | -                                   | -   | -   | -                    |

## SPECIAL SCHEDULES

for the financial year ended 30 June 2011

### Special Schedule No. 1 - Net Cost of Services (continued)

| \$'000  | Expenses from continuing operations | Income from continuing operations (non capital) | Income from continuing operations (capital) | Net Cost of Services |
|---|-------------------------------------|---|---|----------------------|
| <b>Function or Activity</b>   |                                     |   |   |                      |
| <b>Recreation and Culture</b>   |                                     |   |   |                      |
| Public Libraries  | 4,131                               | 302   | 264   | (3,565)              |
| Community Centres and Halls   | 1,282                               | 967   | -   | (315)                |
| Performing Arts Venues  | 2,707                               | 2,161   | -   | (546)                |
| Other Cultural Services   | 1,744                               | 59  | -   | (1,685)              |
| Sporting Grounds and Venues   | 3,960                               | 518   | -   | (3,442)              |
| Swimming Pools  | 2,937                               | 2,102   | -   | (835)                |
| Parks and Gardens (Lakes)   | 3,813                               | 390   | -   | (3,423)              |
| Other Sport and Recreation  | -                                   | -   | -   | -                    |
| <b>Total Recreation and Culture</b>   | 20,574                              | 6,499   | 264   | (13,811)             |
| <b>Fuel and Energy</b>  | -                                   | -   | -   | -                    |
| <b>Mining, Manufacturing and Construction</b>   |                                     |   |   |                      |
| Building Control  | 3,058                               | 1,618   | -   | (1,440)              |
| Other Mining, Manufacturing & Construction  | -                                   | -   | -   | -                    |
| <b>Total Mining, Manufacturing and Construction</b>   | 3,058                               | 1,618   | -   | (1,440)              |
| <b>Transport and Communication</b>  |                                     |   |   |                      |
| Urban Roads (UR) - Local  | 4,528                               | 1,179   | -   | (3,349)              |
| Bridges on RU - Local   | -                                   | -   | -   | -                    |
| <b>Total Transport and Communication</b>  | 4,528                               | 1,179   | -   | (3,349)              |
| <b>Economic Affairs</b>   |                                     |   |   |                      |
| Other Economic Affairs  | 15,714                              | 15,165  | -   | (549)                |
| <b>Total Economic Affairs</b>   | 15,714                              | 15,165  | -   | (549)                |
| <b>TOTALS - FUNCTIONS</b>   | <b>128,636</b>                      | <b>55,223</b>                                   | <b>6,897</b>                                | <b>(62,684)</b>      |
| <b>General Purpose Revenues<sup>(2)</sup></b>   | -                                   | <b>75,792</b>                                   | -   | 75,792               |
| <b>Share of interests - joint ventures &amp; associates using the equity method<sup>(1)</sup></b> | -                                   | <b>71</b>                                       | -   | 71                   |
| <b>NET OPERATING RESULT FOR YEAR<sup>(1)</sup></b>  | <b>128,636</b>                      | <b>130,926</b>                                  | <b>6,897</b>                                | <b>9,187</b>         |

Notes: <sup>(1)</sup> Includes: Rates & Annual Charges (incl. Ex Gratia), Untied General Purpose Grants & Interest on Investments (excl. Restricted Assets)



# SPECIAL SCHEDULES

for the financial year ended 30 June 2011

## Special Schedule No. 2(a) Statement of Long Term Debt (all purpose)

| Classification of Debt      | Principal outstanding at beginning of the year |             |              | New Loans raised during the year | Debt redemption during the year |               | Transfers to Sinking Funds | Interest applicable for Year | Principal outstanding at the end of the year |              |              |
|-----------------------------|--|-------------|--------------|----------------------------------|---------------------------------|---------------|----------------------------|------------------------------|--|--------------|--------------|
|                             | Current  | Non Current | Total        |                                  | From Revenue                    | Sinking Funds |                            |                              | Current                                      | Non Current  | Total        |
|                             |  |             |              |                                  |                                 |               |                            |                              |  |              |              |
| <b>Loans (by Source)</b>    |  |             |              |                                  |                                 |               |                            |                              |  |              |              |
| Commonwealth Government     | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| Treasury Corporation        | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| Other State Government      | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| Public Subscription         | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| Financial Institutions      | 852  | 370         | 1,222        | -                                | 1,222                           | -             | -                          | 31                           | -  | -            | -            |
| Other                       | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| <b>Total Loans</b>          | <b>852</b>                                     | <b>370</b>  | <b>1,222</b> | <b>-</b>                         | <b>1,222</b>                    | <b>-</b>      | <b>-</b>                   | <b>31</b>                    | <b>-</b>                                     | <b>-</b>     | <b>-</b>     |
| <b>Other Long Term Debt</b> |  |             |              |                                  |                                 |               |                            |                              |  |              |              |
| Ratepayers Advances         | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| Government Advances         | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| Finance Leases              | 575  | 441         | 1,016        | 707                              | 641                             | -             | -                          | 82                           | -  | 1,082        | 1,082        |
| Deferred Payments           | -  | -           | -            | -                                | -                               | -             | -                          | -                            | -  | -            | -            |
| <b>Total Long Term Debt</b> | <b>575</b>                                     | <b>441</b>  | <b>1,016</b> | <b>707</b>                       | <b>641</b>                      | <b>-</b>      | <b>-</b>                   | <b>82</b>                    | <b>-</b>                                     | <b>1,082</b> | <b>1,082</b> |
| <b>Total Debt</b>           | <b>1,427</b>                                   | <b>811</b>  | <b>2,238</b> | <b>707</b>                       | <b>1,863</b>                    | <b>-</b>      | <b>-</b>                   | <b>113</b>                   | <b>-</b>                                     | <b>1,082</b> | <b>1,082</b> |

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFRR's).

## Special Schedule No. 2(b) Statement of Internal Loans (Section 410(3) LGA 1993)

| \$'000                    |                          |   |                                      |
|---------------------------|--------------------------|---|--------------------------------------|
| Summary of Internal Loans |                          |   |                                      |
| Borrower (by purpose)     | Amount originally raised | Total repaid during the year (Principal & Interest) | Principal Outstanding at end of year |
| General                   | -                        | -   | -                                    |
| Domestic Waste Management | -                        | -   | -                                    |
| Other                     | -                        | -   | -                                    |
| <b>Totals</b>             | <b>-</b>                 | <b>-</b>  | <b>-</b>                             |

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

### Details of Individual Internal Loans

| Borrower (by purpose) | Lender (by purpose) | Date of Minister's Letter | Date Raised | Term (years) | Dates of maturity | Rate of Interest | Amount Originally raised | Total repaid during year (Principal and Interest) | Principal Outstanding at end of year |
|-----------------------|---------------------|---------------------------|-------------|--------------|-------------------|------------------|--------------------------|---|--------------------------------------|
| <b>Totals</b>         |                     |                           |             |              |                   |                  | <b>-</b>                 | <b>-</b>  | <b>-</b>                             |

# SPECIAL SCHEDULES

as at 30 June 2011

## Special Schedule No. 7 Condition of Public Works

| Asset Class               | Asset Category | Depn Rate (%) | Depn Expense \$ | Cost     | Valuation        | Accumulated Depreciation, Amortisation and Impairment | Carrying Amount (WDV) | Asset Condition# | Estimated cost to bring to a satisfactory standard <sup>(1)</sup> | Required <sup>(2)</sup> Annual Maintenance | Current <sup>(3)</sup> Annual M'ntce |            |            |            |                     |
|---------------------------|----------------|---------------|-----------------|----------|------------------|---|-----------------------|------------------|---|--|--------------------------------------|------------|------------|------------|---------------------|
|                           |                |               |                 |          |                  |   |                       |                  |   |  |                                      | per Note 1 | per Note 4 | per Note 9 | per Section 428(2d) |
|                           |                |               |                 |          |                  |   |                       |                  |   |  |                                      |            |            |            |                     |
| <b>Buildings</b>          | Poor           | 1.00%         | 4               | -        | 439              | 316   | 123                   | Poor             | 1,150   | 64   | 56                                   |            |            |            |                     |
|                           | Fair           | 1.00%         | 204             | -        | 21,064           | 9,102   | 11,962                | Fair             | 5,981   | 404  | 367                                  |            |            |            |                     |
|                           | Average        | 1.00%         | 1,385           | -        | 142,861          | 61,021  | 81,840                | Average          | -   | 1,845                                      | 1,677                                |            |            |            |                     |
|                           | Good           | 1.00%         | 471             | -        | 48,558           | 16,490  | 32,068                | Good             | -   | 1,510                                      | 1,373                                |            |            |            |                     |
|                           | Excellent      | 1.00%         | 43              | -        | 4,465            | 265   | 4,200                 | Excellent        | -   | 32   | 29                                   |            |            |            |                     |
|                           |                |               | <b>2,107</b>    | <b>-</b> | <b>217,387</b>   | <b>87,194</b>   | <b>130,193</b>        |                  | <b>7,131</b>  | <b>3,855</b>                               | <b>3,502</b>                         |            |            |            |                     |
| <b>Public Roads</b>       | Poor           | 1.00%         | 34              | -        | 3,913            | 948   | 2,965                 | Poor             | 783   | 235  | 180                                  |            |            |            |                     |
|                           | Fair           | 1.00%         | 10              | -        | 1,117            | 530   | 587                   | Fair             | 111   | 45   | 64                                   |            |            |            |                     |
|                           | Average        | 1.00%         | 506             | -        | 58,330           | 16,358  | 41,972                | Average          | 2,917   | 583  | 565                                  |            |            |            |                     |
|                           | Good           | 1.00%         | 1,489           | -        | 171,603          | 20,839  | 150,764               | Good             | -   | 858  | 773                                  |            |            |            |                     |
|                           | Excellent      | 1.00%         | 1,439           | -        | 165,823          | 24,078  | 141,745               | Excellent        | -   | 497  | 646                                  |            |            |            |                     |
|                           |                |               | <b>3,478</b>    | <b>-</b> | <b>400,786</b>   | <b>62,753</b>   | <b>338,033</b>        |                  | <b>3,811</b>  | <b>2,218</b>                               | <b>2,228</b>                         |            |            |            |                     |
| <b>Other Structures</b>   | Poor           | 1.00%         | 3               | -        | 267              | 231   | 36                    | Poor             | 3,953   | 19   | 9                                    |            |            |            |                     |
|                           | Fair           | 1.00%         | 21              | -        | 2,139            | 1,221   | 918                   | Fair             | 329   | 3  | 1                                    |            |            |            |                     |
|                           | Average        | 1.00%         | 70              | -        | 7,223            | 2,296   | 4,927                 | Average          | -   | 173  | 175                                  |            |            |            |                     |
|                           | Good           | 1.00%         | 417             | -        | 42,798           | 4,338   | 38,460                | Good             | -   | 1,732                                      | 559                                  |            |            |            |                     |
|                           | Excellent      | 1.00%         | 10              | -        | 1,070            | 154   | 916                   | Excellent        | -   | 195  | 58                                   |            |            |            |                     |
|                           |                |               | <b>521</b>      | <b>-</b> | <b>53,497</b>    | <b>8,240</b>  | <b>45,257</b>         |                  | <b>4,282</b>  | <b>2,122</b>                               | <b>802</b>                           |            |            |            |                     |
| <b>Drainage Works</b>     | Poor           | 1.00%         | 40              | -        | 3,953            | 2,470   | 1,483                 | Poor             | 198   | 27   | 25                                   |            |            |            |                     |
|                           | Fair           | 1.00%         | 7               | -        | 706              | 268   | 438                   | Fair             | 1,004   | 107  | 120                                  |            |            |            |                     |
|                           | Average        | 1.00%         | 357             | -        | 35,211           | 15,548  | 19,663                | Average          | 305   | 144  | 152                                  |            |            |            |                     |
|                           | Good           | 1.00%         | 2,569           | -        | 253,792          | 70,011  | 183,781               | Good             | -   | 428  | 388                                  |            |            |            |                     |
|                           | Excellent      | 1.00%         | 402             | -        | 39,748           | 6,404   | 33,344                | Excellent        | -   | 10   | 5                                    |            |            |            |                     |
|                           |                |               | <b>3,375</b>    | <b>-</b> | <b>333,410</b>   | <b>94,701</b>   | <b>238,709</b>        |                  | <b>1,507</b>  | <b>716</b>                                 | <b>690</b>                           |            |            |            |                     |
| <b>Total - All Assets</b> |                |               | <b>9,481</b>    | <b>-</b> | <b>1,005,080</b> | <b>252,888</b>  | <b>752,192</b>        | <b>-</b>         | <b>16,731</b>   | <b>8,911</b>                               | <b>7,222</b>                         |            |            |            |                     |

# SPECIAL SCHEDULES

for the financial year ended 30 June 2011

## Special Schedule No. 8 Financial Projections

| \$ million   | Actual <sup>(1)</sup><br>10/11 | Forecast<br>11/12 | Forecast<br>12/13 | Forecast<br>13/14 | Forecast<br>14/15 |
|--|--------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>(i) RECURRENT BUDGET</b>                        |                                |                   |                   |                   |                   |
| Income from continuing operations                  | 138                            | 144               | 148               | 152               | 157               |
| Expenses from continuing operations                | 129                            | 139               | 142               | 147               | 152               |
| <b>Operating Result from Continuing Operations</b> | <b>9</b>                       | <b>5</b>          | <b>6</b>          | <b>5</b>          | <b>5</b>          |
| <b>(ii) CAPITAL BUDGET</b>                         |                                |                   |                   |                   |                   |
| New Capital Works <sup>(2)</sup>                   | 10                             | 14                | 17                | 19                | 9                 |
| Replacement/Refurbishment of Existing Assets       | 23                             | 20                | 21                | 20                | 18                |
| <b>Total Capital Budget</b>                        | <b>33</b>                      | <b>34</b>         | <b>38</b>         | <b>39</b>         | <b>27</b>         |
| <b>Funded by:</b>                                  |                                |                   |                   |                   |                   |
| – Loans  | -                              | -                 | -                 | -                 | -                 |
| – Asset sales                                      | 2                              | 2                 | 1                 | 1                 | 1                 |
| – Reserves   | 15                             | 12                | 16                | 19                | 10                |
| – Grants/Contributions                             | 5                              | 3                 | 2                 | 2                 | 2                 |
| – Recurrent revenue                                | 11                             | 17                | 19                | 17                | 14                |
| – Other  | -                              | -                 | -                 | -                 | -                 |
|  | <b>33</b>                      | <b>34</b>         | <b>38</b>         | <b>39</b>         | <b>27</b>         |

### Notes:

<sup>(1)</sup> From 2010/2011 Income Statement.

<sup>(2)</sup> New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.