



OUR COMMUNITY. OUR COMMITMENT.
DELIVERING OUR COMMUNITY'S VISION
ANNUAL REPORT 2015 - 2016



ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

Council acknowledges the Guringai people as the Traditional Owners of the land of which the Ku-ring-gai local government area is a part, and pays its respects to their Elders, past and present.

About this report

This is Ku-ring-gai Council's report to the Ku-ring-gai community on Council's performance during the 2015/16 financial year.

Our annual report summarises Council's 2015/16 activities, our achievements, our challenges and issues, as well as an overview of the year ahead.

Our performance is measured against what we said we would do in our four year Delivery Program 2013 – 2017 and one year Operational Plan 2015-2016. This includes the delivery of projects, programs, tasks and performance measures as well as progress towards four year term achievements that Council set in June 2013.

The Annual Report is one of the key accountability mechanisms between Council and the community and has been prepared in accordance with Section 428 of the *Local Government Act 1993* and the Office of Local Government's Integrated Planning and Reporting guidelines.

This and earlier annual reports are available on our website kmc.nsw.gov.au/annualreport

DELIVERING OUR COMMUNITY'S VISION

This report reflects this Council's focus during 2015/16 on delivering its four year term achievements set in June 2013 to progress Ku-ring-gai's long term Community Strategic Plan. During 2015/16 there was a continued emphasis on:

- creating new public places and spaces, revitalising existing centres as well as continuing to renew infrastructure assets, community facilities, parks and sporting facilities
- innovative approaches to delivering quality services, projects and programs in cost effective ways that maintain and improve the community's quality of life over the long term
- extensive community engagement and consultation undertaken across projects and issues to determine community needs and views, then obtaining feedback on options moving forward
- maintaining long term financial and operational sustainability and strategic capacity.

There was substantial progress and successful outcomes across all performance areas in 2015/16, as well as challenges and issues requiring comprehensive responses.

Further details can be found in this report.

KU-RING-GAI COUNCIL

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FURTHER READING
kmc.nsw.gov.au/annualreport

Cover images from top to bottom: Architect's impression of Lindfield Village Green, Architect's impression of Lindfield Village Hub, Architect's impression of Lindfield Village Hub



Children dancing at Twilight Concert in the Park, Wahroonga Park 2015

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St Ives, photo by Alexandra Burchall

Our community's vision

In 2008 the Ku-ring-gai community and Council together developed a vision and set of principles to guide future strategic planning and directions for Ku-ring-gai. The vision and principles formed the basis of Ku-ring-gai's first Community Strategic Plan.

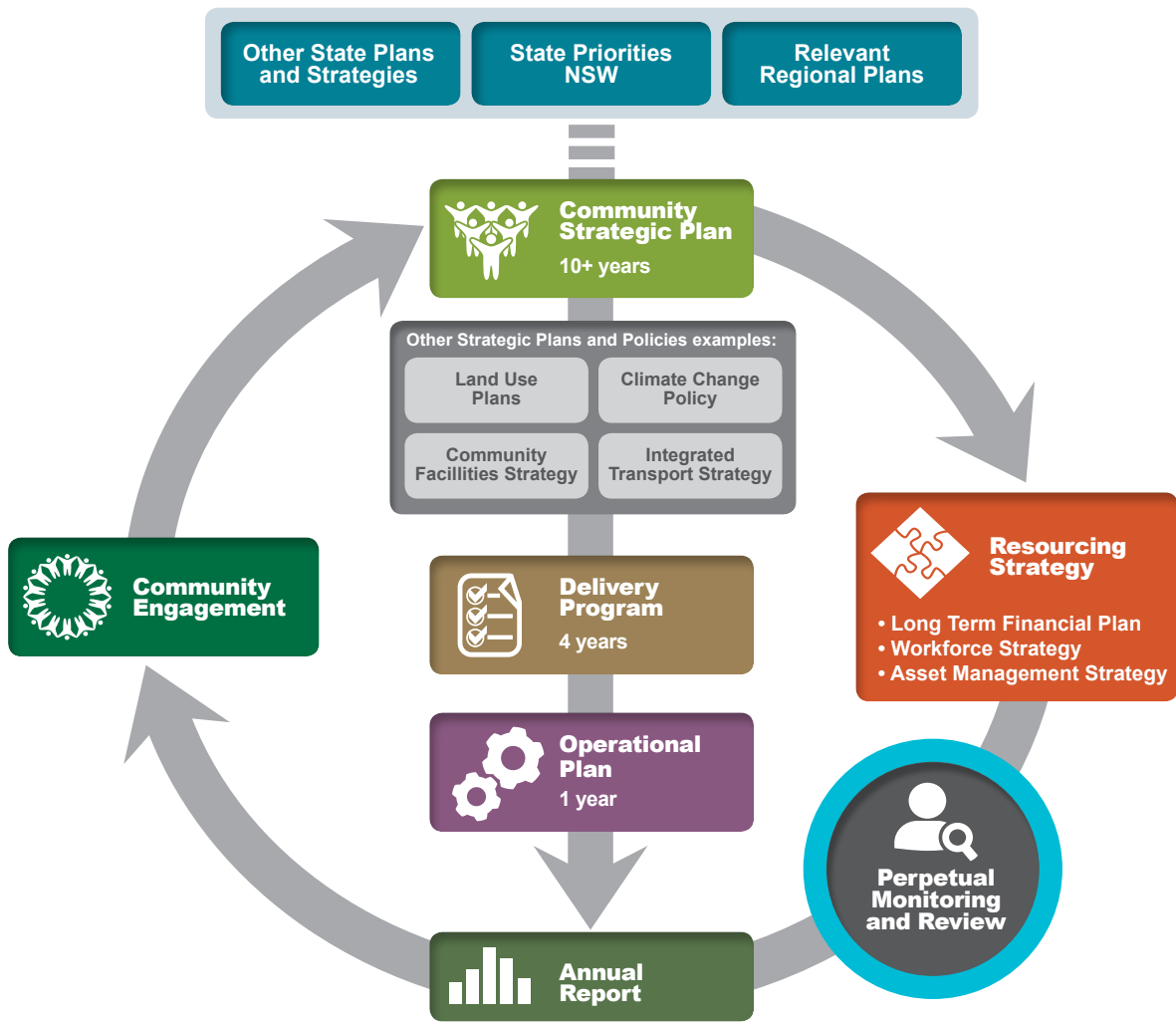
The vision and principles continued to be relevant to Ku-ring-gai and its community beyond that first plan and formed the basis for Ku-ring-gai's second Community Strategic Plan 2030 – Our Community. Our Future, which was adopted in June 2013.

VISION STATEMENT

Our community vision is a Ku-ring-gai that is a creative, healthy and liveable place where people respect each other, conserve the magnificent environment and society for the children and grandchildren of the future.

This will be achieved by

- Behaving ethically
- Leading in sustainability
- Learning and sharing knowledge
- Taking responsibility for our actions
- Respecting the needs of future generations
- Caring for the local environment and people.



Source: NSW Office of Local Government – Integrated Planning and Reporting Framework. Website: olg.nsw.gov.au

Delivering the vision

INTEGRATED PLANNING AND REPORTING FRAMEWORK

In 2009, the NSW government introduced the integrated planning and reporting framework to assist local councils to deliver their community vision and long term objectives through long, medium and short - term plans and reports. The purpose of the framework was to formalise best practice strategic planning across NSW councils to ensure a more sustainable local government sector. The diagram above illustrates the hierarchy of plans within the framework and their relationship to state and regional planning.

 FURTHER READING
kmc.nsw.gov.au/integratedplanning

Ku-ring-gai's planning and reporting

The Integrated Planning and Reporting framework requires Council to report regularly on its progress towards the achievement of community objectives through Council's four year Delivery Program and one year Operational Plan.

The following diagram illustrates Council's plans and reporting framework for the 2015-2016 year:

Planning

Reporting



Ku-ring-gai's Community Strategic Plan 2030

- 6 themes, 30 long term objectives
- Adopted June 2013



Delivery Program 2013 - 2017

- 69 long term achievements
- Adopted June 2013



Operational Plan 2015 - 2016

- 1-year tasks
- Projects, programs and services

Resourcing Strategy

- Long Term Financial Plan
- Asset Management Strategy
- Workforce Plan



Annual Report 2015 - 16

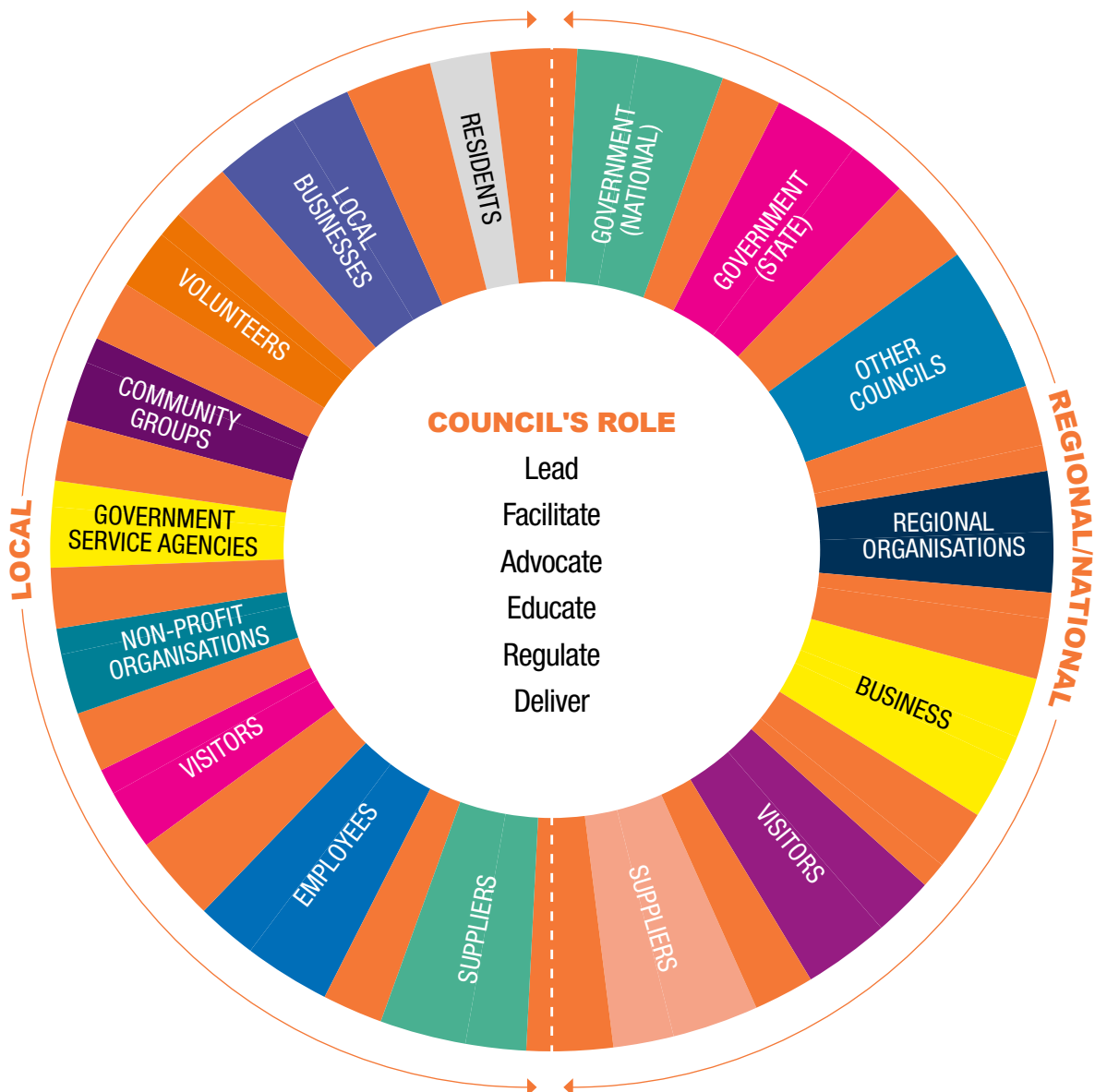
Engaging with our stakeholders

While Council has a number of roles in progressing the long term objectives of the Ku-ring-gai community it does not have full responsibility for implementing or resourcing all of the community aspirations identified in the Community Strategic Plan and detailed in Council's Delivery Program and annual Operational Plans.

Other stakeholders, such as state agencies, non-government organisations, business, community groups and individuals also have a role to play in delivering these outcomes. This can be as contributors of ideas and views on proposed projects or service levels, partners in delivering specific outcomes, or delivering outcomes on behalf of Council.

Examples of the diverse contributions made by our stakeholders can be found in this Annual Report. Specific stakeholders are also listed for each Long Term Objective in the Community Strategic Plan 2030 at kmc.nsw.gov.au/integratedplanning. The important relationship between Council and our stakeholders is illustrated below.

 FURTHER READING
kmc.nsw.gov.au/integratedplanning



Key achievements and challenges 2015/2016

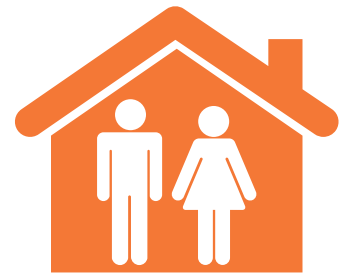
	THEME 1	THEME 2	THEME 3
	COMMUNITY, PEOPLE AND CULTURE	NATURAL ENVIRONMENT	PLACES, SPACES AND INFRASTRUCTURE
	<p>Building a healthy, safe and diverse community that respects our history, and celebrates our differences in a vibrant culture of learning. (Refer to pages 49-57)</p>	<p>Working together as a community to protect and enhance our natural environment and resources. (Refer to pages 59-67)</p>	<p>Creating a range of well planned, clean and safe neighbourhoods and public spaces designed with a strong sense of identity and place. (Refer to pages 69-77)</p>
KEY ACHIEVEMENTS	<ul style="list-style-type: none"> ■ \$2.4 million spent on local parks and playgrounds ■ \$94,000 funding provided to 47 community group projects ■ \$60,000 sponsorship funding to local community events ■ Over 50,000 people attended local events and attractions ■ Increased signature events at St Ives Precinct ■ New Cultural and Education Centre at concept design stage ■ Advanced new community spaces - Lindfield and Turrumurra centres ■ Consulted and engaged community across major project areas and issues ■ Implemented first phase of Access and Disability Inclusion Plan ■ Successful programs delivered for children, youth and seniors ■ 1700 participant registrations - Active Ku-ring-gai programs ■ Ku-ring-gai Fitness and Aquatic Centre- performing above expectations ■ High levels of community volunteering ■ Successful partnering with OzHarvest to reduce food waste. 	<ul style="list-style-type: none"> ■ Environmental benefits from \$2.6million annual Environmental Levy program ■ Over \$41,000 funding provided to 14 local environmental projects ■ Policies revised to reflect best practice environmental management ■ Highly Commended Award for Council's bushland management program ■ Increased participation in environmental and sustainability programs ■ New Climate Change Policy Greenhouse Gas Reduction Action Plan and Climate Change Adaptation Strategy adopted ■ Highly successful Climate Wise Communities program ■ Council's total solar capacity at 111.5kW ■ Continued success of Wild Things community program ■ Highest per capita involvement of residents in the NSW Bushcare Program ■ Completed Lovers Jump Creek Flood Study ■ Successful e-waste collections event. 	<ul style="list-style-type: none"> ■ Completed significant capital works program ■ Over \$10 million spent on roads, footpaths and drains ■ \$6.4 million spent on upgrading sportsgrounds and facilities ■ Koola Oval playing fields upgraded and extended ■ North Turrumurra Recreation Area playing fields constructed ■ Masterplan for Turrumurra Community Hub exhibited ■ Masterplan for Lindfield Community Hub adopted ■ Upgrade of The Mall Shops, Warrimoo Ave, St Ives Chase progressed ■ Successful Ku-ring-gai sports forum held with 50 attending ■ Major review of the Principal DCP and Local Centres DCP ■ Funded four conservation projects and listed new Heritage Items ■ Established design awards to recognise design excellence and positive built outcomes.
CHALLENGES	<ul style="list-style-type: none"> ■ Inclement weather affected attendances at community events ■ Delayed construction of Cameron Park due to remediation and contractor going into voluntary administration ■ Master plan preparation for regional park and recreation space at Gordon Golf Course deferred ■ Long day care and vacation care operating to full capacity with waiting lists ■ Providing community services and facilities that meet changing population needs ■ Maintaining and upgrading community facility assets. 	<ul style="list-style-type: none"> ■ Meeting our 2020 greenhouse gas emissions reduction target ■ Monitoring impacts of 10/50 Vegetation Clearing Code of Practice on Ku-ring-gai's established tree canopy ■ Council's No Net Loss Policy put on hold due to NSW Government's new Biodiversity Conservation Bill and Local Land Services Amendment Bill 2016 ■ Responding to major storm events by Council and emergency agencies ■ Some waste recycling project delays due to staff vacancies. 	<ul style="list-style-type: none"> ■ Responding to significantly increased tree requests during storm periods ■ Deferral of master plan preparation for a civic & cultural hub in Gordon Local Centre due to NSW government merger proposal ■ Extended consultation for regional playground design at St Ives Showground to ensure accessibility and inclusivity requirements were thoroughly assessed ■ Additional funding required for maintenance of new facilities which is not funded under the Contributions Plan.

	THEME 4	THEME 5	THEME 6
	ACCESS, TRAFFIC AND TRANSPORT	LOCAL ECONOMY AND EMPLOYMENT	LEADERSHIP AND GOVERNANCE
	<p>Ensuring access and connection to, from and within Ku-ring-gai provides safe, reliable and affordable public and private travel, transport and infrastructure. (Refer to pages 79-85)</p>	<p>Creating economic employment opportunities through vital, attractive centres, business innovation and technology. (Refer to pages 87-93)</p>	<p>Ensuring Ku-ring-gai is well led, managed and supported by ethical organisations which deliver projects and services to the community by listening, advocating and responding to their needs. (Refer to pages 95-103)</p>
KEY ACHIEVEMENTS	<ul style="list-style-type: none"> ■ \$9.6 million spent on road works program to address backlog issues ■ Over \$0.75 million spent on additional and reconstructed footpaths ■ New link road 'Beans Farm Road' completed between McIntyre and Dumaresq Streets in Gordon ■ New link road between Moree and Dumaresq Streets in Gordon under design ■ Traffic and transport planning progressed for major activation projects at Lindfield and Turramurra Local Centres ■ New bicycle parking facilities included in designs for Lindfield and Turramurra local centres, and Warrimoo Avenue shops upgrade. 	<ul style="list-style-type: none"> ■ Council joins the NSW Government's Small Business Friendly Council's Program to assist in facilitating business growth ■ Local business forums program a success – 100 attendees at March forum ■ Local businesses engaged in the Activate program - Lindfield and Turramurra Local Centres ■ Local and regional economic partnerships developed ■ St Ives Showground precinct and Ku-ring-gai Wildflower Garden promoted for tourism ■ Events and attractions successfully marketed - with economic benefits to Ku-ring-gai ■ \$60,000 sponsorship funding provided to organisations presenting special events ■ Council's reputation for well run and interesting events strengthened. 	<ul style="list-style-type: none"> ■ Achieved a strong financial operating result for 2015/16 ■ Satisfied all Fit for the Future financial benchmarks for 2015/16 ■ Demonstrated long term financial sustainability and efficiency against industry benchmarks ■ Successfully consulted and engaged community across major project areas and issues ■ Expanded innovative communication channels to a growing community audience ■ Received Gold Award for excellence for Council's 2015-2016 Annual Report from the Australasian Reporting Awards Association (ARA) ■ Went 'live' with new digital services Webmap' – an online mapping service accessible by the public ■ New and improved systems and procedures across Council operations.
CHALLENGES	<ul style="list-style-type: none"> ■ Some projects delayed due to resource focus on other high priority capital projects. 	<ul style="list-style-type: none"> ■ Facilitating conditions to attract new businesses to the area ■ Delayed preparation of tourism and visitation strategy due to other work priorities. 	<ul style="list-style-type: none"> ■ Deferred consideration of the sale of property assets due to delayed NSW Government approvals ■ Preparing submissions and responding to local government reform initiatives and legislative changes which delayed some tasks and projects ■ Continued identification and reallocation of savings from efficiencies to road renewal works.

Ku-ring-gai – at a glance

Ku-ring-gai has a vibrant and increasingly diverse population spanning all generations. It is a popular area for families with attractive open spaces, a range of sporting facilities, access to schools and health services and close proximity to major employment areas. Our residents are well educated and generally employed as professionals in the health, social assistance and finance sectors.

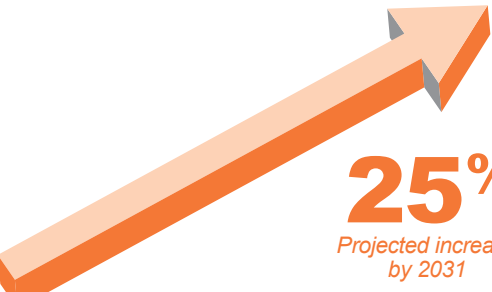
122,859



RESIDENTS (ERP 2015)

151,000

RESIDENTS BY 2031



25%

Projected increase by 2031



36%

 BORN OVERSEAS

Mainly China, Hong Kong, South Korea, India and Malaysia



POSITIVE

NET OVERSEAS MIGRATION

The key driver of our population change

21%

SPEAK A LANGUAGE OTHER THAN ENGLISH AT HOME



46%

HOUSEHOLDS ARE FAMILIES WITH CHILDREN



26%

 YOUNG RESIDENTS

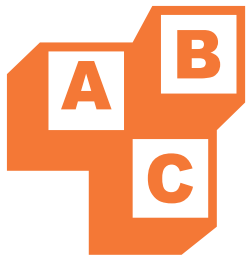
23%

OLDER AGE RESIDENTS



54%

OF RESIDENTS AGED 15YRS+ HAVE A TERTIARY QUALIFICATION



50
CHILD CARE CENTRES
AND PRESCHOOLS

38
PRIMARY AND HIGH SCHOOLS



40.5%
OF RESIDENTS
ARE EMPLOYED
*In the professional, scientific, technical,
financial, insurance, healthcare and
social assistance sectors*



13,572
LOCAL BUSINESSES
(ABS 2015)



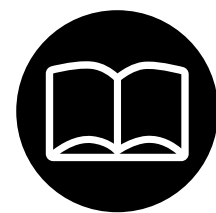
37,447
LOCAL JOBS (NIER 2015)



1
REGIONAL HOSPITAL



86.9%
OF HOUSEHOLDS
HAVE AN INTERNET
CONNECTION



FURTHER READING
kmc.nsw.gov.au/demographics



STEP Track, South Turramurra

Ku-ring-gai – our place and people

KU-RING-GAI – OUR PLACE

The Ku-ring-gai local government area (LGA) is located in Sydney's northern suburbs, 16 kilometres north of the Sydney Central Business District.

The LGA was formed in March 1906 with six councillors, and a small council building was constructed in 1911 on the main road in Gordon.

Ku-ring-gai LGA covers about 85 square kilometres and includes 17 suburbs, 6 local centres and one town centre. See p11 for their locations. Each suburb has its own unique character reflecting the local natural bushland, heritage conservation areas or more recent post war development. Local business centres provide a wide range of local retail shops, professional and commercial services. Other land uses include public and private schools, private hospitals and retirement housing and a business office park.

► Our name

The name 'Ku-ring-gai' is a derivation of the name of the Guringai people, the traditional owners of the land of which the Ku-ring-gai local government area is a part. For thousands of years before the arrival of European settlers, the Guringai people lived in the area from Newcastle down to Sydney, mostly along the foreshores of Sydney Harbour. See p14 for further information on the Aboriginal and European history of the area.

► Our defining features

The Ku-ring-gai area is geographically diverse, comprising significant areas of urban bushland with high conservation status and a visually significant tree canopy.

Known as the 'Green Heart' of Sydney, we are unique for a local government area situated so close to the centre of Sydney's CBD with:

- more than 150 bushland reserves covering approximately 1,150 hectares
- nationally significant ecological communities including remnant Blue Gum High Forest and Sydney Turpentine Ironbark Forest
- over 800 recorded native plant species and more than 400 species of native animals
- three adjoining National Parks (Ku-ring-gai Chase National Park, Garigal National Park and Lane Cove National Park).

KU-RING-GAI - OUR PEOPLE

Ku-ring-gai has a population of 122,859 (ABS ERP 2015) representing 36,942 households of which 46% are couples with children, 25% couples without children and 16% lone person households.

► Age Structure

Ku-ring-gai Council area has higher proportions of school age children and persons at post retirement age than Greater Sydney and almost half the proportion of young workers aged 25 – 34 than Greater Sydney. See the table below showing Ku-ring-gai's age structure in comparison to Greater Sydney.

► Our growing diversity

In 2011 over 35% of residents were overseas born and over 20% of residents came from non-English speaking backgrounds, higher than Greater Sydney. Ku-ring-gai had a larger percentage of residents born in South Africa and the United Kingdom.

In 2011 over 21% of people spoke a language other than English at home. The dominant language spoken at home (other than English) was Cantonese, with 4.9% of the population, or 5,370 people, followed by Mandarin at 3.8% and

Korean at 2.1%. Other languages include Persian/Dari, Japanese, German, Hindi, Italian, Spanish and Greek.

The largest increases in languages spoken in the population between 2006 and 2011 were Mandarin, Korean, Cantonese and Hindi.

► Low level of disadvantage

Ku-ring-gai had the lowest level of disadvantage of all Council's in NSW in 2011 with a SEIFA score of 1,120.7 on the SEIFA Index of Disadvantage.

► Our workforce

More than 52,000 people living in Ku-ring-gai Council area in 2011 were employed, of which 61% worked full-time and 38% part-time. The most common occupational groups of our workforce are:

- Professionals at 38.9% compared to Greater Sydney at 25.5%
- Managers at 20.8% compared to Greater Sydney at 13.35%
- Clerical and administrative workers at 14.5% compared to Greater Sydney at 16.2%.

In combination these three occupations accounted for 37,344 people or 74.2% of the employed resident population. Residents with a tertiary qualification totalled 46,847 or 54% of the Ku-ring-gai population compared to 33.1% for Greater Sydney.

► Our dwellings and households

In 2011 over 22.3% of dwellings in Ku-ring-gai were medium or high density, compared to 40% in Greater Sydney. While separate houses remained the main dwelling type in 2011 at 77.5%, there has been a continued significant increase in medium to high density dwellings since 2011.

The number of persons usually resident in a household in Ku-ring-gai compared with Greater Sydney shows that there were a lower proportion of lone person households, and a higher proportion of larger households (those with 4 persons or more). Overall there were 16.2% of lone person households, and 36.9% of larger households, compared with 22.6% and 29.5% respectively for Greater Sydney. This reflects the continued predominance of families with children in the LGA.

KU-RING-GAI COUNCIL AREA – TOTAL PERSONS (USUAL RESIDENCE) - 2011			GREATER SYDNEY 2011
SERVICE AGE GROUP (YEARS)	NUMBER	%	%
Babies and pre-schoolers (0 to 4)	5,755	5.3%	6.8%
Primary schoolers (5 to 11)	11,315	10.4%	8.7%
Secondary schoolers (12 to 17)	11,036	10.1%	7.4%
Tertiary education and independence (18 to 24)	9,481	8.7%	9.5%
Young workforce (25 to 34)	7,865	7.2%	15.4%
Parents and homebuilders (35 to 49)	23,453	21.5%	21.9%
Older workers and pre-retirees (50 to 59)	15,130	13.8%	12.2%
Empty nesters and retirees (60 to 69)	11,357	10.4%	9.0%
Seniors (70 to 84)	10,435	9.5%	7.2%
Elderly aged (85 and over)	3,470	3.2%	1.8%
Total population	109,297	100%	100%

Sources:

- profile.id Community Profile – Ku-ring-gai Council
- economy.id Economic Profile lite - Ku-ring-gai Council
- ABS, Census of Housing and Population 2011.



Fete, Pymble, 1902
Shows fete held on Dr. Knottman's Paddock, Pymble, 1902.
Dr. Knottman's Paddock is now Robert Pymble Park, Pymble.

Our history

ABORIGINAL HERITAGE

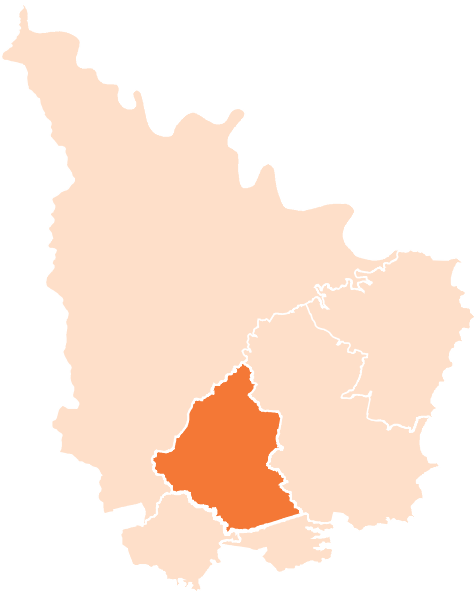
The original inhabitants of Ku-ring-gai – the Guringai people – have left behind many traces including middens, petro glyphs (rock drawings or carvings) and remains of shelters. It is estimated that as many as 650 sites of Aboriginal heritage may have existed within Ku-ring-gai. With approximately 75% of the land within Ku-ring-gai already developed, it is likely that a large number of Aboriginal sites have been destroyed. While 101 sites remain as recorded Aboriginal sites at least double that number is believed to remain. The Aboriginal sites within Ku-ring-gai are under constant threat from development, vandalism and natural erosion.

EUROPEAN HISTORY

European settlement in Ku-ring-gai began in 1814. Isolated farming communities were transformed into residential suburbs with the construction of major transport routes and infrastructure. In 1906, Ku-ring-gai was established as a represented Municipal Council.

Almost all of Ku-ring-gai was designated for residential development, as opposed to commercial and industrial developments. The larger-than average suburban allotments, building covenants, fine gardens, retention of native flora and restriction of industrial and commercial development are indicative of Ku-ring-gai's heritage.

Today Ku-ring-gai is renowned for its architectural heritage, particularly those homes built during the Federation and interwar periods.



KU-RING-GAI'S SUBURBS

- ▶ Gordon
- ▶ Lindfield
- ▶ East Lindfield
- ▶ Pymble
- ▶ West Pymble
- ▶ Turramurra
- ▶ North Turramurra
- ▶ South Turramurra
- ▶ Roseville
- ▶ Roseville Chase
- ▶ Killara
- ▶ East Killara
- ▶ St Ives
- ▶ St Ives Chase
- ▶ Warrawee
- ▶ Wahroonga
- ▶ North Wahroonga

 FURTHER READING
kmc.nsw.gov.au/historyandheritage



*The Golf Links, Killara (ca.1900)
Shows two ladies on the green putting.
Shows Fiddens Wharf Road.*



*Lorimer's Garage (ca.1927)
Lorimer's Garage was located on the corner of
Lane Cove Road and Ryde Road, Gordon.*



From the Mayor

I am delighted to present Council's 2015-2016 Annual Report to the Ku-ring-gai community.

The report provides an overview of our key achievements and challenges during the 2015/16 year as well as our audited financial accounts and our future plans. It is drawn from our actions, decisions and results from the past year.

Our focus during 2015/16 was on progressing our community's vision and long term objectives expressed within the Ku-ring-gai Community Strategic Plan 2030. The plan was adopted by this Council in June 2013, along with a four year Delivery Program 2013 – 2017, which spells out those things that Council said it will do during its four year term to progress the long term objectives and vision contained in the Community Strategic Plan.

The report is also a reminder of the diversity of services, projects and

programs that Council delivers as a local government authority, and the quality outcomes we continue to achieve for the Ku-ring-gai community. This can only occur through the hard work of our highly skilled staff who strive to deliver best value services and projects to the community, either directly or in partnership with other organisations and agencies. This is effective local government in action.

Delivering projects with long term community benefits

During 2015/16 we completed or progressed key projects contained within the four year Delivery Program. This included construction of new sporting fields as part of the North Turrumurra Recreation Area, including a new synthetic turf playing field. These fields will be playable in 2016/17. The Recreation Area project is one of the largest that Ku-ring-gai Council has undertaken in recent years, at a total cost of \$28

million. When finished, residents and visitors can enjoy golf, picnic areas, walking trails, multi-use sports fields and areas of natural bushland.

Sports fields at Koola Park, East Killara also received a much needed upgrade with the playing surface reconstructed on three existing fields and the area extended to create an extra playing field with new turf and new synthetic cricket wickets. These fields will also come on line in 2016/17. The works are part of planned improvements for the park outlined in the Koola Park Landscape Masterplan which was adopted by Council in 2011.

A final concept design for the new recreation precinct at St Ives Village Green was adopted by Council on 14 June 2016 following extensive community consultation. The Village Green, as one of Ku-ring-gai's largest parks, has been progressively developed over the years to serve the community's evolving

recreational needs. The new design seeks to improve and better integrate the facilities, with a new children's play space and a skate area and a central promenade linking facilities with the surrounding park. Construction is expected to begin in mid to late 2016/17.

There was also significant planning progress made on the revitalisation of our local centres with Council adopting a masterplan for Lindfield Community Hub. The Hub, which will be located on the western side of the Lindfield Town Centre, has an estimated construction cost of over \$150 million. The 1.3 hectare site will be a new mixed use precinct with community buildings, boutique shops, cafes, restaurants, apartments and a below-ground supermarket.

On the eastern side of Lindfield Town Centre is the proposed Lindfield Village Green, located in Council's Tryon Road car park behind the Lindfield Avenue shops.

This will be an open green space for social and recreational use with most existing car spaces relocated underground and the new Village Green built on top. Preparation of a final concept plan for Lindfield Village Green has been underway during the year based on the preferred option selected by Council in June 2015 in response to community, council staff and consultant inputs.

Community consultation also took place on a masterplan for Turramurra Community Hub. This included workshops, an online consultation portal, on site information kiosk and information day.

The redevelopment will create a range of community infrastructure including new streets; a large central park and town square; a new library and community centre as well as commuter parking. Council will be using development contribution funds for the project as well as land owned by Council.

As part of our neighbourhood centres improvement program we are moving ahead with the upgrade of the Mall shops, Warrimoo Avenue, St Ives Chase. Key stakeholders and the community were consulted on designs to revitalise the centre and construct an accessible link to The Mall Park. Council adopted concept designs in December 2015 and detailed design and tender documentation is nearing completion with construction tenders to be invited in 2016/17.

While planning and construction for these projects takes time to complete this Council and its organisation has the strategic capacity, professional skills and proven track record in successfully delivering complex major projects in partnership with residents, the business community and other stakeholders.

Similarly, we continue to demonstrate successful outcomes from our long term environmental



St Ives Medieval Faire

initiatives, funded from our environmental levy. This includes protection of our biodiversity, improvements to our native bushland and waterways and reduced energy and water usage. Some initiatives, such as the Climate Wise Communities program, Wild Things program and Bushland Management program, have received national and international recognition for their innovation and positive results.

Working with our community

In May of this year Council approved a three year funding arrangement for Marian Street Theatre for Young People to support the continuation of their operations including marketing initiatives to boost audience numbers and memberships.

The Ku-ring-gai Council's inaugural Mayoral writing competition was also initiated during the year with sponsorship provided by L J Hooker Gordon. The competition offered young and upcoming writers the opportunity to write creatively about what Ku-ring-gai means to them under the theme Ku-ring-gai, My Home. The competition provided an

opportunity for younger members of the community to express their unique voices, aspirations and visions for Ku-ring-gai as well as their sense of community and connection to our area with the best entries winning cash prizes.

Another very successful initiative in 2015/16 was the launch of the Refugee Welcome Pack Appeal organised by Council in conjunction with Wahroonga Rotary, Lifeline and the Migrant Resource Centre. The Appeal was a whole of community effort to provide a Welcome Pack to Syrian refugees resettling in Australia. The appeal both achieved and exceeded its target with over 200 Welcome Packs created, including essential items such as toiletries, toys, sporting equipment, first aid kits, books and school kits. Council has been working with the Community Migrant Resource Centre (CMRC) and Settlement Services Australia (SSI) to ensure that the Welcome Packs are provided to refugees upon arrival in Australia.

I am also proud of our ongoing delivery of vital community services which address Ku-ring-gai's diverse

community needs. Through innovative delivery models for these services, Council provides them in a cost effective way, either directly, or in partnership with other community organisations and agencies. They encompass services targeted at older residents, youth, children, and the disabled, as well as cultural and recreational services provided through the libraries, the Ku-ring-gai Fitness and Aquatic Centre and Roseville Art Centre.

Other initiatives

In May 2016, following representations by local residents and the Northern Suburbs Cancer Network, Council gave in-principle support for the extension of the smoking ban to all outdoor public spaces in Ku-ring-gai such as playgrounds, sports fields and parks. Prior to making a final decision on the ban Ku-ring-gai residents were offered the opportunity to give feedback on the proposal through an online poll conducted in June. Following an overwhelming positive response, Council unanimously supported the ban, which will come into effect on 1 November 2016.



Shaun the Sheep at Australia Day Backyard BBQ 2016



Dogs Day Out, St Ives Showground

The Ku-ring-gai Architecture and Urban Design Awards were another initiative in 2015/16 aimed at supporting and promoting Ku-ring-gai's quality built and landscape character, celebrating excellence in architecture and urban design in our area and promoting the professionals responsible for its delivery. The Awards will be shortlisted and judged by an independent panel of three architectural experts, except for the People's Choice Award, which will be presented to the entry that is chosen by popular vote by members of the public. Nominations for the awards will open in 2016/17 and the winners will be announced at a special Awards Presentation Ceremony in March/April 2017.

Council is also gaining a reputation for well run and popular social and cultural events that are very well attended. During the year over 35,000 people attended Council's major events and over 50,000 people participated in events organised by both Council and community groups. Highlights included the Australia Day citizenship celebrations, Festival on the Green, Ku-ring-gai Wildflower Festival, Twilight Concert, Medieval Faire, Guringai Festival and the Multicultural Film Festival. This included significantly increased attendances at signature events at the St Ives Precinct. Of particular note was the special Centenary of Anzac commemoration at Roseville on Remembrance Day 2015 which displayed a field of 1300 crosses, representing over 1300 men and women, with links to Ku-ring-gai,

who served in World War I. This is an impressive figure given the population of the area in 1914 was around 12,000.

These events always bring together many different community members - young and old, recent and long-term and from different cultural backgrounds, and is a reflection of the strong sense of community and pride in Ku-ring-gai.

Other highlights in 2015/16 included:

- \$9.6 million spent on roadworks
- \$6.4 million spent on new and upgraded sports fields and facilities
- \$2.4 million spent on new and upgraded parks and playgrounds
- Over \$0.75 million spent on additional and reconstructed footpaths
- Completion of a major review of the Local Centres DCP and Principal DCP, incorporating controls to achieve quality design outcomes, while protecting Aboriginal and European heritage and the communal feel of residential areas.

These outcomes have all been achieved in a challenging year which required Council to respond to major local government reforms. This included the public inquiry into the NSW Government's proposed merger of Ku-ring-gai and Hornsby Councils, conducted in February 2016 by the Delegate appointed by

the State Government, Garry West. Ku-ring-gai Council has consistently advised the NSW Government, that the option for Ku-ring-gai to amalgamate with Hornsby Shire Council, has not been substantiated by any analysis of the costs and benefits of an amalgamation. Information on Council's latest submission along with Council's current position and legal action can be found on Council's website.

While responding to these current challenges we have nevertheless continued pursuing the long term objectives agreed with the Ku-ring-gai community in 2013. These objectives encompass the conservation of those things that are important to current generations as well as the creation of assets that will be enjoyed by future generations.

I would like to thank all staff for their support and inspiring professionalism during my term to progress these objectives. As part of this work we will continue to engage with residents and the business community to ascertain your needs and wishes.

I am proud to present Ku-ring-gai Council's achievements for 2015/16 and I commend this annual report to you.

Cheryl Szatow
Mayor 2015/16



Ku-ring-gai Fitness and Aquatic Centre



General Manager's Report

During 2015/16 we continued delivery of the Council's four year Delivery Program, with substantial progress and pleasing results achieved across all areas.

Highlights include progress on major strategic land projects, enhancing our sustainability across financial, environmental, social, economic and governance areas, as well as extensive community consultation and engagement. Our work continues to be recognised through industry awards reflecting the quality of our research, creativity, capacity and excellence.

This is the third Annual Report under the elected Council's four year Delivery Program and the community's long term Community Strategic Plan. Our performance and achievements are reported under six key themes within the Community Strategic Plan. These are:

- Community, People and Culture
- Natural Environment

- Places, Spaces and Infrastructure
- Access, Traffic and Transport
- Local Economy and Employment
- Leadership and Governance.

Focussing on the fundamentals

Financial sustainability and the capacity to deliver good value services and facilities to the community are an integral part of the NSW Government's platform of reform for local government. Opportunities to reduce expenditure and broaden income are therefore key objectives to improving local infrastructure. To achieve this Ku-ring-gai Council pursues long term financial sustainability solutions that will deliver services and facilities in innovative ways for the benefit of our community while at the same time improving the condition of our existing assets.

Council's 2015/16 budget was focused on getting the fundamentals

right, providing value for money and securing our future financial management. This has involved making fiscally prudent decisions to ensure stability, and continuing to increase investment in maintaining fundamental community assets such as roads, bridges, parks and buildings.

I am pleased to report that our financial sustainability objectives were achieved for 2015/16 with Council maintaining a healthy financial position. The financial result from operating activities for 2015/2016 was a surplus of \$6.8 million (before capital grants and contributions), contributing to Council's capital program of \$33.7 million. Underlying working capital was \$4.69 million, a level considered to be sound by the Council's independent auditor.

Regular monitoring of budgetary performance on a monthly basis by staff and formal budget reviews reported to Council on a quarterly

basis ensures budget variations are carefully assessed and our overall financial performance is kept on track.

Our integrated planning and reporting documents provide details of these strategies and document the work we continue to do to proactively address the local government reform agenda without the need to merge with another council.

Improving customer service

During 2015/16 we focussed on building upon past successes by continuing to deliver services and facilities for the community in the most efficient and cost effective manner possible.

It is pleasing to report that improvements were made across many areas of the Council operations, many involving the use of technology to enhance customer service and experiences. Some examples include establishment of an online request facility, which has made it easier for residents to submit customer requests. All certificates required for the sale of properties are also available online.

In addition the Public Web Map, an online mapping service, was launched with positive feedback from both the community and the NSW Valuer General's Department.

The Ku-ring-gai Library Ezone network upgrade has resulted in high speed internet access in all four of Council's libraries. The network has improved access to information and services for library patrons using Council PCs or the free Wi-Fi

service, allowing libraries to expand educational services which rely on the internet.

Further work was undertaken on Council's booking system to enable easier online bookings for facilities such as tennis courts.

Public use of the Council's website continued to steadily increase and our social media platforms expanded with successful promotions of a large number of events, seminars, programs, workshops, forums and exhibitions.

Engaging with our community

Proactive engagement with the community has been fundamental to Council for many years. It is only through effective and meaningful engagement that outcomes can be achieved which are genuinely responsive to community views and needs.

We continued engaging with residents, businesses and other stakeholders on a diverse range of matters contributing to the achievement of strategic long term objectives for Ku-ring-gai. This included policy development, major projects, service delivery and responding to local government reforms.

The benefits of this engagement cannot be overstated as it allows Council, residents, local businesses, other levels of government and stakeholders to understand issues, differing views and needs. As a result of these efforts, decisions and outcomes are better informed.

Examples of innovative and successful community engagement in 2015/16 included the masterplan for the Turramurra Community Hub, the concept design for a new St Ives Village Green Recreation Precinct, upgrading of The Mall shops at Warrimoo Avenue, St Ives Chase and a community forum on the NSW Government's draft Biodiversity Conservation Bill.

Delivering major projects

Delivery of strategic long term projects for the benefit of the community, which are responsibly funded, has become a hallmark of successive Ku-ring-gai Councils and one of the reasons this Council was awarded the 2014 NSW Bluet Award for excellence in local government.

Work on major projects substantially progressed during 2015/16 including the North Turramurra Recreation Area and the upgrade to facilities and fields at Koola Park, Killara. In addition, multi-million dollar transformational projects to revitalise local centres in Lindfield and Turramurra were progressed through the Activate Ku-ring-gai program.

How we implement and fund these revitalisation projects is an ongoing process which in part will be based on substantial investment through the private sector. It is expected that these projects should be commercially feasible in their own right and produce a dividend for Council above and beyond the community facilities incorporated in the centres. Planning for these projects has been carried out over a number of years through

a comprehensive development contributions plan, the acquisition of a number of sites to augment existing land holdings and the strategic management of a number of surplus assets to create a source of funds.

Responding to local government reforms

The reform agenda in local government continues to drive a great deal of change across Council's areas of responsibility to inform the community, seek community views and prepare submissions during 2015/16. Submissions included a detailed response to the Office of Local Government in March 2016 in regard to proposed amendments to the Local Government Act 1993 and another comprehensive submission prepared for the IPART Regulatory Burdens Review. Council officers also participated in a round-table discussion at a public hearing in February 2016.

Ku-ring-gai Council made submissions advocating the community's views on a number of NSW Government environmental planning policies during the year, as well as submissions on the

NSW Government's Biodiversity Conservation Bill and Local Land Services Amendment Bill.

Council officers also participated in a group established by the Greater Sydney Commission to provide specialist advice on matters relevant to planning for the North District of Sydney. This includes the local government areas of Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Mosman, Northern Beaches, North Sydney, Ryde and Willoughby.

In December 2015 the NSW Government announced that Ku-ring-gai was to be merged with Hornsby, and a public inquiry and review would be held by the NSW Boundaries Commission. Council made representations to the Delegate, Garry West, appointed by the State Government at the Inquiry and prepared a comprehensive submission for the Boundary Review. Council also conducted a communications campaign to encourage residents to submit feedback on the merger proposal and attend the public inquiry.

Following a Council resolution, legal action commenced in the Land and Environment Court to obtain a full copy of the KPMG report upon which the government's argument

for forced mergers is based. The action also challenged aspects of the NSW Government's boundary review process. While both the Council's and the government's cases were substantially completed during the last quarter of 2015/16 a decision was not expected to be handed down until August.

Significant staff resources were needed to complete this work during the year, requiring reallocation of resources from other priorities and in some cases, the rescheduling or deferral of some projects.

Other achievements

There were a number of other important achievements across Council services, programs and activities during the year. These include:

- completion of a major review of the Ku-ring-gai Principal DCP and Local Centres DCP
- implementation of the first phase of Council's Access and Disability Inclusion Plan focussed on training of staff and revising procedures and policies to be consistent with the objectives and requirements of access and disability inclusion





Spencer Rd, Killara. Photo by Han Sul Park

- staff training and development to ensure our workforce is skilled to meet future challenges in a rapidly changing sector
- a second consecutive Gold Award for excellence in Council's 2014-2015 Annual Report from the Australasian Reporting Awards Association
- a Highly Commended Award in the Local Government NSW's Excellence in the Environment Awards for the Council's bushland management program
- continued implementation of innovative environmental programs and projects to make Ku-ring-gai a leader in sustainability through climate adaptation strategies, stormwater harvesting systems, bushland and waterway rehabilitation.

As General Manager, I take great pleasure in presenting our 2015-2016 Annual Report. I thank Councillors and Council staff for their significant contribution during the year across many diverse operational areas. I believe we have maintained our strong position as a leader in local government through the continued delivery of sound and sustainable services and facilities for the benefit of our community.

John McKee, General Manager

Our financial performance - summary

OUR OBJECTIVES

Council's overall guiding principle is to maintain a strong and sustainable financial position, underpinned by a sound income base and commitment to financial control to ensure the effective and efficient delivery of services, facilities and infrastructure required by the community.

WHAT WE DID

During 2015/16 we spent around \$114 million on services and operations and \$34 million on capital works to provide a diverse range of services to the community and to ensure the long term sustainability of our assets.

We manage \$1.2 billion worth of assets infrastructure including roads, bridges, halls, land, recreation and leisure facilities, drains, parks and property.

Our income is from rates on property, government grants, interest on investments, user charges and fees. Our expenses are for construction, maintenance, wages, grants to community groups and many other services to the community like libraries, immunisation, bush regeneration and tree removal programs. The following provides a brief summary of our 2015/16 Financial Statements.

Further details of our financial position can be found in the Financial Information – Overview section to the Financial Statements on page 105. Full details of Council's Financial Statements are available in the Financial Section of this Report, on pages 109.

WHERE DID OUR FUNDS COME FROM?

2015/16 Total Income: \$156.02 million

Our main sources of income in 2015/16, other than rates and annual charges, were from:

- **Capital grants and contributions**
\$35.15 million or 22%
(\$9.12m in 2014/15)
- **User charges and fees**
\$18 million or 12%
(\$13.68m in 2014/15)
(This includes mainly community facilities hire and regulatory/statutory fees)
- **Operating grants and contributions**
Contributed \$8.3 million or 5%
(\$7.7m in 2014/15)
- **Other revenues**
\$11.8 million or 8%
(\$9.53m in 2014/15)
- **Total rates and annual charges**
Contributed \$78.5 million or 50%
(\$76.3m in 2014/15).

WHERE WERE OUR FUNDS SPENT?

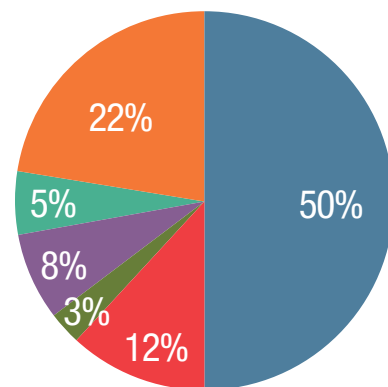
2015/16 Total Operating Expenses: \$114.05 million

The main expenditure items for the year were:

- **Employee Costs**
\$37.4 million or 33%
(\$36.1m in 2014/15)
- **Materials & Contracts**
\$39.5 million or 35%
(\$38.4m in 2014/15)
- **Depreciation**
\$19.47 million or 17%
(\$19.34m in 2014/15)
- **Other expenses**
\$16.24 million or 14%
(\$15.3m in 2014/15)
- **Net losses from disposal of Assets**
Contributed \$405k or less than 1%

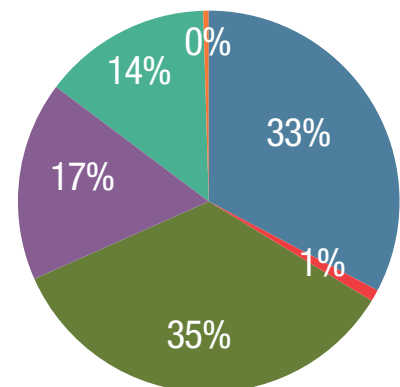
See page 105 for further details of our financial position and pages 109-228 for full details in our Financial Statements.

Total income by category 2015-16



- Rates and annual charges
- User Charges & Fees
- Interest & Investment Revenue
- Other Revenues
- Grants & Contributions provided for Operating Purposes
- Grants & contributions provided for Capital Purposes

Total expenses by category 2015-16



- Employee Benefits & On-costs
- Borrowing Costs
- Materials & Contracts
- Depreciation & Amortisation
- Other Expenses
- Net Gains from the disposal of assets

HOW DID WE PERFORM?

► Achieved performance measures and benchmarks

We achieved all of Council's performance measures and benchmarks in 2015/16, with the exception of the Asset Renewals Ratio and Backlog Ratio. See also page 106 for details of Council's achievement of other financial indicators and benchmarks.

► Achieved a strong operating result

For the financial year ended 30 June 2016 Council had an operating surplus (excluding Grants and Contributions provided for capital purposes) of \$6.82 million or an operating surplus of \$41.97 million (with inclusion of Grants and Contributions provided for capital purposes). The operating surplus means that Council's revenue exceeded both the cost of running its day to day operations and the depreciation of its assets. Council has maintained an operating surplus over previous years. A comparison of our Operating Result for 2015/16 to original budget and four previous years is provided in the table below.

The surplus is available to be spent on capital works.

Major variations in expenditure and income compared to Council's original budget for 2015/16 are disclosed in Note 16 of the Financial Statements on page 156.

The Operating Result includes depreciation of assets and excludes capital expenditure (expenditure on assets).

► Achieved sound working capital

Working capital is a measure of Council's liquidity and ability to meet its financial obligations as they fall due. It is one of the primary measures of the overall financial position of Council, which allows for unforeseen expenditure or reductions in revenue.

Our available working capital at the end of the 2015/16 financial year was \$4.69m, in line with the target identified in Council's Annual Budget. This level of working capital highlights an adequate liquidity position with Council being able to meet its short term financial liabilities when they fall due.

The chart below provides a comparison of Council's working capital for the last five financial years.

► Demonstrated achievement of all Fit for the Future financial benchmarks

The NSW Government's Fit for the Future program required Ku-ring-gai Council to submit either a Council Improvement Proposal to remain stand-alone, or a Council Merger Proposal by 30 June 2015.

Following comprehensive research into both Council's future sustainability and merger options Council decided in June 2015 to remain stand-alone and submitted an Improvement Proposal. That Proposal demonstrated that:

- Council achieved four State Government benchmarks for financial sustainability and infrastructure asset management at the end of the 2013/14 year
- Council will meet all seven benchmarks by the Fit for the Future target year of 2016/17, and then maintain or improve the benchmarks thereafter.

**Net Operating Result \$'000
(Surplus)**

2015/16 Actual	41,970
2015/16 Original Budget	27,270
2014/15 Actual	22,586
2013/14 Actual	16,041
2012/13 Actual	15,806

**Net Operating Result \$'000
(Before Capital grants and contributions)**

2015/16 Actual	6,819
2015/16 Original Budget	9,108
2014/15 Actual	13,460
2013/14 Actual	3,117
2012/13 Actual	4,815

Working Capital

2015/16	\$4,698	
2014/15	\$4,677	
2013/14	\$4,697	
2012/13	\$4,236	\$5,977
2011/12	\$3,982	\$5,693
2010/11	\$4,353	\$1,711

- Working Capital
- FAG in Advance

Council's Improvement Proposal was assessed by the NSW Independent Pricing and Review Tribunal (IPART), which was appointed by the NSW Government in March 2015 to assess all Council proposals.

IPART's report on Ku-ring-gai Council, released in October 2015, found that Council meets all required financial benchmarks for financial sustainability, infrastructure and service management and efficiency.

Further information on the NSW Government's Fit for the Future initiatives and Council's proposal can be found on Council's website.



FURTHER READING
kmc.nsw.gov.au/fitforthefuture

EXPENDITURE FROM SPECIAL RATES

In 2015/16 Council had three Special Rates as follows:

► Infrastructure - Primary Rate

This rate is used to maintain, renew and upgrade Council's infrastructure including roads, footpaths and other infrastructure assets. The Infrastructure – Primary Rate is levied on all rateable land within the Ku-ring-gai local government area.

Funds of \$22 million were received from the Infrastructure Primary Rate in 2015/16.

► Infrastructure - Special Rate Variation

The Infrastructure - Special Rate Variation is five per cent (5%) of the notional general income of Council and is levied on all rateable land within the Ku-ring-gai Local Government Area.

This rate is used to maintain, renew and upgrade Council's infrastructure (road improvements program). The Minister for Local Government initially approved a special rate variation for five years from 2001/02 to 2005/06.

This was extended to 2012/13 following an application from Council in 2005/06.

Following community consultation and support Council applied to IPART for a continuation of this levy up to 30 June 2018. IPART subsequently granted a further one year extension of the levy until 30 June 2014.

As a result of further extensive community consultation and an 80% endorsement by a community representative group, Council made a further application to IPART in 2014 to continue the levy permanently. IPART approved Council's application with funds from the levy to be utilised for road improvements.

The levy contributes an additional \$2.7 million each year for improvements to local roads.

► Environmental – Special Rate Variation

Council's Environmental Levy is a 5% levy on rates used to fund a range of environmental programs and initiatives. The Environmental Levy commenced in 2005 and, with strong community support, will continue until 2019.

Council's Environmental Levy contributes approximately \$2.6 million annually to environmental programs and initiatives in the following key areas:

- Biodiversity
- Water
- Energy
- Community engagement and environmental education
- Sustainable transport and recreation.

Further information on the expenditure of funds in 2015/16 can be found in the Theme – Natural Environment on p60.

► Stormwater Management Charge

The Stormwater Management Charge is used to fund new and upgraded drainage works across the local government area and the environmental management of Council's drainage system impacting on watercourses. During 2015/16 this included:

- drainage upgrades at various locations
- water quality analysis and data monitoring.
- regular maintenance of 141 Enviropods and 72 other gross pollutant traps as part of the stormwater pollution control device maintenance contract funded by the Stormwater Charge. This maintenance removed approximately 76.558 tonnes of pollutants (rubbish, leaf litter and sediment) from our waterways.

Funds of \$964,000 were received from the rate during 2015/16.

► Other Annual charges

Details of funds received from other annual charges for Waste Management and Section 611 – Gas Mains can be found on p131 in the Financial Statements.

SUSTAINING OUR ASSETS

Ku-ring-gai Council delivers a variety of services to the community and in doing so, must ensure that the assets supporting these services are managed sustainably. Managing our asset portfolio, which is valued at \$1.2 billion, is important in meeting the needs and expectations of our community.

Council's adopted Asset Management Strategy integrates with the Community Strategic Plan and Delivery Program and Operational Plan and Long Term Financial Plan.

This ensures that adequate funding for maintenance and renewals is scheduled into annual work programs.

► **New assets for growth**

With population growth and cultural diversity there will be an increasing demand for new and enhanced assets, programs and services.

Council spends approximately \$19 million per annum to fund new and upgraded assets which are predominantly funded through Development Contributions. These assets will also require maintenance and renewal in the future.

Our challenge is to identify ways to provide adequate funding to improve our assets over their asset life and we are continually reviewing our service levels and processes to find improvements.

► **Condition of our assets**

Previous community consultation identified roads, footpaths and stormwater drainage as the main service areas in need of additional resource allocation, with community buildings, parks and playgrounds also mentioned as priorities.

In order to better understand asset condition and the amount of funding required to improve our existing assets base, Council staff, with the assistance of an independent consultant reassessed our technical and financial asset information. This resulted in both our engineers and accountants revisiting existing methodologies, information and assumptions to ensure that asset data was relevant and accurate. This has benefitted the organisation enormously as we are now in a better position to accurately prioritise asset renewal programs, provide additional funding towards maintenance, and reduce our infrastructure backlog.

► **Infrastructure backlog**

Funding shortfalls for infrastructure asset renewal is a well-documented problem facing local government. Through the improvement of technical and financial asset information the Council's Special Schedule 7 reported the infrastructure backlog for all assets classes at \$33,943,000 in 2015/2016.

Council staff continue to implement the recommendations from the independent review with newly formulated funding strategies for asset renewal and maintenance programs which will achieve further reductions in the infrastructure backlog. This is being achieved by implementing initiatives that redirect funding into priority assets.

► **Infrastructure renewal and maintenance funding**

The review of Council's asset information and infrastructure backlog has led to an internal review of capital and operational expenditure. Additional renewal funding has been redirected into improving our assets. Whilst operational expenditure has also been reviewed and allocated towards asset maintenance. Further details on how Council is funding asset renewals can be found in our Asset Management Strategy and Long Term Financial Plan.



FURTHER READING
kmc.nsw.gov.au/integratedplanning



Basketball at Killara Public School. Photo by Melissa Lim

Our corporate performance – summary

HOW WE PERFORMED - COUNCIL'S DELIVERY PROGRAM AND OPERATIONAL PLAN

PERFORMANCE MEASURE	OUTCOME 2015/16	PREVIOUS 2014/15
Completion of 2015/16 Tasks (Total 247)#	85%	81%
Achievement of 2015/16 Performance Indicators (Total 78)	82%	78%
Progress on schedule - 4 year Critical Actions (Total 122)	84%	80%
Progress on schedule - 4 year Term Achievements (Total 69)	81%	77%

6 Operational Plan Tasks could not be progressed or completed due to Council's reliance on external organisations or external factors outside Council's control.

While achievement or progression of performance measures exceeded 2014/15 results certain tasks could not be progressed or completed in 2015/16 due to Council's reliance on external organisations, impacts of storm events and inclement weather, reallocation of resources to other priorities or other factors outside Council's control. These are listed in more detail under challenges during 2015/16.

These factors had a flow on effect to achieving some performance indicators and progressing 4 year Critical Actions and 4 year Term Achievements. Delayed actions will be addressed in the 2016/17 year.

HOW WE PERFORMED - CORPORATE PERFORMANCE INDICATORS – QBL TREND SNAPSHOT

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

The following table indicates our performance for key 'corporate' performance indicators for the 2015/2016 year compared to the previous four years.

KPI	QBL	Measure	Unit	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
1	Gov	DA median processing time	Days	40	47	52	54	74	Increased (1)
2	Gov	Fulltime employee turnover rate	%	8	9	9.3	12	9.53	Stable
3	Gov	Policies reviewed	No.	27	10	11	4	7	Increased (2)
4	Soc	Provision of new local open space	m ²	2893	4000	3400	0	0	Stable (3)
5	Soc	Major events attendance	No.	25,540	38,500	51,121	24,000	35,000	Increased (4)
6	Soc	Library visitors	No.	581,441	563,357	456,287	533,106	492,475	Decreased (5)
7	Soc	Customer service requests received	No.	25,208	23,680	22,375	25,769	28,551	Increased (6)
8	Env	Hazard reduction burns	ha	1.36	7.066	33.94	53.36	74	Stable (7)
9	Env	Bushland regeneration (area)	ha	67.7	20.5	58	59	61	Stable
10	Env	Water consumption (Council)	kL	66,230	98,281	96,550	101,481	102,555	Stable
11	Env	Energy consumption (Council) buildings	kWh	3,174,654	3,273,000	3,767,000	4,887,000	5,581,000	Increased (8)
12	Env	Waste Kg/resident	kg	208.09	202.84	205.78	206	205.63	Stable (9)
13	Env	Recycling Kg/resident	kg	134.37	122.90	110.78	107.86	104.36	Decreased (10)
14	Env	Green waste Kg/resident	kg	191.58	171.83	152.7	163.57	170.12	Increased (11)
15	Econ	Roads upgraded	\$	6,627,090	6,848,018	8,160,787	8,031,854	9,671,674	Increased (12)
16	Econ	Development related legal costs	\$	1,396,000	827,038	502,525	1,153,612	1,256,887	Stable (13)
17	Econ	Debt servicing	%	2	2.08	4.4	16.42	2.7	Decreased (14)
18	Econ	Rate income	\$	51,944,000	53,696,000	56,144,000	57,773,000	58,246,000	Increased (15)
19	Econ	Return on investment	%	6	5.38	4.27	3.87	3.25	Decreased (16)
20	Econ	Ratepayers	No.	40,299	40,914	41,418	41,975	42,336	Increased
21	Econ	Source of revenue from rates and annual charges	%	59	61.69	62.4	57	50	Decreased
22	Econ	Available funds balance (Working Capital)	\$M	5.7	5.90	4.7	4.7	4.7	Stable (17)

(1) Increased median processing time is due to more complex applications requiring more time to assess and resolution through discussions or mediation to achieve positive outcomes.

(2) The total number of corporate and governance policies reviewed each year varies according to their review frequency.

(3) During 2015/16 existing parks were upgraded. Additional new local open areas are in planning phases to be completed in 2016/17.

(4) Numbers of participants increased in 2015/16 due to improved weather conditions, increased promotion and event innovations.

(5) While total number of visits to libraries is reducing in part due to increasing online usage of library resources, the refurbished Gordon library continues to exceed visit expectations due to the availability of space and a fitout that can accommodate the variety of uses that the community now seeks in a library.

(6) An increase in customer service requests received was due in part to an online eRequest facility being established, which has made it easier for residents to submit requests. In addition, population growth, particularly as a result of multi-unit residential development, has increased regular service requests such as waste collection.

(7) Only 45% of the hazard reduction burn program was completed due to unfavourable weather conditions. A 2% increase from last year

(8) Most of the increase in consumption is due to this being the first full 12 month period that the KFAC has been operating, since reopening in October 2014. A smaller portion of the increase is due to a number of new assets coming online.

(9) Based on ERP 122,859 in 2015

(10) Paper has continued to decrease (320 tonnes in 15/16), mixed recycling increased (107 tonnes in 15/16) giving a total overall decrease due mainly to the changes in the newspaper industry.

(11) An increase of 1,113 tonnes in 15/16, based on ERP 122,859 in 2015

(12) Additional funding continued to be redirected from organisational savings. The amount includes Federal and State government funding.

(13) The amounts received for costs recovered totalled \$103,431.

(14) Due to decreased principal repayment during the year.

(15) Due to increase in approved rate peg.

(16) Decreasing due to lower interest rates and lower than anticipated return on investment portfolio. Nevertheless it exceeded the bank bill benchmark by 1.2% (2.2% Aus Bond Bank Bill Index).

(17) In line with the target identified in Council's Annual Budget.

Awards and recognition

ORGANISATIONAL AWARDS AND RECOGNITION

▶ 2016 Australasian Reporting Awards (ARA)

Gold Award

Annual Report 2014/15

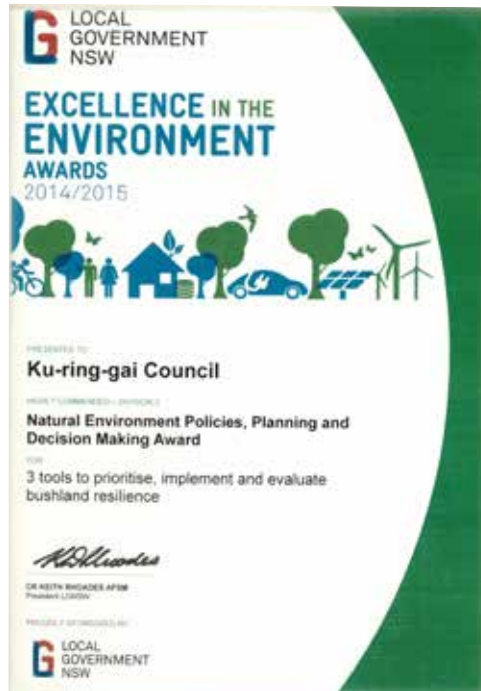
For the second consecutive year Council's 2014/15 Annual Report received a Gold Award for overall excellence in annual reporting from the Australasian Reporting Awards (ARA) 2016 in the category of Public Administration – Local Government.

▶ 2015 NSW Local Government Excellence in Environment Awards

Highly Commended

Excellence in Environmental Policies, Planning and Decision-Making

Awarded to Council in the Excellence in Environmental Policies, Planning and Decision-Making category for our bushland management program which represents one component of Council's comprehensive and integrated range of environmental and sustainability programs and initiatives which are being delivered in response to the community's aspirations in Council's Community Strategic Plan 2030.



COMMUNITY AWARDS AND RECOGNITION

The following members of the community were presented with awards or recognised for their contributions during 2015/16:

▶ 2016 Australia Day Awards

In recognition of outstanding contributions to the Ku-ring-gai community:

Citizen of the Year: John Dailey

Young Citizen of the Year: Joint winners Nick Bennett and Ashlee Jaensch

Outstanding Service to the Community (individual): Sue Turner

Outstanding Service to the Community (group): Ku-ring-gai Community Workshop 'The Shed'.

▶ 2016 Mayoral Awards - Seniors Week

In recognition of senior individuals and groups in Ku-ring-gai who have made an outstanding contribution to the community:

Outstanding contribution to the community (individual/s): Dr Adrienne Bennett

Outstanding contribution to the community (group/organisation): Mirrabooka Singers, Pymble

All nominees for the awards received a certificate in recognition of their contributions

▶ 2016 Gems of Ku-ring-gai - International Women's Day

To celebrate International Women's Day in Ku-ring-gai, 40 women were presented with a certificate in appreciation of their valuable contribution to their organisations and the community. Gems are nominated by organisations involved in all areas of community service from health and education, environmental and humanitarian causes, through to sports and community support. Their efforts benefit the young, the old, families and isolated members of our community.



*From the top: Australia Day Citizen of the Year winner John Dailey.
Australia Day Young Citizen of the Year winner Nick Bennett.
Award for Outstanding contribution to the community awarded to Dr Adrienne Bennett.*

Calendar of events 2015/16

2015

July	August	September	October	November	December
Citizenship Ceremony	Wildflower Art & Garden Festival	Citizenship Ceremony	Citizenship Ceremony	Citizenship Ceremony	Youth Live Music Event - David Taylor and Supports
Guringai Festival	Book Week 2015	St Ives Medieval Fair	Twilight Concert	Sculpture and Painting Exhibition- Art Centre	Mayor's Volunteers Christmas Function
Author encounter with Ian Simpson	Citizenship Ceremony	Mosaics, Glass Art, Glass Beadmaking and Painting Exhibition	The Power of Painting Exhibition- Art Centre	Droppin' Hammers Skate Competition	Seniors excursion Christmas Lights
DIY cheese and yoghurt-making	Watercolour Exhibition- Art Centre	Richard glover Ku-ring-gai Town Hall	Creating Calm - Mental Health Forum	Turrumurra High School Student Expo	seniors excursion Matilda
Native plant identification for beginners	Author encounter with Clio Calodoukas- Gordon Library - Wednesday 19 August 2015	Connect Schools Expo	Compulsive Hoarding Talk	Volunteer training - Interacting with a person with dementia	Seniors Fallproof classes Lindfield venue
Cooking with bush foods	Ku-ring-gai Parent Forum - Anxiety and Adolescence	Ku-ring-gai Parent Forum - Drugs and Alcohol	Open Air Cinema - Harry Potter Marathon (2 nights)	Make your own sourdough	Seniors Fallproof classes Gordon venue
National Tree Day event	Volunteers seminar - Dealing with clients experiencing Grief and Loss	Intro bushwalk for new residents	Ku-ring-gai Parent Forum - Addressing Problematic Internet Usage in Young People	Bushcare end of year event for volunteers	Seniors Back to Basics Classes
Seniors excursion to Nutcote	Kombucha and kefir workshop	Bushcare Major Day Out	National Ride to Work Day brekky	Welcome bus tour	Christmas stories and craft
Seniors tour of State Theatre	Microbat survey in urban bushland	Solar power battery and storage	Native seed collecting walk	Local productive garden tour	
Seniors seminar Tax and Super Changes	Plan and prepare to grow your own food	Green walls and roofs	Intro to Bushcare	Ibis talk	
Seniors Fallproof classes Lindfield venue	Muogamarra Nature Reserve bushwalk	Seniors excursion - Good Old Days Concert	Tick information night	My Back Garden (with WildThings)	
Seniors Fallproof classes Gordon venue	Senior's excursion to Choice	Seniors H.E.A.R.T Greek Cooking	Speed Date a Sustainability Exprt	Van Klaphake eucalypt ID talk	
Seniors Back to Basics Classes	Seniors seminar Be Scam Savvy	Seniors excursion - Greek Restaurant	Seniors Movie for International Day of the Older Person	Seniors excursion Jacaranda	
	Seniors excursion to Tobruk Sheep Station	Seniors excursion Mounted Police	Seniors excursion Korean Restaurant	Seniors seminar on health supplements	
	Seniors Fallproof classes Lindfield venue	Seniors Fallproof classes Lindfield venue	Seniors Fallproof classes Lindfield venue	Seniors seminar on Dementia and Ageing	
	Seniors Fallproof classes Gordon venue	Seniors Fallproof classes Gordon venue	Seniors Fallproof classes Gordon venue	Seniors Fallproof classes Lindfield venue	
	Seniors Fallproof classes Lindfield venue	Seniors Back to Basics Classes	Seniors Back to Basics Classes	Seniors Fallproof classes Gordon venue	
	Seniors Fallproof classes Gordon venue		Seniors Back to Basics Classes	Seniors Back to Basics Classes	
	Seniors Back to Basics Classes		2 HSC lock ins @ Gordon Library	Seniors Back to Basics Classes	
	12 Book Week presentations to schools		Monster mash storytime	Composting Workshop	
	Great soft toy sleepover				



Photo by Kay Watson



2016

January	February	March	April	May	June
Australia Day Celebrations/ Citizenship Ceremony	Citizenship Ceremony	International Women's Day	Citizenship Ceremony	Guringai Festival	Guringai Festival
Angus Stewart	Emotions Exhibition- Art Centre	Citizenship Ceremony	Controlling my own life: Making the most of consumer directed care with COTA	National Trust Heritage Festival exhibit	Citizenship Ceremony
Hendrick Gout	Ingrid Montgomery (Health Month at the Library)	Moonlight Movie	Seniors Festival	Citizenship Ceremony	Mayoral Civic Reception - Pozieres send-off
	Bush foods discovery bush walk	Mayoral Civic Reception - Australia Day Award winners	Discobility - Dance Party for Young People with Special Needs	Festival on the Green	Pool to Pond
	Disaster planning for pet-owners	Travel Exhibition Art Centre		Inside Out Exhibition- Art Centre	Biodiversity reforms forum
	Solar power and storage	Tim Heard Author Encounter - The Australian Native Bee Book	Shoreshocked Live Music Festival	National Disability Insurance Scheme Information Session	Steve Austin canines for conservation talk
	Building bush fire resilient homes	Ku-ring-gai Parent Forum - Parents Guide to Enjoying the HSC Journey	NiteSk8 - Evening Event at St Ives Skate Park	Fabulous Fashionistas Screening	Ethical fashion seminar
	Senior's H.E.A.R.T Italian Cooking	Gems of Ku-ring-gai 2016 - Celebration of Volunteers in Ku-ring-gai	Health Benefits of Volunteering	Law Week checkups with Nerida Knott - Gordon Library	End of the Solar Bonus Scheme info night
	Senior's excursion to Haberfield	Volunteer training - Assisting older members of the community	Tick information talk	Free legal chat with a local solicitor	Seniors seminar - Get your legal affairs in order
	Seniors seminar Introduction to iPad	Volunteer training - Boundaries for volunteers	All about Banksias	Ku-ring-gai's Got Talent	Getting to know your iPad classes
	Seniors excursion Riverboat Postman	Cheese and yoghurt- making workshop	Making beeswax wraps	Ku-ring-gai Parent Forum - Creating Family Harmony	Seniors Fallproof classes
	Seniors iPad training classes	Cooking with bush foods workshop	Introduction to keeping chickens	Volunteer training - Interacting with a person living with dementia	Seniors Back to Basics Classes
	Seniors Fallproof classes Lindfield venue	Making a solitary bee habitat	Dogs Day Out	Small brown birds	Creative writing skills workshop for HSC English exam
	Seniors Fallproof classes Gordon venue	Mayors Concert and Awards - Seniors		Bushcare thank you morning tea	
	Seniors Back to Basics Classes	Seniors movie event		Rising Up: The role of citizen activism	
	Chinese bilingual storytime @ Gordon Library	Seniors seminar drivers workshop		Rainwater tanks info night	
		Seniors excursion to Doyles		Seniors First Aid Seminar	
		Seniors seminar - dementia and ageing		Seniors excursion to Bower Re Use	
		Seniors excursion to Hills Flower Market		Seniors Ku-ring-gai history tour	
		Seniors iPad training classes		Getting to Know Your iPad classes	
		Seniors Fallproof classes		Seniors Fallproof classes	
		Seniors Back to Basics Classes		Seniors Back to Basics Classes	
				HSC study skills workshop	
				Composting Workshop	



Photo by Bob Trlin

Our community leadership

Ku-ring-gai Council is a public statutory body incorporated under the *Local Government Act 1993*. The Act sets out the purpose and charter of Council and defines its powers and functions.

COUNCIL'S ROLE

Council has an over-arching custodial role for the shared vision and aspirations of the Ku-ring-gai community. This includes caring for the environment, our people and places. Council has a number of roles in progressing the long-term objectives of the Community Strategic Plan. They include:

▶ LEAD

Council can act to draw together diverse interests and strive towards achieving common goals for Ku-ring-gai. Council also acts as a role model for others, through its own actions, strategic organisational responses and way of doing things.

▶ FACILITATE

Council can assist in the formation of partnerships aimed at promoting the area and achieving the plan's long-term objectives as well as assisting with interaction between stakeholders and community groups.

▶ ADVOCATE

Council seeks to improve services, facilities and opportunities for Ku-ring-gai and its communities by lobbying agencies and other levels of government. Council can also articulate Ku-ring-gai's long-term vision for its area to others and the opportunities that it presents for investment in the area.

▶ EDUCATE

Council can play an important role in educating the community and other stakeholders on important objectives such as sustainability, sound environmental management practices, quality urban design and alternative transport options. Opportunities also exist for Council to explain the community's vision and how it will be progressed.

▶ REGULATE

Council has a statutory responsibility to implement legislative provisions such as health and safety controls, development assessment controls, tree preservation, energy and water reduction measures, waste management, environmental management, and other state government requirements.

▶ DELIVER

Council has a vital role in delivering the services needed by the community, and ensuring that the community and Council's resources are responsibly managed. Council's role as a service provider aims to assist in building the long-term sustainability of the area.

COUNCIL'S RESPONSIBILITIES

The responsibilities of Councillors are defined in the *Local Government Act 1993* and include:

- providing leadership and guidance to the community
- assisting the community in the development and review of long term strategic objectives for the local area – expressed in the Community Strategic Plan
- preparing a long term Resourcing Strategy to inform the community how the achievement of long term objectives will be resourced
- reviewing performance in the delivery of the Community Strategic Plan, four year Delivery Program, Resourcing Strategy, services, and revenue policies of the Council
- engaging and consulting with the community
- representing the interests of residents and ratepayers.

COUNCIL MEETINGS AND DECISION-MAKING

Ordinary Council meetings are held twice a month and we have committees that also meet regularly. Residents are welcome to attend these meetings. The dates of the meetings are available on our website and published in the local newspaper. Extraordinary Council Meetings are called at short notice from time to time to deal with particular issues. The dates of these meetings are published on our website and in the local newspaper (if timeframes permit).

The mayor and councillors can also raise matters to be debated at Council meetings through mayoral minutes, notices of motion and rescission motions. A decision is made when a majority of councillors vote in favour of a motion. All Council meeting proceedings are recorded. This is one important way of making our decision making processes are transparent.

Council meeting business papers are available to the public on our website, at our Customer Service Centre and all libraries on the Wednesday prior to the meetings and in the Council Chamber on meeting nights. Meeting minutes are available on our website.

Our Councillors

The Ku-ring-gai local government area is divided into five wards – Roseville, Comenarra, Gordon, St Ives and Wahroonga.

Each ward is represented by two councillors. Council elections are normally held every four years with the last local government election for Ku-ring-gai local government area being held on Saturday 8 September 2012.

The NSW Government deferred 2016 elections to 2017 for those councils subject to merger proposals. The Mayor is elected annually in September by the councillors.



FURTHER READING
kmc.nsw.gov.au/wards



GORDON WARD



Mayor Cheryl Szatow JP

cszatow@kmc.nsw.gov.au

Cr Cheryl Szatow has lived in Killara for over 21 years and has represented Gordon Ward since 2008. She has professional experience in education, health, research, marketing and

communication and holds a Bachelor Arts with English and History majors and a Master of Education (Administration) (Hons).

Cr Szatow is currently Patron of the Ku-ring-gai Historical Society, Patron-General of the Ku-ring-gai Amateur Swimming Club, Patron of the Northern Suburbs Dog Training Club, Patron of the Arthur Phillip Chapter of the Fellowship of the First Fleeters and a Council representative on the Government appointed Sydney West Joint Regional Planning Panel.

During 2015/16 Cr Szatow served as Council's representative on the Northern Sydney Regional Organisation of Councils (NSROC) and Deputy Chairperson on the Ku-ring-gai Traffic Committee. Cr Szatow has also served as Sydney Convenor of the National Foundation for Australian Women and on the Board of KYDS. Her special interests on Council includes heritage, education and sustainability. Cr Szatow is also passionate about supporting the arts in Ku-ring-gai.



FURTHER READING
kmc.nsw.gov.au/csztatow



Cr David Citer

dciter@kmc.nsw.gov.au

Cr David Citer was elected to Council in 2012 as a Gordon Ward representative

Cr Citer spent the first 20 years of his life growing up in East Killara. Cr Citer has been working in adolescent mental health

for the past 12 years in hospitals, residential mental health and drug and alcohol units and in outreach counselling services.

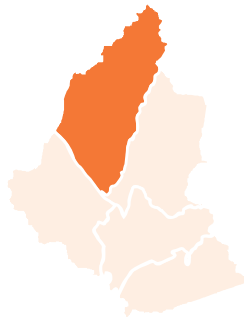
Cr Citer was previously the manager of the Ku-ring-gai Youth Development Service (KYDS) in Lindfield, a free youth counselling service.

Cr Citer has worked closely with students, principals, welfare teachers, school counsellors and parents' associations on early intervention programs for students. He has also been chair of The Hornsby/Ku-ring-gai Youth Network and chair of the Northern Sydney Mental Health Working Party.

During 2015/16 Cr Citer was elected a member of the Audit and Risk Committee of Council as well as being Council's representative on the Hornsby/Ku-ring-gai Bushfire Management Committee, the Rural Fire Service District Liaison Committee and Ku-ring-gai Youth Development Service Inc. Management Committee. Cr Citer was also Council's alternate delegate to the Northern Sydney Regional Organisation of Councils (NSROC).



FURTHER READING
kmc.nsw.gov.au/dciter



WAHROONGA WARD



Cr Chantelle Fornari-Orsmond

cforsmond@kmc.nsw.gov.au

Cr Fornari-Orsmond moved to Ku-ring-gai over 10 years ago with her husband and they are now raising their two daughters in Wahroonga. Cr Fornari-Orsmond represents Wahroonga Ward.

Cr Fornari-Orsmond's interests have been at a grassroots level in a volunteer role as Project Eyewatch Coordinator for Wahroonga, a branch of Neighbourhood Watch that leverages social media to improve safety awareness in the local community.

Cr Fornari-Orsmond was appointed by Hornsby Police as a Volunteer in Police, which supports her passion for working as part of a team to improve safety in the local area and has previously represented Council on the Ku-ring-gai Police and Community Safety Committee.

Cr Fornari-Orsmond is a former sales manager in the corporate food industry and also served as Treasurer for the NSW Liberals Women's Council.

During 2015/16 Cr Fornari-Orsmond represented Council on the Ku-ring-gai Police and Community Safety Committee.



FURTHER READING
kmc.nsw.gov.au/cfornari-orsmond



Cr Duncan McDonald

dmcdonald@kmc.nsw.gov.au

Cr Duncan McDonald is a long-time Wahroonga resident and has represented Wahroonga Ward since 2009. He grew up in Wahroonga and returned in the early 1990s to raise his family.

Cr McDonald has a degree in food science and a Masters of Business Administration (MBA), and is a graduate from the Institute of Company Directors (AICD). He has been involved in senior business management for over 28 years and runs his own company marketing food ingredients and brands, and has a new product development facility.

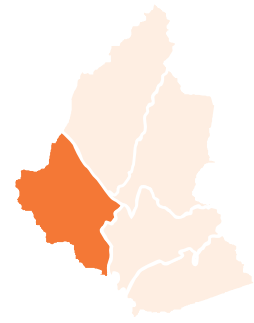
Cr McDonald is a strong advocate in supporting local community age care and has chaired, for the last several years, the Ku-ring-gai and Hornsby Meals on Wheels Board, located in Turramurra.

Cr McDonald is a Fellow of the Australian Institute of Food Scientists, member of the AICD and a member of the Australian National Trust.

During 2015/16 Cr McDonald was appointed Council's representative on Ku-ring-gai Meals on Wheels Inc.



FURTHER READING
kmc.nsw.gov.au/dmcdonald



COMENARRA WARD



Cr Elaine Malicki

emalicki@kmc.nsw.gov.au

Cr Elaine Malicki is Council's longest serving female councillor, having represented Comenarra Ward since 1991. She was Mayor during Ku-ring-gai's Centenary Year in 2006, in 2008 to 2009

and 2012 to 2013 and initiated programs such as ward and youth summits, a small business forum and a regional sporting forum.

Cr Elaine Malicki has been awarded the honorary title of Emeritus Mayor for serving a minimum of three one-year terms as Mayor. In 2014 Cr Malicki also received a 'Highly Commended' Award in recognition of her service as an elected representative on a metropolitan NSW council, as part of the 2014 Ministers' Awards for Women in Local Government.

Cr Malicki has supported significant improvements to facilities throughout her time on Council, while protecting the built and natural environment for future generations.

Cr Malicki has strong links to the community and sporting groups, and is an enthusiastic advocate for residents. During 2015/16 she was one of Council's representatives on the Northern Sydney Regional Organisation of Councils (NSROC) and the NSW Government appointed Sydney West Joint Regional Planning Panel.



FURTHER READING
kmc.nsw.gov.au/emalicki



Cr Jeffrey Pettett

jpettet@kmc.nsw.gov.au

Cr Jeffrey Pettett has represented Comenarra Ward since 2012. As a long-time resident of Wahroonga, Cr Pettett has strong links with the community and is actively involved with the development of

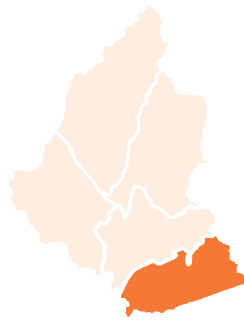
youth in Ku-ring-gai as a coach and the Junior President of the Kissing Point Angels Baseball Club.

Cr Pettett is a qualified accountant, a Fellow of the Institute of Accountants and a Chartered Tax Adviser with the Tax Institute of Australia. Financial analysis and responsible spending are two cornerstones which drive him in his work as a councillor. Improvements to facilities are one of his priorities.

Cr Pettett has previously been a member of Council's Audit and Risk Committee.



FURTHER READING
kmc.nsw.gov.au/jpettet



ROSEVILLE WARD



Cr Jennifer Anderson
janderson@kmc.nsw.gov.au

Cr Jennifer Anderson grew up in Chatswood and has lived in Killara for over 27 years with her husband and four children in a heritage listed home. Cr Anderson has represented Roseville

Ward since 2006.

Cr Anderson has qualifications in library and information science with appointments to the University of NSW, University of London and Lane Cove Council. Prior to election to Ku-ring-gai Council in 2006 she worked with former Bradfield MP, The Hon Dr Brendan Nelson.

Cr Anderson has served on the committees and boards of numerous local, regional and state level organisations. During 2015/16 she was Council's representative on Eryldene Trust, and the Metropolitan Public Libraries Association, Chairperson of the Heritage Reference Committee, elected member of Council's Audit and Risk Committee and alternative representative on Ku-ring-gai Meals on Wheels Inc. and the Ku-ring-gai Youth Development Service Inc. Management Committee.

In 2014 Cr Anderson was announced as the Davidson NSW Woman of the Year winner and was also named as a Rotary International Paul Harris Fellow.

Cr Anderson served as mayor for two consecutive terms from 2013 to 2015, and also previously served as Mayor from 2011 to 2012.

 FURTHER READING
kmc.nsw.gov.au/janderson



Cr David Armstrong
darmstrong@kmc.nsw.gov.au

Cr David Armstrong has been a Ku-ring-gai resident for over 10 years and was elected to Council in 2012. He is an electrician and currently works for a private company involved in railway

signalling. Cr Armstrong is a member of the Ku-ring-gai branch of the Australian Labor Party and a member of the Multiple Births Association. He is particularly keen to improve services and facilities for young families in Ku-ring-gai. He represents Roseville Ward.

During 2015/16 Cr Armstrong was elected Chairperson of the Flood Risk Management Committee and Deputy Chairperson of the Ku-ring-gai Traffic Committee, as well as Council's alternate representative on the Rural Fire Service District Liaison Committee and Hornsby/Ku-ring-gai Bushfire Management Committee.

 FURTHER READING
kmc.nsw.gov.au/darmstrong



ST IVES WARD




Cr Christiane Berlioz
cberlioz@kmc.nsw.gov.au

Cr Christiane Berlioz was elected to Council in 2012 and represents St Ives Ward.

A community group representative for over 10 years, Cr Berlioz has gained a sound knowledge of local issues and experience with Council procedures. Her focus is on representing the community voice to Council, honest and open governance, promoting development that respects environment and heritage values and most importantly preserving a sense of place and identity.

During 2015/16 Cr Berlioz was elected the Chairperson of the Ku-ring-gai Traffic Committee as well as the Deputy Chairperson for both the Flood Risk Management Reference Committee and Heritage Reference Committee. Cr Berlioz was also appointed the Council representative for the Greater Sydney Local Land Services Local Government Advisory Group and Council's alternate representative on the Sydney West Joint Regional Planning Panel.

Cr Berlioz is a qualified pharmacist and has worked in retail, hospital and industry.

 FURTHER READING
kmc.nsw.gov.au/cberlioz



Deputy Mayor David Ossip
dossip@kmc.nsw.gov.au


Cr David Ossip was elected to Council in 2012 and represents St Ives Ward. Cr Ossip was born, raised and educated in St Ives and is presently studying for a Bachelor of Commerce and Bachelor of

Laws at the University of Sydney. Cr Ossip works full-time as a solicitor at a commercial law firm.

A recipient of numerous academic and community service awards, as well as being an accomplished public speaker, Cr Ossip has always been keenly involved in his community. In 2009, he received the Lions Regional Youth of the Year Award and an Order of Australia Association Certificate of Recognition for Service to the Community.

An active member of the Liberal Party, Cr Ossip states he is "a passionate and enthusiastic advocate for residents, and seeks to make a positive contribution to the future of our community".

Cr Ossip has previously represented Council on the Ku-ring-gai Youth Development Service Inc Management Committee (KYDS).

 FURTHER READING
kmc.nsw.gov.au/dossip

The community's role

Ku-ring-gai has an active and engaged community. Our residents and local stakeholders wish to participate in, and inform Council decision-making to ensure the delivery of high quality services and assets for the community.

There are a number of ways in which local stakeholders are involved in policy formulation and decision-making.

REFERENCE COMMITTEES

To assist in the decision making process and the operation of Council, reference committees may be established for a period of time to provide advice, assist in managing facilities or services and perform other functions. These groups often include members of the community as well as some or all councillors. As part of the decision making process, recommendations made by these formal and informal forums may be referred to an ordinary meeting of Council or general committee of Council for a decision. The following Reference Committees operated during 2015/16:

► Audit and Risk Committee

Our Audit and Risk Committee includes two external independent members (one of whom is the chair) and two Councillor representatives, as well as non-voting senior staff, other councillors and Council's external auditor. It provides independent assurance and assistance to our

internal audit function in relation to risk management, internal control, governance, external accountability responsibilities, financial reporting, and compliance with laws and regulations. Additionally, the Committee also provides a level of oversight on the follow-up and completion of any issues or actions identified by internal and external audits, customer and Code of Conduct complaints as well as independent oversight of, and strategic input into our risk management framework.

The Audit and Risk Committee's work in 2015/16 included key reviews of project outcomes, revenue generation activities, financial statements, procurement compliance and an ongoing review of key controls and statutory audits.

► Flood Risk Management Committee

The Flood Risk Management Committee includes councillors, residents, and representatives from business or industry bodies. In addition the committee has non-voting representatives from NSW Office of Water, NSW Department of Planning, NSW Police, NSW State Emergency Services, Sydney Water, Roads and Maritime Services and other ex-officio members. The committee is a technical review committee established under the NSW Government's Flood Prone Land Policy and has an advisory role to Council. The committee acts as a focus and forum for discussing differing views and objectives on technical, social, economic and environmental matters for floodplain management and flood risk.

► Heritage Reference Committee

The Heritage Reference Committee includes Councillors, a community representative and representatives from the National Trust Australia, Australian Institute of Architects and the Ku-ring-gai Historical Society. The committee was formed in June 2014 and provides advice to Council on heritage matters as well as promoting an understanding and appreciation of heritage through specific activities and events.

OTHER COMMITTEES

► Ku-ring-gai Traffic Committee

The Ku-ring-gai Traffic Committee is a technical body including representatives of Council, NSW Police, Roads and Maritime Services and the local Member of State Parliament. The Committee is not a committee of Council, being established under delegation of the Roads and Maritime Services. As such, the committee's role is to consider and advise Council on traffic related matters.



FURTHER READING
kmc.nsw.gov.au/committeemeetings

Engaging with our community

Our consultation policy ensures engagement with the community is equitable and accessible.

To do this we employ a range of methods to connect with our local stakeholders including:

- Proactive communication and reporting.
- Community meetings, forums, workshops and information sessions.
- Innovative web based tools such as online forums and surveying.
- Reference committees to bring together subject matter experts and interested participants.
- Large scale and demographically representative summits for major planning initiatives.

Council is providing innovative and effective consultation by taking new ideas and master plans directly to the community through forums, workshops, special events and information stalls.

All consultation includes a multi-modal approach to communications and engagement. This can include special events, have your say pages on the website, forums or workshops, telephone surveys, stakeholder meetings, online and hard copy surveys and face to face availability of staff.

During 2015/16 we undertook extensive community engagement and consultation for a number of major projects and issues facing Ku-ring-gai. This included the following:

► Activate Lindfield and Turramurra local centre programs

Significant engagement was undertaken with community, business and government representatives for the Activate Lindfield and Activate Turramurra projects. This included:

- Community engagement to obtain community views and comments on the exhibition of the draft Turramurra Master Plan including design improvements for the local centre.

- Meetings and liaison with representatives of local community groups
- Liaison with Transport for NSW regarding commuter car parking in Lindfield.
- Meetings with local business operators and land owners
- Regular communication on the projects via council's website.

► Business engagement program

Significant engagement took place with the local business community during 2015/16 through Council's business engagement program. This included a series of business breakfasts and small business roundtable sessions. In addition a bi-annual business forum was held at CSIRO Lindfield to engage with the business community. Nearly 100 representatives of the business community attending the event along with local, state and federal elected representatives, representatives from the Office of the NSW Small Business Commission, NSW Business Chamber, other local business chambers and CSIRO to hear about the innovation and ideas boom. The event was a great success with very positive feedback.

► Environmental and sustainability programs

Council's engagement with the Ku-ring-gai community on environmental and sustainability continued to grow in strength, and attract community members to a broad range of initiatives. The success of these initiatives is evident in the significant growth in participant numbers and the age groups involved.

Council's engagement was assisted through the innovative utilisation of electronic and social media. This included:

- Council's Loving Living Ku-ring-gai Facebook page, which now has 2390 followers and at the end of 2015/16 registered 173855 impressions in the feeds of its followers and were clicked on 4167 times.
- The Loving Living Ku-ring-gai Twitter account with 411 followers.

- The Envirotube channel on YouTube with 627 subscribers and the videos on the channel with 219,000 registered views.
- The monthly sustainability enews from Council with 2113 subscribers.

► Ku-ring-gai sports forum

Over 50 attendees from local sporting clubs, associations and schools attended the Ku-ring-gai Sports Forum night along with the Mayor, Councillors and staff. The forum was successfully held at the Ku-ring-gai Fitness and Aquatic Centre in May 2016 and included discussions and feedback sessions on how the sports community can utilise volunteers most effectively, an update on Council's current and future projects within Ku-ring-gai and an open forum with a panel of relevant staff.

► Revitalisation of neighbourhood centres

Key stakeholders and the community were consulted on designs to revitalise The Mall Shops, Warrimoo Avenue, St Ives Chase and construct an accessible link to The Mall Park. Council adopted concept designs in December 2015 with detailed design completed and tender documents and specifications prepared for construction to commence in 2016/17.

► Other consultations

Other community consultations undertaken during the 2015/16 year included:

- **St Ives Village Green new recreation precinct** - The St Ives Village Green new recreation precinct concept design was adopted by Council during 2015/16. The next phase of the project is design development and preparation of construction specifications and tender documentation with construction expected to begin mid to late 2016/2017.



Activate Turramurra exhibition

- **Regional Playground at St Ives Showground** - The consultation phase of this project was extended to allow the review of playground provisions to ensure that accessibility and inclusivity requirements were thoroughly addressed.
- **The Ku-ring-gai DCP and Local Centres DCP** - These DCP's have been subject to a major review during 2015/16 to update controls. This included community consultation through the public exhibition process. The revised DCPs were adopted by Council on 14 June 2016 and came into effect on 24 June 2016.
- **Access and Disability Inclusion** - Council hosted a public information session in May 2016, to explain the National Disability Insurance scheme (NDIS), which was launched in Ku-ring-gai on 1st July.
- **Community feedback on programs** - During 2015/16 a series of surveys were conducted of user groups for specific Council programs and initiatives. Their purpose was to assess the level of user satisfaction with the programs and identify opportunities for improvements or change to suit user group needs. The majority of these surveys were undertaken online and included environmental initiative programs, community education programs for fire preparedness, children's services and workshops and programs for older people.

Local Government reforms

During the 2015/16 year Council prepared three formal submissions on matters affecting local government. They included:

- A comprehensive Council submission prepared for the public inquiry into the NSW Government's proposed merger of Ku-ring-gai and Hornsby Councils. The Inquiry was conducted in February 2016 by the Delegate appointed by the State Government, Garry West.
- A detailed submission prepared for the IPART Regulatory Burdens Review. Council officers also participated in a round-table discussion at a public hearing in February 2016.
- A detailed submission to the Office of Local Government in March 2016 in regard to proposed amendments to the Local Government Act 1993.

In addition to the above submissions Council officers participated on a technical working group established by the recently formed Greater Sydney Commission. The group provided specialist planning advice on matters relevant to planning for the North District of Sydney, which includes the local government areas of Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Northern Beaches, Mosman, North Sydney, Ryde and Willoughby.

Staff also continued to monitor and analyse the ongoing changes to the local government environment as a result of these NSW Government's reforms and other legislative or regulatory changes.

NSW GOVERNMENT'S 'FIT FOR THE FUTURE' PROPOSAL

The NSW Government's 'Fit for the Future' proposal includes a merger between Ku-ring-gai and Hornsby Councils.

Ku-ring-gai Council has consistently advised the NSW Government, that the option for Ku-ring-gai to amalgamate with Hornsby Shire Council, has not been substantiated by any analysis of the costs and benefits of an amalgamation.

Background information on the 'Fit for the Future' proposal, including Council's previous resolutions and submissions on this matter, as well as information on Council's current position can be found on Council's website.



FURTHER READING
kmc.nsw.gov.au/Current_projects_priorities/Key_priorities/Forced_council_mergers

A NEW PLANNING SYSTEM FOR NSW - WHITE PAPER

The NSW Government's White Paper, released in 2013, built on the major reforms and changes proposed in the preliminary 2012 Green Paper. The White Paper proposed reforms around the following five fundamental land-use planning areas:

- changing the planning culture at the state government level, and its relationship with local government
- community participation
- strategic planning
- development assessment
- infrastructure.

These reforms will directly affect the way councils consult with the community, prepare town planning documents and assess applications for development in local government areas. Major proposed changes that Council has previously raised concerns about in submissions to government included:

- ▶ **Consultation with the community would occur at an earlier, strategic level, when councils are planning for an entire community, but not at the individual proposal stage.**

Comment: While Council considers there may be merit in streamlining the development approvals process, this should not be at the expense of community involvement at the development application stage. It is estimated that at least 80% of all applications would fit into the category of no requirement to consult with neighbours.

- ▶ **Increased role for the private certification process where the developer pays for someone to approve an application and oversee works on the ground.**

Comment: Council is concerned that private certifiers lack skills to assess complex development. Council has already lodged many formal complaints about private certifiers who have approved unauthorised or illegal work. Council has requested the Minister to apply stronger penalties to offenders.

- ▶ **Development contributions used for the provision of infrastructure**

Comment: The White Paper proposed that some of the development contributions currently used for providing new facilities in the local area should go to the State Government to provide regional infrastructure. This means that there will be less money available for local infrastructure.

Details of these concerns and others were included in Council's submission. Council is currently waiting on further update from the NSW Government on potential legislation relating to recommendations in the White Paper. More recently the Government has proposed specific changes to planning requirements through new draft State Environmental Planning Policies.

A PLAN FOR GROWING SYDNEY

The former Draft Metropolitan Strategy for Sydney to 2031 included proposals to significantly increase housing across the Sydney metropolitan area. This potentially includes additional housing targets for northern Sydney local government areas including Ku-ring-gai.

Council has previously raised concern that the Ku-ring-gai local government area has already supplied significant new housing over the past seven years and further significant increases will have impacts on infrastructure and service provision for residents. Council's submission formally requested that no decision be made on additional future housing targets, or future employment targets, for individual areas within each subregion without close liaison with each local government authority.

In late 2014 the NSW Government released a new metropolitan Sydney plan 'A Plan for Growing Sydney'. The plan identifies the main northern rail line as an "Urban Renewal Corridor". Based on population projections for Sydney previously released by the Department of Planning and Environment, it is anticipated that additional growth will need to be accommodated above and beyond that which Council has only recently been required to accommodate.



FURTHER READING

planning.nsw.gov.au/Plans-for-Your-Area/Sydney/A-Plan-for-Growing-Sydney

Greater Sydney Commission

In 2015 the NSW Government established a new planning body, The Greater Sydney Commission (GSC), to lead metropolitan planning for the Greater Sydney Region. The role of the GSC includes the following:

- Promoting orderly development in the Greater Sydney Region, integrating social, economic and environmental considerations with regard to the principles of ecologically sustainable development contained in section 6 (2) of the Protection of the Environment Administration Act 1991,
- promoting the alignment of Government infrastructure decision-making with land use planning,

- promoting the supply of housing, including affordable housing,
- encouraging development that is resilient and takes into account of natural hazards,
- supporting ongoing improvement in productivity, liveability and environmental quality.

The GSC has established six planning districts in Metropolitan Sydney as part of the metropolitan planning process. The boundaries for Sydney's six districts were developed following consultation with Councils. The North District comprises the local government areas of Hornsby, Hunters Hill, Ku-ring-gai, Lane Cove, Northern Beaches, Mosman, North Sydney, Ryde and Willoughby.

Each district will have a Sydney Planning Panel to determine regionally significant development applications (generally development over \$20 million) and to consider rezoning reviews. Sydney Planning Panels will replace Joint Regional Planning Panels.

Officers from Ku-ring-gai Council were invited to participate on a working group to provide specialist planning advice on matters relevant to planning for the North District of Sydney.

It is anticipated that the North District Plan will be exhibited for public comment in November 2016.

LOCAL GOVERNMENT ACT REVIEW

In 2012, the Minister for Local Government, appointed a four member Taskforce to review the Local Government Act, 1993. The Taskforce looked at ways to modernise the legislation to ensure that it would meet the future needs of councils and their communities.

The Taskforce looked at options to develop a new, modern Local Government Act that would meet the future needs of the local government sector and the community. It conducted several rounds of consultation to discuss options for streamlining the legislation and cutting red tape. The feedback received from councils, business and community members helped to inform the Taskforce's final recommendations.

The Taskforce completed its work in late 2013, and its final report and recommendations were exhibited

for public comment in early 2014, with councils invited to make submissions to the Taskforce in March 2014. Following consideration of submissions the Taskforce delivered its response to the NSW Government in September 2014.

The NSW Government broadly supported the recommendations of the Taskforce and advised that it would commence work, in consultation with the local government sector and key stakeholders, to develop a new Act with the aim of phasing it in from 2016/2017.

The new Act will be designed to:

- Give more prominence to the Integrated Planning & Reporting (IP&R) sections of the Act and use IP&R as its central framework.
- Reduce unnecessary red tape and prescription.
- Enhance community engagement.
- Embed the principle of fiscal responsibility.
- Improve financial and asset planning.
- Strengthen representation and leadership.
- Enables Government to have a differential approach to councils that have undergone the necessary changes to become 'Fit for the Future'.
- Include the agreed recommendations of the Independent Local Government Review Panel.
- Take account of the expected reports by IPART into red tape and licensing and the recommendations made by the Joint Select Committee into the 2012 Local Government elections.

In August 2016 a first phase of amendments were formally legislated. These new provisions principally address council elections including extending Mayoral terms to two years, and the role and responsibilities of elected councillors. Ku-ring-gai Council is awaiting further update from the NSW Government on the date that the further phases of the legislation will be tabled in Parliament.



FURTHER READING

olg.nsw.gov.au/strengthening-localgovernment/local-government-reform/local-government-acts-taskforce

Organisational leadership

ORGANISATIONAL STRUCTURE

Ku-ring-gai's organisational structure is made up of six departments - civic management, community, corporate, development and regulation, operations and strategy & environment.

The General Manager, along with five directors, lead the departments and make up the executive management team. The directors assist the General Manager in the development of long term strategic plans and their

delivery, ensure the organisation is meeting its obligations and are responsible for the day to day management of the departments. The General Manager is responsible for the overall operation of the organisation and for ensuring the implementation of decisions of Council. The performance of the General Manager is measured through a performance agreement as part of the contract of employment.

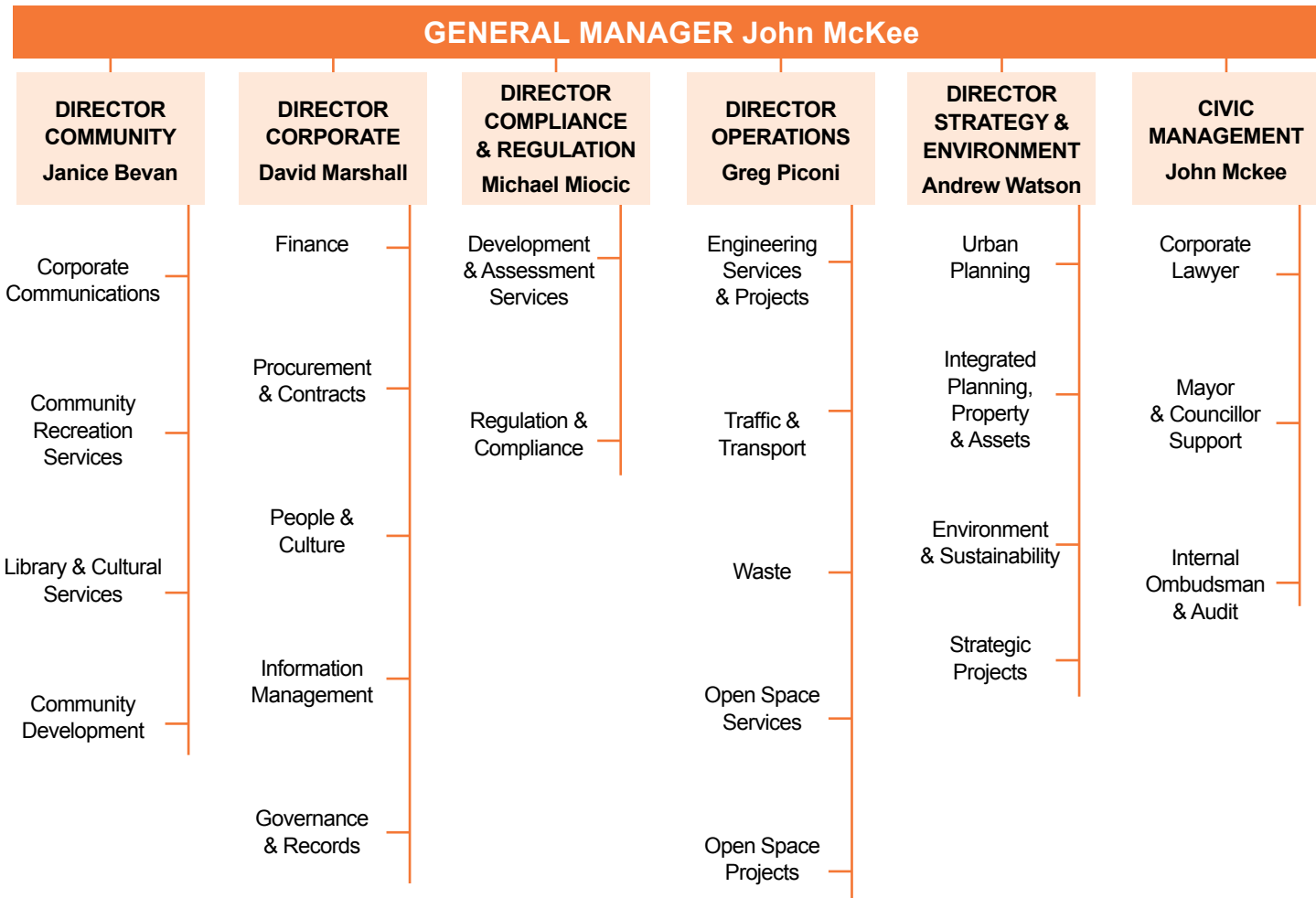
JOHN MCKEE GENERAL MANAGER

Bachelor of Business, Member Local Government Managers Association



John McKee has been General Manager at Ku-ring-gai Council since March 2006. Prior to his appointment John held the position of Council's Director Finance and Business for five years. John has worked in local government for 25 years. In his role as General Manager, John is responsible for overall organisational leadership, the financial, governance, operational and service performance of Council and organisational support for the elected Council.

During John's leadership, Council has significantly improved its long term financial and asset management capability, been recognised as an industry leader through awards for recreation park design, open space acquisition, sustainability and climate change adaptation and most recently won the 2014 AR Bluett Memorial Award for the most progressive urban council in NSW.





MICHAEL MIOCIC
DIRECTOR DEVELOPMENT AND REGULATION

Bachelor of Town Planning

Michael was appointed to the position of Director Development and Regulation in 2003. Prior to joining Ku-ring-gai, Michael held the position of Manager Development Control at Woollahra Council from 1996. Michael also previously worked as a town planner with the City of Sydney and in the private sector as a planning consultant and has over 25 years experience in development assessment, regulatory services, strategic planning and planning and environmental law. In his current role at Ku-ring-gai Michael is responsible for development assessment and compliance/regulation services. This includes development and heritage assessment, Land and Environment Court appeals, building certificates, fire safety and food safety compliance, pool safety compliance, investigation of illegal or unauthorised works, investigation of environmental pollution, area ranger services, parking ranger service and pet registration.

JANICE BEVAN
DIRECTOR COMMUNITY

Bachelor of Arts (Library and Information Science), Masters studies in cultural and media policy

Janice was appointed Director Community in 2000. Prior to her appointment Janice held senior community services positions in Hunter Region Councils. During her career, which spans over 20 years in local government, Janice has had extensive experience in the disciplines of library management, cultural planning, communications and marketing. She has also held positions on regional organisations of councils representing libraries and cultural development. In her current role at Ku-ring-gai Janice is responsible for Council's community

and cultural services, including libraries, children's and youth services, aged and disability services and the Ku-ring-gai Art Centre. She is also responsible for economic development and tourism, festivals and events, communications, media liaison, customer service and community consultation. The Community department also manages Council's community buildings and sports and recreation facilities, including the new fitness and aquatic centre, sports fields and tennis courts and golf courses and the St Ives Precinct which comprises the Wildflower Garden and the St Ives Show Ground. Janice was awarded the Minister's Award for Women in Local Government in 2014 in recognition of her role as a senior staff member at a Metropolitan Council.

ANDREW WATSON
DIRECTOR STRATEGY AND ENVIRONMENT

Bachelor of Town Planning, Graduate Diploma of Local Government Management, Certificate of Mediation, Member of Planning Institute of Australia

Andrew was appointed to the position of Director Strategy and Environment in 2008. Before joining Ku-ring-gai Andrew worked for the NSW Department of Planning for five years, here he held the position of Regional Director for planning in South and Western Sydney and the Central Coast. Andrew brings extensive experience in planning to Council, having worked in the private sector and in local and state government in Western Australia, New South Wales and Tasmania. In his current role at Ku-ring-gai Andrew is responsible for long-term planning for a number of Council activities. This includes Integrated Planning and Reporting, asset management planning, property acquisition and management, land use and heritage planning, centre planning and design, open space planning and design,

sport and recreation planning, traffic and transport planning, natural area and catchment planning.

GREG PICONI
DIRECTOR OPERATIONS

Bachelor of Engineering, Post graduate qualification in Management, Member Local Government Engineers Association

Greg was appointed to the position of Director Technical Services in 2002 and Director Operations in 2005. Before joining Ku-ring-gai he held the positions of Works Manager and later Executive Manager Engineering Services at Ashfield Council. Prior to this Greg had extensive experience working for State Government agencies in areas including roads, engineering and civic capital works. In his current role at Ku-ring-gai, Greg is responsible for the delivery of Council's capital works programs, infrastructure and building asset upgrade and maintenance programs, maintenance of open space areas, emergency management, bushland maintenance and hazard reduction, tree preservation, waste and recycling, litter and street cleaning and graffiti removal.

DAVID MARSHALL
DIRECTOR CORPORATE

Master of Business Administration (MGSM), Certified Practising Accountant, Graduate Diploma Accounting, Bachelor of Engineering (Hons)

David was appointed Director Corporate in 2013. David is responsible for financial management, procurement, human resources, risk management, governance, records and information technology. Before joining Ku-ring-gai Council, David held the position of Director Corporate and Information Services at Leichardt Council for 15 years, where he was responsible for finance, information technology, records, governance, property, customer service, recreation facilities and libraries.

 **FURTHER READING**
kmc.nsw.gov.au/organisationalstructure

Our people

Council can only achieve the outcomes it seeks for the community with the aid of a skilled and motivated organisation focussed on working in the community's interest and continuously improving its delivery of services.

Council values its people and appreciates their contribution. It will continue to recognise the obligation for them to be provided with a safe, secure and satisfying workplace, treated equitably and with respect and properly rewarded.

Due to Ku-ring-gai's size, the diversity and technical interest of the projects we are undertaking, our reputation, and our successes, Ku-ring-gai has been able to recruit and retain a variety of technically and professionally qualified staff across a broad range of service areas as well as a full range of traditional local government roles.

Together with a robust talent management program we aim to continue to be well positioned to be an employer of choice in an increasingly competitive market place in coming years and well able to deliver an empowered, skilled and knowledgeable workforce to deliver our services to the community.

KEY ACHIEVEMENTS 2015/16

- Improved communication channels within the organisation
- Continued a diverse learning and development program with support for over 990 training or conference attendances, Induction and Code of Conduct training and work health and safety training
- Continued leadership development program through the Australian School of Applied Management for middle management employees
- Implemented new online staff performance assessment system
- Implemented new online e-learning system
- Completed our annual health and wellbeing, skin cancer screening and influenza vaccination programs that aims to create positive employee morale, reduce absenteeism and sick leave, reduce employee turnover, reduce workplace accidents and improve safety, and improve staff productivity.

EMPLOYEE PROFILE

As at 30 June 2016, Ku-ring-gai Council employed 430 full and part-time people and 280 casual employees in a diverse range of service areas including engineering and open space operations, traffic and transport, waste operations, customer service, finance, human resources, administration and governance, community and recreation services, aged and disability services, youth and children services, library and cultural services, regulation and compliance, development assessment, projects design and construction, urban and heritage planning, environment and sustainability, integrated planning, property and assets.

The table below shows the total number of Council employees.

Workforce total headcount by employment type as at 30 June 2016

	Employees
Full time	363
Part time	67
Total Full and Part time	430
Plus Casuals	280

The median age of our workforce was 47 years with 56.3 per cent of our employees aged between 45 and 65 years, and 43.7 per cent of employees aged less than 44 years.

There was a small increase in staff in the 45 – 54 age bracket and a corresponding decrease in the younger age bracket from 2014/15, reflecting an ageing workforce and minor staff movements.

The gender profile of our workforce is 42 per cent female and 57 per cent male with employee positions spread across employment bands.

Workforce % by Age & Gender as at 30 June 2016

Age	Male	Female	Total No.	Total %
15 -24	5	3	8	1.9%
25 - 34	45	38	83	19.3%
35 - 44	58	39	97	22.5%
45 - 54	65	54	119	27.7%
55 - 64	60	38	98	22.8%
65 +	13	12	25	5.8%
Total	246	184	430	100%



Consistent with the changing population trends in the Ku-ring-gai local government area and Greater Sydney region the organisation's demographic profile increasingly includes employees who were born overseas or who speak a second language.

There was a continued increase in women in senior roles (Technical Band 6 and above). At 30 June 2016 women made up 11.8% of the total workforce (up from 10.9% in 2014/15) compared to men at 16.7% (up from 16.1% in 2014/15). The table below shows the trends for the period 2011/12 to 2015/16. See table below for a comparison with previous years.

Total % of Women in senior positions (band 6 and above) for the past 5 years as at 30 June 2016

Financial Year End	Total workforce	Women Band 6+ % of total workforce	Men Band 6+ % of total workforce
2012	453	8.4%	15.6%
2013	428	9.1%	15.8%
2014	441	9.9%	17.2%
2015	440	10.9%	16.1%
2016	430	11.8%	16.74%

Council's retention rate decreased slightly to 85% (turnover rate of 15%), from 88% in previous years. This above average movement of staff was mainly due to career progression and advancement opportunities outside Council as well as some older workers retiring.

Council's average years of service per staff member remained at 8.9 years indicating that Council's organisation remains an attractive employer for prospective applicants. See table below for a comparison of average service years between departments.

Workforce total headcount by years of service as at 30 June 2016

Department	Average years service with Council	No of people in Department
Civic	15.2	5
Community	7.7	111
Corporate	8.2	51
Development and Regulation	8.5	67
Operations	11.4	148
Strategy and Environment	6.6	48
Total Council	8.9	430

A snapshot of our employee profile at 30 June 2016

Employee profile - snapshot	2015/16
Number employees (full and part-time)	430
Median age (years)	47 years
Retention rate	85%
Percentage of females	43%
Percentage of males	57%
Females in Band 6+	11.8%
Males in Band 6+	16.7%

OUR PERFORMANCE IN 2015/2016

Our performance against Council's four year Delivery Program 2013/17 and Operational Plan 2015/16

OUR THEMES

Council's plans address the community's long term social, environmental and economic aspirations for Ku-ring-gai as well as its supporting leadership and governance under six themes, also called principal activity areas. The themes are drawn from the Community Strategic Plan 2030 for Ku-ring-gai, which came into effect in June 2013.

COUNCIL'S OPERATIONAL PLAN 2015/16 AND FOUR YEAR DELIVERY PROGRAM 2013/17

The Operational Plan is an annual plan that contains Council's planned actions, projects and activities for the year and the financial resources required to implement them. Achievement of the actions, projects and activities in the Operational Plan contribute to the achievement of Council's four year Delivery Program and aligns with the long term objectives identified in the Community Strategic Plan.

SUMMARY OF PERFORMANCE

During 2015/16 Council successfully completed or progressed a comprehensive program of both capital works and operational projects which addressed a range of social, economic and environmental objectives contained in the Delivery Program and Community Strategic Plan.

Council also maintained or enhanced its level of service delivery across all areas, increased its resourcing capabilities and maintained its sound financial position. This has strengthened Council's capacity to maintain its long term financial sustainability and to deliver services and facilities in response to community needs.

HOW WE MEASURED OUR PROGRESS

The following sections provide information on our achievements and challenges in delivering the planned tasks, programs and projects, as well as our plans for the year ahead.

Our progress is measured through both qualitative and quantitative outcomes and performance measures for each of the themes or principal activity areas. This includes:

► QBL Trend Indicators

Our performance for key 'social, economic, environmental and governance' indicators is presented for the 2015/16 year for each theme, compared to the previous four years. These provide a measure of how we are addressing the four QBL parameters for each theme, over a continuous five year timeframe.

► Completion of 2015/16 Tasks

Our overall performance in achieving 2015/16 tasks is presented. This provides a measure of how effective we were in achieving our planned activities for the year.

► Performance Indicators

Our overall performance as well as performance for each indicator is presented for the 2015/16 year. These provide measures of our effectiveness in the delivery of particular services and activities.



Dropin Hammers Skate Competition, St Ives

THEME 1 Community, People and Culture

This theme is about creating a healthy, safe, and diverse community that respects our history and celebrates our differences in a vibrant culture of learning.

During 2015/16 we continued to provide a range of community services which address Ku-ring-gai's diverse community needs. They encompass services targeted at older residents, youth, children, people with disabilities, new residents and those from linguistically diverse backgrounds, as well as cultural and recreational services provided through our libraries, the Ku-ring-gai Fitness and Aquatic Centre and Roseville Art Centre. Innovative delivery models enable Council to provide services cost effectively, either directly, or in partnership with other community organisations and agencies. Council also continued to advocate proactively on behalf of residents regarding services provided by other authorities and agencies and government policy.

Improvements to local parks and playgrounds was another key

achievement during the year with \$2.4 million spent on designing and constructing new parks as well as upgrading existing parks and playgrounds. Planning for major new community spaces at both Lindfield and Turramurra local centres also substantially moved forward with exhibition of the masterplan for Turramurra Community Hub and adoption of the masterplan for Lindfield Community Hub. The results of extensive community engagement for these projects have been considered in the development of concepts and options.

Community groups were also supported through the annual small grant funds and training programs and we continued to foster our community and cultural vitality through a range of events provided by Council or sponsored in partnership with others.

SERVICES PROVIDED UNDER THIS THEME

- Children's services
- Youth services
- Aged and disability services
- Cultural development
- Libraries and art centre
- Community health, safety and wellbeing programs
- Community facilities and halls management
- Sports grounds and parks bookings
- Building asset works and maintenance
- Communications
- Community events

What we achieved in 2015/16

ADDRESSED DIVERSE COMMUNITY NEEDS

Council facilitates and provides support for a comprehensive range of programs and services across the LGA targeting children, youth, and aged and disability sectors within the community. Many of these programs and services are delivered in partnership with or through volunteer community organisations and government agencies.

► Generational needs

■ Seniors

The 2015/2016 Seniors Program provided over 113 different activities and attracted approximately 3,000 seniors. Activities on offer included field trips, educational workshops, health seminars and exercise programs. Participant satisfaction rating for the comprehensive program was 93%.

■ Youth

A total of 5,355 young people attended programs, events and activities organised by Council's Youth Services to address identified community needs throughout the year. This included a range of recreational, vocational and support based programs including Ku-ring-gai's Got Talent, Ku-ring-gai Parent Forums, live music events, workshops and youth centre activities.

An intergenerational pilot program was run in partnership with Council's youth services team called T.E.A.C.H. (Teaching Elderly Adults wanting Computer Help). Through a small grant from the Department of Family and Children's Services Council purchased an iPad and six young people offered one on one tutoring to 25 seniors to help them solve technology issues. The program was a great success and opportunities to run it again are being investigated.

■ Children

The Ku-ring-gai Council Children's Needs Study was completed during 2015/16 identifying the demand, supply and future child care requirements in this area until 2031. The range of children's services considered includes long day care, family day care, before and after school care and vacation care. The Study also considered the current State and Commonwealth Government policy context which has a significant impact on the affordability and availability of child care particularly for working parents.

All children's services operated to capacity with Family Day Care increasing educator numbers. Very limited vacancies exist within The Thomas Carlyle Children's Centre and the Vacation Care programs operated to full capacity with waiting lists. The Vacation Care program is

currently licensing premises in West Lindfield in order to extend the service provision.

A number of Ku-ring-gai Council's Family Day Care children have been on regular visits to a group home for dementia patients in St Ives. This is part of an inter-generational initiative in partnership with Group Homes Australia, where the aged and young benefit from their shared experiences. The program involves Family Day Care children along with their educator visiting a nursing home where they spend time with dementia residents, reading their favourite stories, singing nursery rhymes together and talking.

► Libraries and Art centre

Cultural and community services were also successfully delivered through the libraries and the art centre, and other community events. The programs were designed to attract a wide audience, reduce social isolation and enhance mental and physical health.

Our libraries continued to deliver popular educational and literacy programs and events with nearly 500,000 visits during 2015/16. For special programs there were over 9000 visitors recorded at the 4 branch libraries to learn something new. Over 3300 babies and toddlers participated in tiny tot programs gaining important early literacy skills and there were 20 author events, including local authors Richard Glover and Ken Done, and over 20 special interest events.

Ku-ring-gai's library service also celebrated its 70th birthday on 24-26 November 2015 with a series of morning and afternoon teas, special story times and displays. Each Ku-ring-gai Library branch in Gordon, Lindfield, Turramurra and St Ives cut a birthday cake at a free morning or afternoon tea. The libraries mounted photographic displays documenting the history of Ku-ring-gai Library and had a birthday book for the community to sign. Not forgetting its younger book fans, Ku-ring-gai Library held special Teddy Bear Picnic story time sessions to celebrate the anniversary.

Patronage at the Ku-ring-gai Art Centre at Roseville continued to increase with guest artist workshops, tutor and student exhibitions, an author encounter and popular courses. Following very positive feedback to the centre's new garden, the next phase of improvements will involve ceramics tutors working with young people to create tiles for a mural to enhance the space.

► New residents

Council and other local community organisations continued to partner to provide a program of initiatives aimed at removing barriers to participation and addressing social isolation for new residents. Key initiatives during 2015/16 included:

■ Welcome Basket sponsorship

We are the major sponsor of an innovative business enterprise by a local Turramurra resident. New residents are welcomed to Ku-ring-gai by a friendly face delivering a gift basket that includes useful community information and discounts from local businesses. This supports our social and economic development objectives by creating a village atmosphere when welcoming new residents to the area and encouraging local shopping. As part of the sponsorship, Council holds welcome morning teas with the Mayor twice a year, increasing the social and community benefits.

■ Help for migrants

A range of services and activities specifically aimed at providing a helping hand to settle newly arrived migrants, refugees and humanitarian entrants were continued during 2015/16. This included partnering with Lifeline, Rotary and the Community Migrant Resource Centre (CMRC) to provide hampers of household goods, toiletries and items for children for refugee families.



St Ives Medieval Faire



Twilight Concert in the Park

■ Interpreter services

Key publications such as the Ku-ring-gai Update resident newsletter carry details of interpreter services available via the Council. The Council also has a dedicated migrant worker from a non-English speaking background as well as key staff to provide interpreter services on an as-needs basis.

► Access and Disability Inclusion

The *Ku-ring-gai Access and Disability Inclusion Plan* was adopted by Council in 2015. This followed extensive consultation with stakeholders, public exhibition of a draft plan and reporting of submissions with recommendations to Council. The Plan provides a framework to address access and disability inclusion across Council's services and operations. It supports the development of accessible town centres, shops, parks, playgrounds and sports facilities, housing, public transport and parking, information and employment opportunities.

During 2015/16, Council was successful in obtaining Quality Assurance Accreditation against the Federal Government's Disability Standards and meets funding requirements until June 2018. Council also implemented the first phase of its Access and Disability Inclusion Plan with a range of initiatives that support Council and the community to work together, to embrace the rights and values of all people.

More details on the implementation of the plan during 2015/16 can be found on p239.

ENHANCED COMMUNITY WELLBEING THROUGH RECREATIONAL OPPORTUNITIES

► New and upgraded parks, playgrounds and sporting facilities

Council spent \$2.4 million on new and upgraded local parks and playgrounds in 2015/16 as well as \$6.4 million on new and upgraded sportsfields and facilities. Further details about these projects can be found on p69.

► Ku-ring-gai Fitness & Aquatic Centre

With the Ku-ring-gai Fitness and Aquatic Centre in its second year of operation, the Centre has now matured into full operation mode with high occupancy rates, a focus on membership retention and participation development with learn to swim through to squads. Total memberships at the Centre reached 2126 by June 2016 with 1240 fitness members.

► Active Ku-ring-gai Program

Council continues to promote and activate the local community through the Active Ku-ring-gai Programs. Active Ku-ring-gai numbers have remained strong with over 1700 participant registrations. Walking groups, pilates and Gym Without Walls continue to be the most popular activities. Attendance at the Ku-ring-gai Fitness and Aquatic Centre reached record levels with daily attendance around 900 visits.

SHARED CULTURAL EXPERIENCES AND ENHANCED SOCIAL INTERACTION

► Acclaimed events program

Council's reputation for well run and interesting community cultural events was confirmed with well over 35,000 people attending Council's major events during 2015/16. Over 50,000 people attended the full program of local events during the year. Highlights during 2015/16 were:

■ St Ives Medieval Faire

The Medieval Faire, now in its second year, attracted attendees from throughout Australia over two days, with extensive TV, radio and print media coverage. Activities and attractions included a medieval feast and village, trebuchet, international jousts, live birds of prey recreating medieval hunting and falconry, and market stalls of authentic crafters and artisan weapon makers. The solid lance joust was the largest ever staged in Australia.

■ Wildflower Art and Garden Festival

Over 2,000 people flocked to the Ku-ring-gai Wildflower Garden in August to enjoy art, wildflowers and the great outdoors at Ku-ring-gai Council's annual Wildflower Art and Garden Festival. Festival goers took advantage of the perfect weather with the festival offering a program full of fun activities and attractions including a sculpture walk, plant sales, guided bushwalks, market stalls, live music and plenty of entertainment and activities for the whole family. This year

Australian Plants Society North Shore Group co-hosted the festival, with their wildflower displays, information stalls and guided bushwalks popular with event goers.

■ Centenary of Anzac

To mark the Anzac Centenary, Council provided grant funding of \$10,000 for local commemorations of the contributions Ku-ring-gai residents made in the First World War. A field of 1300 crosses was created at Roseville on Remembrance Day 11 November. Over 200 people from local schools, the Roseville RSL sub branch and families of veterans attended and wrote messages on small wooden crosses laid into time for the commemorative service. The crosses were provided through the federal government's Department of Veterans Affairs.

The reconstruction of Bicentennial Park's war memorial in West Pymble, originally built in 1991, was completed in August – a century after the Battle of Lone Pine at Gallipoli in August 1915. The memorial has been moved from the rear of the Ku-ring-gai Fitness & Aquatic Centre to a position next to the West Pymble War Memorial Community Hall, with the support of the RSL sub branch.

The Council also gave support for two concerts organised by the local professional musicians called War Letters. The concerts featured specially composed music based on letters written



Field of Crosses, East Lindfield Soldiers Memorial Park



Twilight Concert at Wahroonga Park

home from the front in World War One.

- **Twilight Concert** The Twilight Concert was host to popular cover bands the Diamonds and The Beatnix who played some of the 60s most popular melodies. Held in October in Wahroonga, the concert was enjoyed by some 4000 people.
- **Festival on the Green** Over 15,000 people came to enjoy the annual Festival on the Green event in May at St Ives Village Green. Families flocked to make the most of the huge variety of free entertainment and activities on offer. A highlight was the outdoor ice rink with all sessions completely booked out for the whole day. Young fans of Peter Pan, Tinkerbell and Captain Hook were delighted by the fun and interactive live show as well as the opportunity to meet and greet the popular children's characters. The interactive 9D movie proved popular and Laser Tag was also popular with children and their parents.
- **Aboriginal Heritage festival** Ku-ring-gai contributed to this year's Guringai Festival which celebrates indigenous culture in northern Sydney with a focus on reconciliation. The guided walks at the Wildflower Garden, art and culture workshops, exhibitions, and performance commemorated the Guringai tribe who used to inhabit the local area. Ku-ring-gai Council is a member of the Aboriginal Heritage Office (AHO), a

unique partnership of eight councils in Northern Sydney which are working to protect Aboriginal sites and promote Aboriginal history and heritage.

- **Support for other cultural events** Other events included the Ku-ring-gai's Got Talent, the Multi-cultural Film Festival, International Women's Day, Shoreshocked live music festival, Discobility dance party and Harmony Day all held in partnership with a number of community organisations. Council also administered a sponsorship program distributing \$60000 to a range of events that support the arts, sports and festivals including support for the Special Olympics, the Ku-ring-gai Philharmonic Orchestra, Ku-ring-gai Art Society, St Ives Food and Wine Festival, Wahroonga Food and Wine Festival, Bobbin Head Cycle Classic and Carols in the Park.

► Cultural facilities

- **Marian Street Theatre** In May the Council voted to approve a three year funding arrangement for Marian Street Theatre for Young People, to fund operations and assist with marketing initiatives to boost audience numbers and memberships. The grant will be paid to the Theatre in three instalments.
- **New Cultural and Education Centre at Ku-ring-gai Wildflower Garden** Concept drawings for the Cultural and Education Centre

at the Ku-ring-gai Wildflower Garden have been received and approved by Council. Detailed designs from suitable contractors for tender and construction are being sought.

- **New library at Lindfield local centre** Planning for a new library at Lindfield Local Centre is progressing as part of a new Community Hub, on the western side of the Lindfield Centre. The new library will replace the existing facility which has inadequate facilities to cater for the growing usage requirements of the local Lindfield area. See p69 for more details on planning for the Lindfield Community Hub.

VALUED OUR VOLUNTEERS

The work of community groups and volunteers is essential to the delivery of support services to our community and an important part of our economy. The level of volunteering in an area also indicates the cohesiveness of the community and how readily individuals are able to contribute to that community. The 2011 ABS Census reported that 26% of the Ku-ring-gai population did some form of voluntary work. The actual number of volunteers today is estimated to be much higher, taking account of population growth and the extent of unreported volunteering.

There are currently 167 Bushcare/ Streetcare and Parkcare sites with 625 active volunteers contributing approximately 14,000 volunteer hours per annum. Arrangements are being finalised for the Green Army

to work on Bushcare and Streetcare sites. This Federal Government initiative has been developed to assist young unemployed people gain skills and experience in environmental work assisting them to obtain full time work in the sector. This extra resource will greatly assist Council's environmental volunteer programs, with nearly 50 activities identified for completion by the Green Army.

During 2015/16 Council's annual Ku-ring-gai Community Grants program provided \$93,744 in grant funding to 47 local community groups to assist them to get their projects off the ground. The grants enhance the capacity of community groups to provide much needed support services to the community, foster celebrations and promote the development of artistic pursuits in Ku-ring-gai. In addition Council provided over \$41,000 funding to 14 local environmental projects under the Environmental Levy Community Small Grants Scheme. See p233 for full details of the community group funding allocations and recipients and p234 for details of environmental group funding recipients.

Throughout 2015/2016, promotion of volunteering was focussed on the health benefits of volunteering. Information about volunteering was distributed through doctors' surgeries, physiotherapists, chemists and to new residents through citizenship ceremonies and the Welcome Basket. These recruitment strategies reached additional groups who would not traditionally consider volunteering, such as younger residents or those whose home language may not be English, and has resulted in a wider range of demographic groups participating in volunteering in Ku-ring-gai.

Training was focussed on volunteers working in local Commonwealth Home Support Program services on relevant topics, including Supporting



International Women's Day 2016 celebration at Ku-ring-gai Wildflower Garden, St Ives

Clients through Grief and Loss, Manual Handling, Boundaries for Volunteers and Dementia Awareness. Centralised training, rather than each organisation providing training individually, gives volunteers access to a wider variety of interesting topics, and leads to greater satisfaction in their volunteer role. Training was well attended, with an average 95% satisfaction rating in participant feedback.

Volunteers were also recognised for their efforts through a number of award and celebratory events. This included a movie night and the International Women's Day event where Council recognised 40 volunteers in the community through the Gems of Ku-ring-gai Awards including a morning tea, gifts and entertainment.

The Year Ahead

- Continue planning for vibrant new community spaces and facilities at Lindfield and Turramurra
- Complete Cameron Park extension
- Progress new Cultural and Education Centre at Ku-ring-gai Wildflower Garden to detailed design and construction stage
- Implement Hornsby Ku-ring-gai Bushfire Risk Management Plan
- Construct new and upgraded local parks and playgrounds
- Support volunteers.

Summary of our performance 2015/16

COMMUNITY, PEOPLE AND CULTURE

The tables in this section reflect the progress of our key work during 2015/16.

1. HOW WE PERFORMED AGAINST QBL TREND INDICATORS

► QBL trend analysis – key performance indicators

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

The following table indicates our performance for key 'social' indicators for the 2015/16 year, under this theme, compared to the previous four years.

Measure	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
Major Events attendance	25,540	38,500	51,121	24,000	35,000	Increased (1)
Library visitors	581,441	563,357	456,287	533,106	492,475	Decreased (2)
Library loans	907,712	894,485	904,189	914,329	907,735	Stable
Student Resource Centre visits (Gordon)	3,138	8,176	6,502	2,790	5,355	Stable (3)
Utilisation rate of Council's Family Day Care service and Thomas Carlyle Children's Centre	95	93	94	96	93	Stable (4)
Vacation care	6,007	6,309	6,212	7,323	6566	Steady (5)
Seniors Week Program	2,109	2,017	2,803	2,939	3,068	Increased (6)
Immunisation	539	468	389	348	331	Stable
Environmental Volunteers	800	764	812	713	625	Decreased (7)

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

(1) Numbers of participants increased in 2015/16 due to improved weather conditions, increased promotion and event innovations

(2) While total number of visits to libraries is reducing in part due to increasing online usage of library resources, the refurbished Gordon library continues to exceed visit expectations due to the availability of space and a fitout that can accommodate the variety of uses that the community now seeks in a library.

(3) Youth services program attendance remains high. Variation in overall attendance numbers is influenced by programming decisions focussed on smaller special events rather than large scale activities. These will fluctuate from year to year based on feedback from young people and community partners.

(4) Demand for Council operated services has continued to remain high over a number of years.

(5) The slight reduction in attendance

numbers is due to increase in the number of excursion based programs. Regulatory requirements place a restriction on the total number of children able to attend excursion based programs.

(6) Seniors programs continue to remain popular with local residents with the majority operating at 100%.

(7) A data review and cleanse saw a reduction in volunteers to reflect 'active' members only.

2. HOW WE PERFORMED AGAINST COUNCIL'S PLAN

► Achievement of Operational Plan Tasks and Performance Indicators

The annual Operational Plan sets out 2015/16 tasks and performance indicators for each theme. The following tables indicate our performance in completing what we said we would do in 2015/16 under this theme.

Summary – 2015/16	Achieved
Completion of 2015/16 Tasks* (One Operational Plan Task could not be progressed or completed due to Council's reliance on external organisations or external factors outside Council's control)	87%
Achievement of Performance Indicators **	76%

Notes:

* Of the 60 Tasks, 52 were achieved and 7 were not achieved and 1 task was placed on hold during this period. All tasks not completed were carried over to the 2016/17 Operational Plan.

** Of the 17 Performance Indicators, 13 were achieved and 4 were not achieved during this period. See the table below for details of performance indicator results.

See Council's website link below for more information on our performance for 2015/16.

 FURTHER READING
kmc.nsw.gov.au/deliveryprogram

2015/16 Performance Indicators	Target	Achieved
Utilisation levels for children's services.	90%	93
Participation in youth service programs.	5,000 participants	5,355
Participation in aged and disability service programs.	2,100 participants	3,278
Support for community organisations.	90 organisations supported	102
Utilisation of art-centred courses.	90%	90
Visits to libraries.	600,000 visits	492,475 ¹
Visits to library website.	50,000 visits	67,451 ²
Level of user satisfaction with community services and programs. These programs are inclusive of families, people with disabilities, older people, children, young people, people with culturally and linguistically diverse backgrounds.	85% user satisfaction with all programs	93
Community participation at major supported community events.	30,000 participants	35,000
Loans per resident per year.	7.8 loans	7.4 ³
Library loans per year.	900,000 loans	907,735
Participation in leisure and cultural activities supported by Council.	100,000 participants	100,000 ⁴
Participation in active recreation programs supported by Council.	800 registrations	1,717
Land acquired through s94 Contributions for new recreational open space.	2,000m ²	695 ⁵
Swimming pool safety inspection program (within Council's responsibility).	100% completion of program	100
Companion animal management compliance.	90% compliance	97.5
Fire trails improvements and hazard reduction.	80% completion of agreed annual program	100 ⁶

Notes:

(1) While the total number of visits to libraries is diminishing due in part to increasing online usage of library resources, the refurbished Gordon library continues to exceed visit expectations due to the availability of space and a fitout that can accommodate the variety of uses that the community now seeks in a library. Council's current master-planning for the Lindfield Community Hub, which will include a new library, will address the limitations of the present Lindfield site.

(2) The achievement of 35% more library website visits above the annual target reflects both the growing library collection available via the web and increasing community usage.

(3) The reduction in loans per resident per year is likely due in part to an increase in Ku-ring-gai's population exceeding the growth

in library loans. This statistic is expected to fluctuate, depending on the demographic profile of new residents, their knowledge of Council services and facilities and inclination to access library loan services. Loans for fiction, DVDs and children's resources remain steady and Local Studies is gaining interest for our residents. Print runs in non-fiction material and the variety of topics is decreasing and this is affecting our ability to provide a broad base of interest to our residents.

(4) The target figure for this indicator was based on a combined estimated participation rate for major Council organised cultural events and the Ku-ring-gai Fitness and Aquatic Centre (KFAC). Since opening on 25 October 2014, KFAC has significantly exceeded the estimated number of participation attendees across all programs.

(5) The annual target of 2,000m² of land to be acquired for recreational open space purposes was not achieved during 2015/2016 due to Council having now acquired the majority of land reserved under the Ku-ring-gai Local Environmental Plan (Local Centres) 2012 for this purpose, with only two remaining parcels to be acquired. These properties total in area 1,973m². At present the owners have advised they are not seeking to sell.

(6) While 100% of fire trails and walking tracks received scheduled maintenance, the hazard reduction burn program was impeded (achieved 43%) due to unfavourable weather conditions that were not conducive to completing hazard reduction burns.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram



Gordon library



Green Stream Frog (*Litoria phyllochroa*). Photo by Bob Trlin



Hazard Reduction Burn

THEME 2 Natural environment

This theme is about working together as a community to protect and enhance our special natural environment and resources.

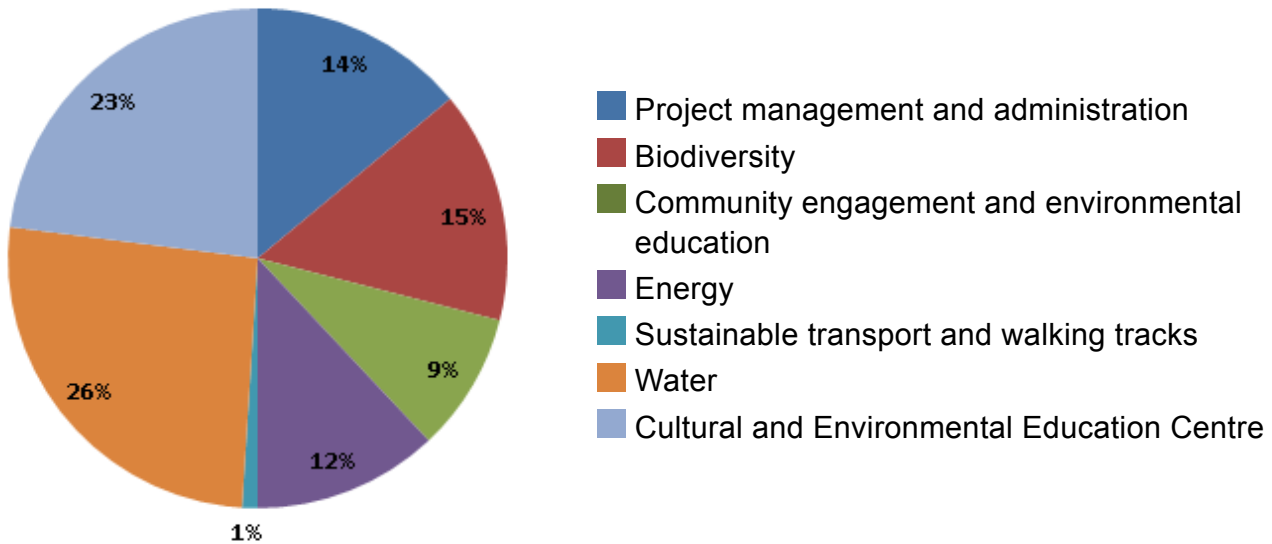
During 2015/16 we pursued a range of environmental programs and initiatives developed to address the needs of Ku-ring-gai and funded by the community's endorsed environmental levy. These programs are focussed on protecting and enhancing our natural fauna and fauna, waterways and bushland as well as increasing the sustainability practices of our local community and businesses. Council's own sustainability performance was also enhanced, consistent with industry best practice, with a range of energy efficiency measures and renewable energy projects implemented in

Council's community buildings and facilities. Bushland management was improved with the first full year implementation of a new rating system to guide resource investment in Council's bushland regeneration program. Council sought community views as part of a submission advocating amendments to the NSW Government's Biodiversity Conservation Bill and Local Land Services Amendment Bill 2016 and continued to monitor the impacts of the 10/50 Vegetation Clearing Code of Practice which is having a severe impact on Ku-ring-gai's tree canopy.

SERVICES PROVIDED UNDER THIS THEME

- Environmental Levy programs and initiatives
- Corporate sustainability program
- Biodiversity and bushland management programs
- Bush fire management program
- Water conservation and reuse and water quality management program
- Environmental education and sustainable living programs
- Environmental volunteering program
- Climate change adaptation program
- Energy management program
- Waste management, recycling and education

\$2.6 million Environmental Levy expenditure 2015/16



What we achieved in 2015/16

ENVIRONMENTAL INITIATIVES FUNDED BY \$2.6 MILLION LEVY

Council's Environmental Levy continued to deliver a range of environmental initiatives, including stormwater filtration and harvesting, renewable energy and energy efficiency projects, fire trail and fire break upgrades, walking tracks and cycle ways, weed control and bushland regeneration, community facilities, community engagement and volunteer programs, community small grants and environmental monitoring.

Key environmental benefits of the Levy program are the reduction of urban impacts of stormwater on riparian zones, a reduction in potable water use, improvements to the condition of streams and creeks, regeneration of bushland and the control of dumping and encroachment into bushland and a reduction in Council's energy use and greenhouse gas emissions.

The chart above shows the breakdown of expenditure for different environmental programs in 2015/16.

CONTINUED BUILDING CLIMATE WISE COMMUNITIES

Council continued to roll out our award-winning Climate Wise Communities (CWC) program, which aims to build community resilience to the impacts of extreme weather events as a result of a changing climate. The program, which is delivered in partnership with the Rural Fire Service, State Emergency Service, NSW Police and the Australian Red Cross, delivers workshops to residents and the most vulnerable sectors of the community, including Culturally and Linguistically Diverse (CALD) communities, seniors, aged care providers, residents in high bushfire hazard zones, in-home care providers for seniors living alone and children's service providers. The program has delivered workshops and community events to 863 Ku-ring-gai residents or members of the broader community since its commencement in 2012.

In 2015 the Climate Wise Communities program received grant funding from the Ministry of Police and Emergency Services and has since delivered 10 workshops or community events to assist

Ku-ring-gai residents to build their resilience to the impacts of severe weather events, attracting 278 participants. Council also supported seven partner councils participating in this phase of the CWC program to deliver workshops in their areas. The CWC workshop model and associated resource materials are being packaged for Council's website. An independent review by Macquarie University found that the CWC program "deserves ongoing commitment so it can reach a broader range of Australian and international communities".

PROTECTING OUR URBAN WILDLIFE - WILD THINGS PROGRAM

Wild Things is a community program which promotes urban wildlife.

The very popular native beehive placement program continues to expand, with 115 new hives placed throughout the Ku-ring-gai area during October and November 2015, bringing the total number of beehives distributed to our residents to 530. The popularity of the program has seen a further 250 native bee hives



Solar panels

sold or placed outside Ku-ring-gai and the development of an online shop, where bee hive accessories can be purchased. The success of the program has attracted national media coverage, with ABC Radio profiling the program. Ku-ring-gai Council has also assisted Hornsby, Willoughby, Sutherland, Rockdale and Woollahra Councils to initiate their own version of the WildThings program.

Council's Pool to Pond program, where unwanted swimming pools are converted into ponds has now facilitated the conversion of 65 pools into ponds rich in biodiversity, through the provision of technical advice and a starter kit of aquatic plants and fish.

MANAGED OUR BUSHLAND

Council manages over 1,100 hectares of bushland and in 2015/16 conducted bush regeneration activities in 61 hectares of it. We implemented our bushland prioritisation matrix this year, to guide investment in Council's bush regeneration program. Ku-ring-gai's bushland reserves have been rated based on (i) the significance of the

vegetation community/ species within the reserve; (ii) the resilience of the reserve; and (iii) the site impacts (or threats) occurring within the reserve. Those reserves that received the highest ranking (highest value/ lowest threats) have been prioritised for funding. Our bushland condition rating is then used to measure outcomes of the regeneration program and to demonstrate improved conditions of bush regeneration sites.

Reserve-specific site management plans, being developed for all of our actively managed reserves, allow Council to implement appropriate and effective regeneration programs and break sites into relevant management zones.

To complement Council's bush regeneration program, there are currently 625 active Bushcare, Streetcare and Parkcare volunteers, contributing over 14,000 volunteer hours per annum on bush regeneration activities at 165 sites. Ku-ring-gai has the highest per capita involvement of residents in the Bushcare program in NSW.

In recognition of its bushland management program Council received a Highly Commended Award this year in the Local Government

NSW's Excellence in the Environment Awards.

Other achievements during 2015/16 included:

- Completion of ecological burns at Browns Forest and Mashman's Quarry to enhance Blue Gum High Forest populations
- Works completed at Auluba Reserve and Ku-ring-gai Wildflower Garden to further protect critically endangered species as part of current and future Saving Our Species conservation projects, in conjunction with the NSW Office of Environment and Heritage.
- Works within the Biobanking Agreement progressed at Sheldon Forest and Rofe Park.

PROTECTING OUR NATIVE ANIMALS

In 2015/16 Council revitalised its fauna monitoring program to gain a broader picture of what species exist within Council's reserves, using survey methods such as nest boxes, remote wildlife cameras and spotlighting. Data collected is stored in Council's biodiversity database and shared among other databases, such as the NSW Atlas. This information will continue to help Council and the community gain an understanding of the biodiversity contained within our reserves; prioritise areas for habitat improvement programs and inform the undertaking of environmental assessments for developments and activities, including operational and capital works.

Council's fauna management program has included:

- The management of fauna monitoring data collected through university and other research projects conducted within the local government area
- The mapping and monitoring of flying-fox extents within the Ku-ring-gai Flying Fox Reserve
- Updates to Council's BioBase database, to improve knowledge of species distribution and abundance.
- Completion of a general fauna survey at Rofe Park and Sheldon Forest
- General and targeted remote camera surveys, involving Council and WildThings NSW volunteer input, at 10 reserves across the local government area, with targeted surveys focussed on Eastern Pygmy Possums and a Powerful Owl Nest.

WATER MANAGEMENT

Council continued to be an active participant in research programs and partnerships to advance sustainable practices, technologies, standards and policies that minimise adverse

environmental, social and economic impacts caused by stormwater. Council maintains involvement with the Co-operative Research Centre for Water Sensitive Cities, the Greater Sydney Local Land Services Local Government Advisory Group, Stormwater NSW and the NSW Stormwater Industry Association as an active committee member. Membership provides opportunity for Council staff to network across disciplines and influence stormwater policy, legislation and industry guidelines at a local and national level.

Implementation of actions from Council's Water Cycle Management Strategy were completed as planned. This included stream health monitoring with results showing our waterways are generally maintaining their level of health as measured by the SIGNAL2 stream health indicator.

All water harvesting systems were audited and any issues documented, with performance monitored weekly and reporting of required changes. Additional funding was allocated this year to ensure ongoing maintenance and repair of pumps and tanks and a program is being developed for an annual maintenance schedule.

Council installed a stormwater harvesting system at Howson Oval, South Turramurra which once operational, will irrigate the sports fields. Creek restoration works were also conducted at Turiban Reserve.

A tender was also prepared for the installation of a gross pollutant trap (GPT) to treat stormwater runoff from Gordon town centre and Gordon train station before it enters Rocky Creek and Middle Harbour. The GPT will capture litter including food wrappers, cigarette butts and bottles, as well as oils, leaf litter and sediment. This will significantly reduce the volume of these pollutants entering Terrumbine Reserve and flowing through to Rocky Creek and Middle Harbour, in turn improving the water quality and aquatic ecosystems both within the reserve and in downstream

waterways.

FLOOD MANAGEMENT

Through grant funding and in collaboration with the Flood Risk Management Committee, the draft Lovers Jump Creek Catchment Flood Study was completed and placed on public exhibition. Council was also successful in obtaining grant funding from the Office of Environment and Heritage (OEH) to support the next phase of its floodplain risk management process, namely the development of a Flood Risk Management Study and Plan for Blackbutt Creek.

ENVIRONMENTAL MANAGEMENT FRAMEWORKS

This year a number of Council's environmental policies and strategies were reviewed, providing a management framework for protecting and conserving Ku-ring-gai's natural environment, minimising resource use and ensuring ongoing best practice environmental management. The policies/strategies that were reviewed are:

Climate Change Policy and Greenhouse Gas Reduction Plan. The Climate Change Policy provides a revised management framework for Council to respond to the observed and projected

implications of climate change on Ku-ring-gai's natural and built environment, community and economy.

Council's The Greenhouse Gas Reduction Action Plan supports the Policy by providing concrete actions to combat climate change and to meet Council's 2020 GHG emission reduction target of 20% based on 2000 levels.

Bushland Dumping and Encroachment Policy, provides Council's management response to dumping and encroachment in bushland.

Fauna Management Policy, outlines Council's framework for the management of native and non-indigenous pest fauna within the Ku-ring-gai Local Government Area (LGA).

Water Sensitive City Policy, provides a framework for responding to the issues of water conservation and water security, flooding risks, degradation of urban waterways and rising temperatures in a way that enhances the liveability of Ku-ring-gai.

Biodiversity Policy, provides an overarching framework for biodiversity management across all of Council's areas of operation and service delivery.



Rural Fire Service in action. Photo by Kane Lambkin



Frog. Photo by Dennis Brennan

Climate Change Adaptation Strategy, provides a framework to build Council's internal resilience to extreme weather events and Council's response to the impacts of a changing climate on Ku-ring-gai's biodiversity.

Contaminated Lands Policy, forms the basis for management of land contamination in Ku-ring-gai.

ENERGY AND WATER SAVING PROGRAMS

Council's Energy Smart Savers program provides the community with an opportunity to reduce their energy use and carbon footprint through an annual rebate scheme (currently for energy efficient pool pumps) and workshop series.

Council's Water Smart program provides the community with an opportunity to reduce their water use through an annual rebate scheme (for rainwater tanks and rain gardens) and workshop series.

The energy and water savings achieved by the Ku-ring-gai community, with support from Council, are growing. Between January and June 2016, Energy Smart Savers pool pump rebates totalling \$19,750, supported the installation of 79 highly energy efficient pool pumps. It is expected that these new pumps will result

in a combined annual reduction of electricity consumption of 150 megawatt-hours (MWh) and CO₂ reduction of around 150 tonnes.

Rebates from Council through its Water Smart program also supported the installation of nine rainwater tanks in the community which have a combined capacity of 45,385 litres and will reduce stormwater impacts on local waterways. Sustainability support through the Smart Units program is now delivered in a new format which provides grants for energy and water saving actions implemented by apartment blocks; with an additional rebate toward the cost of the initial audit to be paid following the submission of 12 months of performance data for measurement and analysis. Following a call for expressions of interest, four Ku-ring-gai apartment blocks have been engaged and total potential savings of more than \$169,000 per year have been identified. Implementation of energy-saving measures is now taking place.

Council's energy reduction program continues to progress with the procurement and installation of additional solar PV systems, energy efficient lighting and energy efficient air-conditioning systems. Council's energy management program is also progressing with the installation of energy monitoring technology to identify savings from better programming of lighting, power and air-conditioning systems in Council buildings.

For Earth Hour in March 2016 Council encouraged residents to go beyond the hour by switching off and recycling any second fridges or

upright freezers through the Fridge Buyback program. This initiative saw close to 60 fridge collections over the month of March - the equivalent of switching off six Ku-ring-gai homes for good! Ku-ring-gai is already the best-performing council in NSW for recycling second fridges and upright freezers, with more than 2,900 fridges collected since 2006.

'LOVING LIVING KU-RING-GAI' PROGRAM

The success of Council's 'Loving Living Ku-ring-gai' program continued during 2015/2016 with the delivery of another full event series, with our local community offered a range of opportunities to participate in bush walks, nature talks and lifestyle and DIY workshops to promote sustainability in the home and in the garden.

The comprehensive program of activities, targeted at a range of age groups, community interest groups, schools and businesses, continued to expand in participation numbers and deliver positive outcomes. Raised awareness of these activities is in turn increasing their popularity.

Council also delivered the Cultural Connections for Sustainability project for our Chinese and Korean community, involving a series of events and workshops on living more sustainably (translated into Mandarin, Cantonese and Korean).

Through the Smart Homes Guide, Ku-ring-gai residents have a new one-stop-shop for advice on sustainable renovating and building via the Council website. The Smart

Homes guide helps residents make informed choices about housing design, features and fittings to reduce costs and their carbon footprint. Council's Better Business Partnership program continues to provide a tailored, sustainability advice service to over 200 small and medium businesses in the Ku-ring-gai LGA.

RECYCLING AND WASTE MANAGEMENT

A range of initiatives were implemented during 2015/16 to promote recycling and educate the community. They included:

- A successful Council E-waste collection event on 22-23 October 2015 with over 22 tonnes of electronic waste collected and sent for recycling. The chemical collection event was also successfully held on 28 – 29 June with approximately 2,400 cars coming through the gates and over 89 tonnes of material collected and diverted from landfill and waterways.
- A new 'units and apartments' waste and recycling brochure was developed to assist in promoting Council's waste and recycling collection service to residents. This brochure has also been translated into Chinese Traditional, Chinese Modern, Korean and Japanese languages.
- A recycling quiz was been created and went live in December 2015 with 350 people taking on the challenge. Residents can learn about the

common misconceptions of their recycling service and also receive a prize if they obtain a 100% correct score.

- There was a display in Gordon Library for recycling week with additional recycling information available.
- Two composting workshops were run in conjunction with National Recycling Week and National Composting Awareness Week at Kimbriki with 40 residents participating.
- The Schools Waste Education Workshops concluded with 12 schools taking part and over 1,000 children learning about waste and recycling, composting and worm farming along with a new littering module which was introduced this year.
- Over 200 local businesses were contacted and invited to participate in the Oz Harvest food donation/collection program.

Council was one of eight councils in northern Sydney partnering food charity OzHarvest in an innovative new agreement to reduce food waste. OzHarvest works with local restaurants and cafes to reduce the amount of food being thrown away and help feed those in need. Funding from the councils involved has resulted in the purchase of a new van to collect unwanted food from businesses across the local government areas, which is donated to those in need.



FURTHER READING
kmc.nsw.gov.au/sustainability

The year ahead

- Revise our Greenhouse Gas Reduction Action Plan to reflect the challenges of meeting our 2020 greenhouse gas reduction target
- Continue to revise key environmental policies and strategies
- Continue to deliver Environmental Levy program
- Continue to monitor 10/50 impacts
- Respond to proposed NSW Government changes to biodiversity and Local Land Services legislation
- Continue to support environmental volunteers
- Progress Climate Wise Communities program
- Complete Blackbutt Creek and Lovers Jump Creek Flood Risk Management Study.

Summary of our performance 2015/16

NATURAL ENVIRONMENT

The tables in this section reflect the progress of our key work during 2015/16.

1. HOW WE PERFORMED AGAINST QBL TREND INDICATORS

► QBL trend analysis – key performance indicators

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

The following table indicates our performance for key 'environmental, social and economic' indicators for the 2015/16 year, under this theme, compared to the previous four years.

Measure	Unit	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
Bushland regeneration (area)	ha	67.7	68.3	58.6	51.00	61	Stable
Identified Aboriginal heritage sites	Sites	97	97	101	101	102	Stable
Greenhouse emissions	tCO ₂ -e	8448	8427	8,955	9,635	11,258	Increased (1)
Waste Kg/resident	kg	208.09	202.84	205.78	206	205.63	Stable (2)
Recycling Kg/resident	kg	325.95	294.73	263.47	107.86	104.36	Decreased (3)
Green Waste Kg/resident	kg	191.58	171.83	152.7	163.57	170.12	Increased (4)
Fire trail maintenance	Km	44	44	44	44	44	Stable
Major fire trail upgrades	Km	N/A	0.97	1.8	3.69	0.55	Decreased (5)
Pile burns	No.	102	116	94	103	86	Decreased (6)
Hazard reduction burns	Ha	1.36	7.06	33.94	53.36	74	Stable
Fire break maintenance	Km	12.3	24.5	24.5	24.5	24.5	Stable
Energy consumption street lighting	kWh	4,794,792	4,721,871	4,663,747	4,516,325	4,392,009	Decreased (7)
Energy consumption street lighting	\$	649,321	814,357	784,855	676,079	644,750	Decreased (8)

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

(1) Previous values for the Annual Report have been based on the sum of emissions from electricity used by buildings and Ausgrid street lighting. From this year forwards, this indicator will be the sum of emissions from buildings electricity and gas, Ausgrid Street Lighting, and Fleet. Previous values for annual report have used 12 months to May or 12 months to June. From this year forwards, data from 12 months to March will be used to align Annual Report indicators with Delivery Program/Operational Plan reporting indicators.

(2) Based on estimated resident population

122,859 in 2015

(3) Paper has continued to decrease (320 tonnes in 15/16). Mixed recycling increased (107 tonnes in 15/16). An overall decrease has been reported and is mainly attributed to the changes in the newspaper industry.

(4) This is an increase of 1,113 tonnes and is based on estimated resident population 122,859 in 2015.

(5) This decrease in completed area of trail is due to available grant funding through the Rural Fire Service.

(6) Fewer piles were created in 15/16 due to staff resources being concentrated toward preparation of hazard reduction burns on the program

(7) The Street Lighting Improvement Program is continuing to assist Ausgrid with improvements to the more efficient LED lights on residential streets and LED technology on main roads.

(8) Network charges continued to be stable, enabling decreasing costs. Future costs may change. Figures include GST.

2. HOW WE PERFORMED AGAINST COUNCIL'S PLAN

► Achievement of Operational Plan Tasks and Performance Indicators

The annual Operational Plan sets out 2015/16 tasks and performance indicators for each theme. The following tables indicate our performance in completing what we said we would do in 2015/16 under this theme.

Summary – 2015/16	Achieved
Completion of 2015/16 Tasks *	92%
Achievement of 2015/16 Performance Indicators **	92%

Notes:

* Of the 26 Tasks, 24 were achieved and 2 were not achieved during this period for varying reasons. All tasks not completed were carried over to the 2016/17 Operational Plan.

** Of the 13 Performance Indicators, 12 were achieved and 1 was not achieved during this period.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram

2015/16 Performance Indicators	Target	Achieved
Residents involved in community environmental programs.	2,479 residents	4,531 ¹
Community activity that benefits the environment.	1,565 residents	1,826
Area of bushland/habitat regenerated.	20.5 hectares	22
Condition of bushland managed by Council (resilience rating).	76% (Previously 79.9%)	76 ²
Condition of bushland managed by Council (weeds rating). (lesser is better)	30% (Previously 13.5%)	30 ²
Condition of bushland managed by Council (threats rating). (lesser is better)	39% (Previously 72.5%)	38 ²
Creeks tested that maintain or improve their stream health score.	100%	100
Physical creek remediation projects completed.	1 project	1
Rubbish diverted from our waterways (tonnes).	1,887 tonnes	2,043
Percentage household waste diverted from landfill.	60%	57 ³
Residents involved in climate change adaptation activities per year.	106 participants	278
Household potable water consumption per capita. (lesser is better)	83.02 kL/ capita	79.89 ⁴
Household electricity consumption per capita.	3,187 kWh/ capita	2,975

Notes:

(1) The 82% increase in community participation over the annual target reflects the ongoing relevance and success of Council's environmental programs.

(2) The baselines for these indicators were originally compiled for a sample bushland reserve site. During 2014/2015 the next phase of measurement extended the sample bushland reserve site to all of Council's actively managed bushland reserves. As a result, new baselines have been developed and bushland condition ratings compiled for the year 2015/2016, based on all of Council's actively managed bushland reserves, and compared against the new baseline.

(3) Paper tonnages continue to drop due to a downturn in the newspaper industry.

(4) Whilst it is important to monitor potable water consumption patterns in our community Council does not have direct control over this indicator. Council delivers the Water Smart program to facilitate water conservation outcomes in the community.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram



North Turrumurra Recreational Area

THEME 3

Places, spaces and infrastructure

This theme is about creating a range of well planned, clean and safe neighbourhoods and public spaces designed with a strong sense of identity and place.

This theme is about creating a range of well planned, clean and safe neighbourhoods and public spaces designed with a strong sense of identity and place.

In 2015/16 we continued to progress a diverse range of projects and initiatives designed to expand and improve facilities within Ku-ring-gai for the enjoyment of our community. These included new and upgraded parks and playgrounds at a cost of \$2.4 million, new and upgraded

sports grounds and facilities at a cost of \$6.4million, over \$9.6million spent on road improvements and over \$750,000 spent on footpaths. .

Master planning also continued on revitalisation projects at Lindfield and Turramurra local centres. These projects are planned to transform Council's own significant land holdings into new community facilities, vibrant town squares and a renewed focus for shopping, eating and community activities.

SERVICES PROVIDED

- Urban design and planning
- Heritage planning
- Development assessment
- Development compliance
- Regulation and compliance
- Open space projects
- Landscape design
- Engineering design
- Civil works and maintenance
- Drainage works and maintenance
- Strategic asset management
- Building asset works and maintenance
- Parks and sportsfield works and maintenance
- Tree preservation and maintenance

What we achieved in 2015/16

ACTIVATE KU-RING-GAI PROGRAM

Revitalisation of Ku-ring-gai's local centres, including Gordon, Turramurra, St Ives, Pymble, Lindfield and Roseville is identified as a long-term goal in Ku-ring-gai's Community Strategic Plan 2030 as well as Council's four year Delivery Program and annual Operational Plans which set out Council's budgets and actions for each financial year for Council's term.

While the Activate Ku-ring-gai program is designed to breathe new life into our public spaces, revitalising our local centres and delivering key community facilities remains an important challenge for Council. How we progress and fund these projects is an ongoing body of work which will be delivered over a number of years.

► Lindfield Community Hub

During 2015/16 work was completed on the proposal to the NSW Office of Local Government (OLG) for a public-private partnership (PPP) to construct the Lindfield Community Hub, located on the western side of the Lindfield Town Centre at an estimated construction cost of over \$120 million. This followed Council's adoption of a master plan for the site. The 1.3 hectare site will be a new mixed use precinct with community buildings, boutique shops, cafes, restaurants, apartments and a belowground supermarket.

Documents prepared for OLG approval included a risk management plan, probity plan and a business case. Also prepared were a design brief and production brief for the marketing component of the project. The expression of interest process is proposed to commence in late 2016 pending OLG approval.

Council also continued negotiations with Transport for NSW for funding of 140 commuter car parking spaces to be located within the basement level of the proposed community hub building.



FURTHER READING
kmc.nsw.gov.au/activatelindfield

► Lindfield Village Green

Lindfield Village Green will be an open green space for social and recreational use, located in Council's Tryon Road car park on the eastern side of Lindfield behind the Lindfield Avenue shops. Most of the existing car spaces will be relocated underground and the new Village Green will be built on top. Lindfield Village Green will include public open space, underground public car parking, a pavilion for leasing as a café or restaurant with public seating, toilets and a lift to the parking below. The development will be designed to meet the highest standards of design excellence and sustainability.

During 2015/16 negotiations continued with Transport for NSW for funding of commuter car parking

spaces. If these negotiations are successful the car park will contain approximately 20 spaces at ground level, 80 spaces at B1 Level and approximately 100 public commuter spaces on a second basement B2 Level.

The preferred design concept was further developed and refined, taking into account community feedback as well as project objectives and scope, functionality and budget. Council was presented with the final design in June 2016.



FURTHER READING
kmc.nsw.gov.au/activatelindfield

► 259-271 Pacific Highway Lindfield (Lindfield Library site)

Council sought comment from the community on a planning proposal to rezone Council land at 259-271 Pacific Highway Lindfield and reclassify the land from Community Land to Operational Land. This is in preparation for the creation of a new library within the Lindfield Community Hub. The reclassification will enable the redevelopment of the site in accordance with Council's adopted master plan.

► Turramurra Community Hub

Council consulted the community during May 2016 about the Turramurra Community Hub Draft Masterplan which outlines plans for The Turramurra Community Hub in the precinct between the railway line, Ray Street and the Pacific Highway.



Lindfield Village Green: Architect's impression

The development will be a mix of community facilities, open space and new retail space.

The engagement process ran from 30 April to 29 May and over 500 people participated in workshops, information sessions and a launch event. In addition over 1300 people watched the information video at drop in sessions on site and 1000 people visited a dedicated web portal. The community were broadly supportive of the vision for the project and highlighted issues that would need addressing.



FURTHER READING
kmc.nsw.gov.au/activateturramurra

► Gordon Town Centre

Council carried out preliminary investigation of opportunities to develop a cultural and civic hub in Gordon Town Centre, as part of a larger redevelopment of Council's existing premises at 818 Pacific Highway, Gordon, which currently accommodates Council's administrative offices and the heritage listed Council Chambers. This included completion of a needs analysis and project definition stages in late 2015. Preliminary

development options and potential sources of funding were reported to Council in December 2015. The project was deferred by Council in February 2016 due to complications arising from the proposed Council mergers.

REVISED DEVELOPMENT CONTROL PLANS

Significant amendments to two key planning documents, the Ku-ring-gai Development Control Plan and the Ku-ring-gai Local Centres Development Control Plan were adopted by Council and came into effect on 24 June 2016.

The changes to the planning controls are aimed at improving outcomes for medium and high density development in Ku-ring-gai, such as townhouses, residential apartment buildings and mixed use buildings. This includes ensuring buildings are well designed, relate positively to the natural and built landscape of Ku-ring-gai, take account of neighbouring buildings and maintain coherent streetscapes. The revised controls are in line with state government planning legislation.

CONSERVATION AND PROTECTION OF OUR HERITAGE

Council's Heritage Reference Committee continued to assist in reviewing Ku-ring-gai's new heritage items and conservation areas, a range of interim heritage orders and secured state funding to set up a Heritage Fund to promote and assist in the maintenance of local heritage items.

The heritage fund was successful in funding four conservation projects in 2015/2016 including the Teahouse at Eryldene. These projects will be used in 2016/2017 to promote heritage awareness.

Planning proposals to list several heritage items and one heritage conservation area were partially finalised during 2015/16. Other Interim Heritage Orders were gazetted and are now heritage items.

Gordon Library celebrated the National Trust Heritage Festival in May with an exhibition called The Story of Ku-ring-gai Chase, held over three weeks. The exhibit recorded high levels of interest from regular library users and visitors

viewing the photographs, maps and books about the remarkable story of one of the world's first national parks.

DELIVERED INFRASTRUCTURE AND ASSET RENEWAL PROGRAMS

Council is responsible for the maintenance and renewal of local roads, drainage and footpaths in the Ku-ring-gai area. Funding available from our approved infrastructure levy and other operational improvements means that we can expand our asset renewal programs and continue to 'close the gap' on our infrastructure renewal backlog.

The delivery of Council's capital works program and improvement programs for footpaths, roads and drainage occurred substantially in accordance with agreed timetables and budgets for 2015-2016. Funding

required to maintain, renew and upgrade our existing infrastructure is revised annually from Council's Asset Registers, Asset Management Plans and Asset Management Strategy.

Council's roads capital works program was 92% completed and nearly 60% of drainage work was completed by 30 June. Drainage works included Karanga Avenue Killara, Hesperus Street Pymble Warawee Avenue Warrawee and Roseville Golf Course. A planned drainage proposed at Oliver Road at Roseville was postponed following tendering issues and was carried forward into the 2016-2017 financial year. Other programmed drainage repairs were completed.

A range of works were undertaken at Ku-ring-gai's stormwater harvesting and reuse sites including storage

tank clean outs, replanting of raingarden vegetation and installing smart metering to track stormwater harvested and savings achieved for potable water. A new stormwater harvesting site was brought online at the B2 subdivision in South Turramurra.

Stormwater runoff from the subdivision is captured and treated through a gross pollutant trap and wetland. The treated harvested water is being reused at Auluba 1 & 2 Ovals for irrigation.

Foundation work has been carried out to improve data on roads, footpaths and drainage and a preliminary review and analysis of criteria for the new Drainage Policy was completed.



New Wetlands at Barwon Avenue, South Turramurra, photo by Alexander Lyle

DELIVERED NEW AND UPGRADED PARKS, PLAYGROUNDS, SPORTSFIELDS AND FACILITIES

During 2015/16 we spent \$6.4million constructing new or upgraded sportsfields and facilities and another \$2.4million on new and upgraded local parks and playgrounds.

Highlights for the year included:

► St Ives Village Green Recreation Precinct

A concept design for the new precinct was open for public comment between 1 April and 28 April 2016 with the Council considering the feedback in a report presented in June. Key features of the new recreation area include:

- larger children's play space catering for a range of ages and abilities
- skate events area with new bike & skate facilities
- performance space with a raised lawn area and stage for community events
- dedicated area for ball sports
- shaded seating and sunny terraces overlooking play and skate areas
- picnic facilities for children's parties and family gatherings
- new pathways with accessible links to facilities
- coloured pavements that reduce sun glare
- new seating, shelters, bins and bubblers
- new lighting for public safety
- new tree planting and landscaping

Discussions were held with stakeholders to ensure the final design is both accessible and inclusive.

► Koola Park Killara

Works have progressed for the major upgrade at Koola Park in East Killara. The works are part of planned improvements for the park outlined in the Koola Park



Turramurra Memorial Park Playground upgrade

Landscape Masterplan. Works completed in 2015/16 included the upgrade of three sporting fields and extension to create an additional field. These fields will be playable in 2016/17.

Other works include installation of a stormwater harvesting system, sewer connection to the western amenities, and four new cricket nets, additional car parking including a drop-off area, field floodlighting, landscaping and improved fencing, a shared pathway around the perimeter of the park for cyclists and pedestrians, with outdoor exercise equipment stations.

► Cameron Park Turramurra

Construction was delayed on the extension of the park due to remediation of contaminated soil and the contractor appointed by Council going into administration. Works are expected to be completed by December 2016.

► Wahroonga Park

The new toilet block in Wahroonga Park was completed and opened to the public in early April. The new block contains a family room and disabled toilet, with an accessible

pathway leading to the building from the park. Overall nearly \$1 million has been spent on the park upgrade. This includes \$468,000 on the toilet block, landscaping and accessible pathways and \$500,000 on the playground upgrade completed last year.

► North Turramurra Recreation Area

We are remediating the disused waste tip and landfill site next to our North Turramurra Golf Course to create a sports precinct known as the North Turramurra Recreation Area. The project, costing \$28 million, will provide much needed sports and recreational facilities for Ku-ring-gai residents.

During 2015/16 sporting fields construction work was completed. These are expected to be playable in 2016/17. In addition a Weekend of Golf was held in April, aimed at reintroducing the general public to the new 18-hole golf course. The redeveloped course includes new practice putting greens, chipping greens and practice tees.



MAINTAINED OUR OPEN SPACES

Council is responsible for the maintenance of all Council owned parks, reserves and trees and horticultural maintenance on Council properties, within business centres, nature strips, roundabouts and laneways. This includes 2 regional parks (Bicentennial Park and St Ives Showground), 15 district parks, 191 local parks as well as council gardens and landscaping within 19 business centres. We also maintain landscaping within 8 railway gardens and traffic roundabouts and other roadway landscaping areas.

During 2015/16 our parks, playgrounds and sportsfields were kept clean, safe and accessible, according to established service levels, ensuring a pleasant environment in which residents can live, work and pursue recreational activities.

We continued to review and adjust maintenance schedules and work teams to enhance efficiencies and improve our capacity to meet the changing needs generated by new and upgraded open space assets.

MANAGING REGULATORY OUTCOMES

The protection of Ku-ring-gai's character, heritage and precious natural environment is important to the Ku-ring-gai community. Council acts on behalf of the community to ensure we preserve these outstanding attributes for future generations.

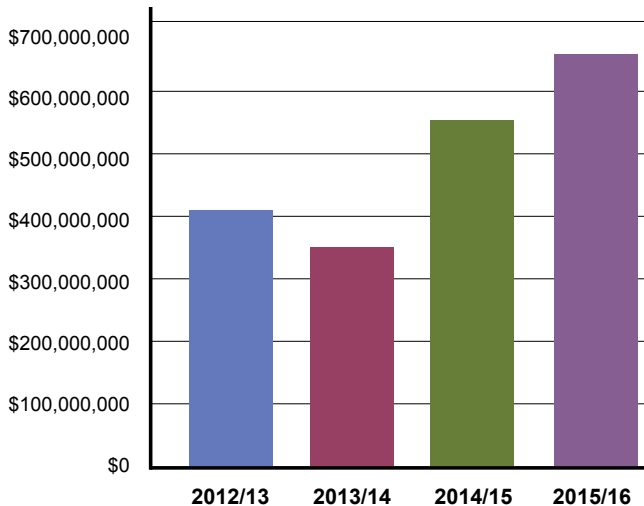
► Determined Development Applications valued at more than \$650 million.

During 2015/16 applications determined had a total estimated value of almost \$650 million which is an increase of 16% from the 2014/15 value of \$560 million. The following graph and table show the breakdown of the number of determinations for 2015/16 in comparison to the previous three years.

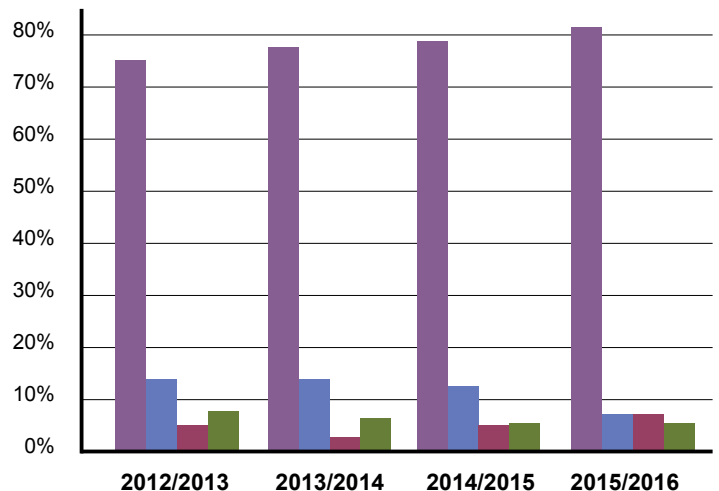
Total Value of Development Applications

- 2015/16 - \$650 million
- 2014/15 - \$560 million
- 2013/14 - \$350 million
- 2012/13 - \$400 million

Total Value of Development Applications



Total number of Development Applications by type



■ Single Residential
 ■ Commercial & Community
 ■ High Density Residential
 ■ Other

Total number of Development Applications by type

DA's	2012/13	2013/14	2014/2015	2015/2016
Single residential	75%	29%	79%	81%
Commercial and community	13%	19%	12%	7%
High density residential	5%	49%	4%	7%
Other	7%	3%	5%	5%
Total	100%	100%	100%	100%
Total Value	\$405,242, 278	\$348,787, 277	\$560,560,994	\$ 645,098,070

- While development remains buoyant in Ku-ring-gai, particularly for new residential housing, there were significant changes to Council's determination of applications:
- The proportion of high density residential DA's increased from 4% to 7%. This was offset by a decrease commercial and community DA's.
- An increasing number of DA's in the High Density Residential category now comprise multi-unit terrace and townhouse style developments rather than Residential Apartments.
- Council determined more than 600 DA's during the financial year. As can be seen from the table below DAs comprise only 40% of all applications determined

in the area. The majority of CDCs is determined by private certifiers and now comprises 47% of all applications. Apart from DAs Council also processed modification applications (S96) and requests for review of determinations (S82a).

Application type	2012/13	2013/14	2014/15	2015/16
CDC	514	597	664	757
DA	529	514	544	602
S96	255	235	221	238
S82a	15	1	3	6

- An increase in the median processing time for all Council applications to 74 days in 2015/16 (54 days in 2014/15) can be attributed partly to the time required to assess more complex applications, with many

simpler development works now being approved through private certification. The more complex applications, requiring input from various disciplines with competing objectives are often determined at a Council meeting, the Planning Panel or the Land and Environment Court, which add further to processing times. We are also focusing on assistance to applicants, allowing amendments to applications and resolving concerns through mediation to achieve positive outcomes.

DA median processing time days

Year	Days
2012/13	47
2013/14	52
2014/15	54
2015/16	74

The year ahead

- Continue focus on urban and landscape design excellence for the benefit of the community
- Progress planning for the revitalisation of Lindfield and Turramurra local centres, including new parks
- New playing fields to be made fully operational for sports
- Progress revitalisation works at Warrimoo Neighbourhood Shopping Centre, St Ives
- Complete the Playground Strategy
- Completing a regional playground at St Ives Showground and Bicentennial Park
- Continue participation in working groups on the North District Plan – Greater Sydney Commission
- Implement the Section94A Contributions Plan
- Finalise planning for 13 areas deferred from the KLEP 2015 due to bushfire evacuation risk issues
- Review Council's Outdoor Dining and Goods on Footpath Policy
- Monitor outcomes from exhibition of SEPPs.

Summary of our performance 2015/16

PLACES, SPACES AND INFRASTRUCTURE

The tables in this section reflect the progress of our key work during 2015/16.

1. HOW WE PERFORMED AGAINST QBL TREND INDICATORS

► QBL trend analysis – key performance indicators

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters. The following table indicates our performance for key 'social' indicators for the 2015/16 year, under this theme, compared to the previous four years.

Measure	Unit	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
Non-Aboriginal heritage sites	Sites	906	878	878	968	946	Increased (1)
EPA registered contaminated land sites	No.	3	3	2	3	3	Stable
Noise complaints	No.	382	140	139	157	150	Stable (2)
DA median processing time	Days	40	47	52	54	74	Increased (3)
Development related legal costs	\$	1,396,000	827,038	502,525	1,153,612	1,256,887	Decreased (4)
Provision of new local open space	m ²	2,893	4,000	3,400	0	0	Stable (5)
Water consumption (Council) (KL)	KL	66,230	98,281	96,550	101,481	102,555	Stable
Water consumption (Council)	\$	286,237	289,875	275,769	312,437	321,000	Stable
Energy consumption (Council) buildings	kWh	3,174,654	3,228,439	3,771,000	5,150,000	5,581,000	Increased (6)
Energy consumption (Council) buildings	\$	678,321	841,006	999,000	1,038,276	945,781	Decreased (7)
Fuel cost	\$	607,800	587,675	616,999	548,813	472,098	Decreased (8)
Street light maintenance costs	\$	1,857,816	1,919,023	1,996,184	1,759,384	1,678,918	Decreased (9)

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

(1) There have been 4 additional items listed during the reporting period. The previous report included a figure of 968 items for 2014/15. An audit revealed that this figure represents the number of lots affected by a heritage listing. However several items occupy multiple lots. The actual number of items at 2014/15 was actually 942.

(2) These statistics report on a number of noise matters mostly related to the use of domestic premises including: air conditioner noise, pool pumps, alarms, roosters, music, leaf blowers. Commercial machinery noise and noise from waste collections is also included in this figure.

(3) Increased median processing time is due to more complex applications requiring more time to assess and resolution through discussions or mediation to achieve positive outcomes.

(4) The amounts received for costs recovered totalled \$103,431.

(5) During 2015/16 existing parks were upgraded. Additional new local open areas are in planning phases to be completed in 2016/17.

(6) Previous values for the annual report have used 12 months to May or 12 months to June. From this year forwards, data from 12 months to March will be used to align Annual Report indicators with the Delivery Program/Operational Plan reporting indicators. Most of the increase in consumption is due to this being the first full 12 month period that the KFAC has been operating, since reopening in October 2014. A smaller portion of the increase is due to a number of new assets coming online.

(7) Previous values for the annual report have used 12 months to May or 12 months to

June. From this year forwards, data from 12 months to March will be used to align Annual Report indicators with the Delivery Program/Operational Plan reporting indicators. Electricity unit rates decreased in 2015/2016. Electricity unit rates are expected to increase from 2017/2018 onwards.

(8) Decrease is due to global fuel prices dropping and more fuel efficient vehicles.

(9) Decreasing costs are attributable to interim rates in place during 2014/15 while other changes were being assessed by the Australian Energy Regulator (AER). A decision on the Ausgrid challenge is not expected until after commencement of the next regulatory period so final costs will be uncertain for a few more years. Future costs will be determined by result of the Ausgrid challenge to AER determination and leasing of network. Figures include GST.

2. HOW WE PERFORMED AGAINST COUNCIL'S PLAN

► Achievement of Operational Plan Tasks and Performance Indicators

The annual Operational Plan sets out 2015/16 tasks and performance indicators for each theme. The following tables indicate our performance in completing what we said we would do in 2015/16 under this theme.

Summary – 2015/16	Achieved
<i>Completion of 2015/16 Tasks *</i> (Four Operational Plan Tasks could not be progressed or completed due to Council's reliance on external organisations or external factors outside Council's control)	80%
<i>Achievement of 2015/16 Performance Indicators **</i>	71%

Notes:

* Of the 70 Tasks, 56 were achieved, 10 were not achieved and 4 tasks were placed on hold during this period. All tasks not completed were carried over to the 2016/17 Operational Plan.

** Of the 14 Performance Indicators, 10 were achieved and 4 were not achieved during this period.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram

2015/2016 Performance Indicators	Target	Achieved
Tree Management requests actioned within agreed service delivery standards.	90%	75 (1)
Percentage of development applications assessed largely consistent with relevant policies and legislation.	100%	100
Development application determination times. Lesser is better.	80 days	74
Percentage of Land and Environment Court matters that result in successful outcomes.	90%	92.5
Open space projects.	90%	90
Satisfaction with the condition and maintenance of Council sporting fields.	75%	75
Playground Safety Audit Program.	100%	100
Condition rating of community buildings.	3 condition rating	3
Potable water consumption (kL) in Council facilities. Lesser is better.	98,282 kL	101,555(2)
Water reuse/ recycling (kL) used by Council operations.	22,879 kL	132,725 (3)
Electricity consumption (MWh) of Council's fixed assets.	3,273 MWh	5,581(4)
Greenhouse gas emissions (tonnes CO ₂ -e) from Council operations.	9,527 tonnes CO ₂ -e	11,258(5)
Utilisation of community halls and meeting rooms.	75%	79
Capital works programs for roads, footpaths and drains.	95%	95.5

Notes:

(1) In 2015/2016 Council received 5634 Tree Management Requests. Due to the influx of requests during storm periods and resourcing issues in the reporting period, the yearly target of 90% compliance with agreed service standards was not achieved.

(2) Total potable water consumption was stable. Across Council facilities consumption was 2% lower, but this was offset by additional consumption from the first full 12 months of operation of the Ku-ring-gai Fitness and Aquatic Centre.

(3) The result for 2015/2016 is a further significant increase over the 74,593kL used by Council operations in 2014/2015.

(4) The bulk of the increase in energy consumption is related to this being the first full year in which the newly commissioned Ku-ring-gai Fitness and Aquatic Centre is operating. A portion of the increase in energy consumption was also due to an unseasonably cold winter creating extra heating demand in many of Council's facilities where the air-conditioning systems are no longer operating efficiently.

(5) The bulk of the increase in estimated greenhouse gas emissions is related to this being the first full year in which the newly commissioned Ku-ring-gai Fitness and Aquatic Centre is operating. A portion of the increase was also due to an unseasonably cold winter creating extra heating demand in many of Council's facilities where the air-conditioning systems are no longer operating efficiently.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram



Ghost train at Gordon Station. Photo by Vanessa Lim.



Ride To Work Day

THEME 4 Access, Traffic and Transport

This theme is about ensuring that access and connection to, from and within Ku-ring-gai provides safe, reliable and affordable public and private travel, transport and infrastructure.

Strategic long-term traffic, transport and parking improvements to Ku-ring-gai's centres were pursued as part of the centres revitalisation program and incorporated into master plans for both Lindfield and Turramurra local centres.

Traffic improvements to Gordon town centre were implemented with the completion of a new link road between McIntyre and Dumaresq Street and designs progressed for a second link road between Moree and Dumaresq Street.

Accessibility and transport connections were also improved at various locations within the local government area with the completion of new and reconstructed footpaths, installation of new and upgraded pedestrian and bicycle facilities and upgraded bus shelters.

SERVICES PROVIDED

- Traffic and transport strategy and research
- Road safety
- Engineering design
- Civil works and maintenance

What we achieved in 2015/16

TRAFFIC, TRANSPORT AND ROAD IMPROVEMENTS

Council staff continued to consult with Transport for NSW on key projects during 2015/2016 to improve public transport access and connections. Apart from the ongoing negotiations regarding the proposed commuter car parking in the Lindfield Village Green and Lindfield Community Hub sites, there has been no further indication from Transport for NSW of the intention to implement connections and/or upgrades to other railway stations in Ku-ring-gai.

Works in the Ku-ring-gai Contributions Plan 2010 have been included in the 10 year Traffic and Transport Plan and the Long Term Financial Plan, along with indicative timings. These works are typically development or Council project driven and will depend on development occurring in the local centres. Projects of note during the reporting period include:

► Gordon town centre

Construction of the new link road between Dumaresq Street and McIntyre Street in Gordon was completed with the new road named Beans Farm Road, following approval by Council in October. Design work also progressed on the

new link road between Moree and Dumaresq Street with construction expected to commence in 2016/17.

Council resolved to defer the transport analysis and assessment of the Gordon Cultural and Civic Hub as part of Gordon local centre planning due to the NSW Government's merger proposal. Design for the proposed roundabout at the intersection of Henry Street and the railway underpass road was already effectively completed with lighting designs being finalised between Council and Ausgrid.

► Turramurra local centre

Transport analysis and assessment of the Turramurra Community Hub continued in 2015/16, including the whole Turramurra Local Centre as the study area. This incorporates the traffic and transport improvements identified in the Ku-ring-gai Contributions Plan 2010, as well as other improvements and refinements to increase transport accessibility and circulation.

As part of the master planning process for Turramurra, meetings continued with Transport for NSW to facilitate planning for commuter car parking and Sydney Trains regarding the rail corridor.

► Lindfield local centre

The traffic and transport upgrades around the Lindfield Village Green Project have been included in the Request for Tender for design services, ensuring that these will form part of a development application. A new road link between Bent Street and Beaconsfield Parade is also included in the Lindfield community hub concept plans.

► Road improvements

Council was successful in obtaining funding from the Roads and Maritime Services for improvements to Lady Game Drive, Killara (Blackbutt Creek to De Burgh Road). The project scope is for the installation of a wire rope barrier, a new jersey kerb and a slip resistant road surface, for an estimated project cost of \$1.364 million.

A significant footpath program including over \$750,000 spent on additional and reconstructed footpath network was completed during the year across Ku-ring-gai, along with road reconstruction works at a cost of over \$9.6 million.

Following a successful joint application by Ku-ring-gai and Willoughby Councils, partial funding was provided by the RMS under the

Block grant program for an upgrade to the bridge on Lady Game Drive, West Lindfield. The improvements are to improve road safety for all road and pedestrian users and extend the life of the bridge through repairs and upgrades to the guardrail, balustrade, concrete and pruning of vegetation overhanging the bridge, as well as minor footpath repairs. These improvements will be completed by December 2016.

ACCESSIBILITY

Access to and within our local centres, including the availability of carparking, will become critical as Ku-ring-gai's population grows and our centres develop.

During 2015/16 we improved public transport connections to make them more accessible to a wider range of age groups and community needs and to better match the travel needs of the community.

► Improved public transport connections

Works to upgrade bus stops and pedestrian facilities continued as part of an incremental improvement program. There were 5 new and upgraded pedestrian facilities completed during the year in addition to 930 metres of additional footpath network. Priorities for works were determined on the basis of patron usage and timetabling information. Improvement works are also designed to be consistent with the requirements of the Disability Discrimination Act, to provide more universally designed facilities and better access that increasingly meets more diverse community needs.

Delays did occur to this program to allow Council's further consideration of a new draft Pedestrian Access and Mobility Plan. Resources for design and project management of bus stops and some footpath works were also reallocated to other high priority projects. Resources will be allocated back to bus stops and



Commuter Carparking. Photo by Helen Beasley.



Replacing timber decking on bridge at St Ives. Photo by Ian Grant.

footpaths once those major works are completed.

► Accessibility

Public exhibition of the draft Pedestrian and Mobility Plan (PAMP) was completed in 2015/16 and a report on the public exhibition of the Plan considered by Council in May 2016. Council resolved to defer the Plan to allow further discussion and feedback on key recommendations with interested Councillors and relevant staff. Following a briefing with Councillors, staff and the consultants further consideration will be given to existing policy documents aligned with the PAMP, such as the Ku-ring-gai Public

Domain Plan, Development Control Plans, Local Environmental Plans and the Ku-ring-gai Contributions Plan. In the interim, master-planning that is underway within the Lindfield and Turrumurra local centres will be consistent with the objectives and strategies of the draft PAMP.

Finalisation and implementation of the PAMP has been included in the 2016- 2017 Operational Plan.

In the interim, Council officers will ensure all master plans and design preparation is consistent with the objectives, principles and strategies of the draft PAMP, in addition to CPTED principles.

SUSTAINABLE TRANSPORT CHOICES

► Cycling

Council hosted a very successful Ride to Work Day on Wednesday 14 October with over 200 riders dropping in to Gordon Recreational Reserve for a free breakfast including pedal powered smoothies, bike tune-ups and for advice about how Council is working to make Ku-ring-gai more bike-friendly.

The It's a Two Way Street education campaign was delivered during the year to counter increasing road rage incidents involving motorists and inexperienced cyclists. Since the introduction of the campaign, new laws have been passed to create safer conditions for cyclists.

Hornsby and Ku-ring-gai are two of only three councils across Australia who participated in promoting the campaign which intensified during February with outdoor signage, social media posts and advertising.

As of March 2016, drivers will have to leave one metre space between their vehicle and any nearby cyclists, or one and a half metres if they are travelling at a speed exceeding 60 km/h.

New bicycle parking facilities are being incorporated into key Council projects which are in various stages of detailed and concept design. They include St Ives Chase shops (Warrimoo Ave), Lindfield Village Green, Lindfield Community Hub and Turramurra Community Hub.

For the Lindfield Community Hub and Turramurra Community Hub secure bicycle parking is expected to be provided for staff/ employees and casual parking facilities would be provided at grade for visitors and shoppers. To promote the awareness of bicycle parking locations in Ku-ring-gai, existing cycle parking locations were mapped on Google Maps with accompanying photographs and a link provided on Council's cycling web page.

► Additional cycleway network

Planning and costings for a further 2.25km of cycle network in Roseville/ Roseville Chase progressed during the year but could not be delivered due to other workloads. Works are expected to commence in the first quarter of 2016/2017.



FURTHER READING
See the Ku-ring-gai Cycleways Map and Ku-ring-gai Cycleways Information at kmc.nsw.gov.au/roadsafety

► Car share parking

The revised Ku-ring-gai Development Control Plan (DCP) now allows car share vehicle parking to be incorporated in development sites.

► School education programs

During the reporting period, research was conducted by staff in Urban Planning, Sustainability and Traffic Operations (Road Safety) regarding opportunities to encourage alternative transport to schools. Initiatives considered for specific schools, highlighting walking distances and alternative transport options, are proposed to be included in Transport Access Guides (printed) and web/smartphone based apps. The Transport Access Guides are expected to be rolled out in early 2016/17.

REGIONAL ACCESS, TRAFFIC AND TRANSPORT

Council has continued to collaborate and advocate for pro-active measures for access, traffic and transport for the Northern Sydney Region. For example, bus transport, traffic modelling, commuter parking and bike planning and also at a wider strategic level through the transport component of the upcoming Sydney North District Plan being prepared by the Greater Sydney Commission.

Review and planning for regional transport links will continue via Transport for NSW and as part of the Sydney North District Plan being prepared for exhibition by the Greater Sydney Commission.

► NorthConnex tunnel project

The NorthConnex M1 Pacific Motorway, Wahroonga to the Hills M2 Motorway Link project has progressed with collaborative input across relevant Council departments and the NorthConnex Authority and is well under way for completion. More recently, council staff have been working with the builders of NorthConnex on various aspects of the project including construction compounds, drainage works and construction traffic management.

► Public transport

A new fleet of double-decker buses and new public transport routes was announced by the NSW Government ahead of the 2016 State Budget, including improvements to key bus corridors. At this point the improvements relate to enhanced services on the 270-274 routes (Frenchs Forest district to the City, via Babbage Road Roseville) operated by Forest Coach Lines. Further enhancements to the routes are being monitored.

ROAD SAFETY AND EFFICIENCY

► Road safety

A free child restraint and car seat checking day was held on 17 September for Ku-ring-gai residents. Child car seats, harness and booster seats were checked for safety and fit by an authorised fitter.

► Pedestrian safety

A Councillor workshop and briefing on the Pedestrian Access and Mobility Plan was held in June. The Plan will be further reviewed before reporting back to Council.



FURTHER READING
kmc.nsw.gov.au/roadsafety



Ku-ring-gai historical society Gordon. Photo by Chen Hu.

The year ahead

- Progress traffic and transport planning for local centre activation projects
- Construct new link road between Moree and Dumaresq Streets in Gordon
- Complete next stage of Ku-ring-gai Bike Plan
- Complete Pedestrian Access Mobility Plan
- Complete review of 10 year Traffic and transport Plan
- Continue collaboration with NorthConnex Authority on construction of NorthConnex M1 Pacific Motorway.

Summary of our performance 2015/16

ACCESS, TRAFFIC AND TRANSPORT

The tables in this section reflect the progress of our key work during 2015/16.

1. HOW WE PERFORMED AGAINST QBL TREND INDICATORS

► QBL trend analysis – key performance indicators

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

The following table indicates our performance for key 'economic' indicators for the 2015/16 year, under this theme, compared to the previous four years.

Measure	Unit	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
Roads upgraded	\$	6,627,090	6,848,018	8,160,787	8,031,854	9,671,674	Stable (1)
Fuel cost	\$	607,800	587,675	616,999	548,813	472,098	Decreased (2)
Street light maintenance costs	\$	1,857,816	1,919,023	1,996,184	1,759,384	1,678,918	Decreased (3)

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

(1) Additional funding continued to be redirected from organisational savings. The amount includes Federal and State government funding.

(2) There has been a reduction in fuel costs due to the market as well as vehicle selection focused towards diesel.

(3) Decreasing costs attributable to interim rates in place during 2014/15 while other changes were being assessed by the Australian Energy Regulator (AER). Decision on Ausgrid challenge not expected until after commencement of next regulatory period so final costs will be uncertain for a few more years. Future costs will be

determined by result of Ausgrid challenge to AER determination and leasing of network. Figures include GST.

2. HOW WE PERFORMED AGAINST COUNCIL'S PLAN

► Achievement of Operational Plan Tasks and Performance Indicators

The annual Operational Plan sets out 2015/16 tasks and performance indicators for each theme. The following tables indicate our performance in completing what we said we would do in 2015/16 under this theme.

Summary – 2015/16	Achieved
Completion of 2015/16 Tasks *	75%
Achievement of 2015/16 Performance Indicators **	33%

Notes:

* Of the 16 Tasks, 12 were achieved and 4 were not achieved during this period. All tasks not completed were carried over to the 2016/17 Operational Plan.

** Of the 6 Performance Indicators, 2 were achieved and 4 were not achieved during this period.

See Council's website link below for more information on our performance for 2015/16.

 FURTHER READING
kmc.nsw.gov.au/deliveryprogram

2015/2016 Performance Indicators	Target	Achieved
Additional footpath network.	0.9km	0.93
Number of new and upgraded pedestrian facilities (bus stops, crossings, islands).	10	5 ¹
Additional cycleway network.	2.5km	0 ²
Number of new and upgraded bicycle facilities.	5	1 ³
Increase in use of alternative modes of transport: Bicycle count data.	5%	0 ⁴
Reduction in the number of recorded collisions per year involving vehicles or pedestrians.	1.5%	3.67 ⁵

Notes:

(1) Delays have occurred to this program to allow Council's further consideration of a new draft Pedestrian Access and Mobility Plan. Resources for design and project management of bus stops and some footpath works have been reallocated to other high priority projects. Resources will be allocated back to bus stops and footpaths once those major works are completed.

(2) Planning and costings for a further 2.25km of cycle network in Roseville/ Roseville Chase progressed during the year but could not be delivered due to other workloads. Works are expected to

commence in the first quarter of 2016/2017.

(3) Planning for new cycling facilities was completed for various new and upgraded parks, sporting and recreation facilities. Due to on-going construction of these projects the new cycling facilities could not be delivered during the 2015/2016 year. The facilities are expected to be installed in the 2016/2017 year.

(4) During 2015/2016, the bicycle counting equipment was installed at 2 new priority locations in Ku-ring-gai to establish baseline data. As a result comparative data could not be collected at previous locations. It is expected that in 2016/2017, the counting

equipment will be rotated back to sites previously measured and this will enable comparative data to be collected and assessed.

(5) The best available data provided from the RMS is for the period 1 July 2013 – 30 June 2014, with a twelve month time lag in statistics. During this period there were 499 accidents on all roads within the Ku-ring-gai local government area, equivalent to a 3.67% reduction from the previous year (518 accidents).



FURTHER READING
kmc.nsw.gov.au/deliveryprogram



The Coonabarra Shops, Wahroonga. Photo by Liliana Duran.



Pastadelli Wahroonga. Photo by Helen Beasley.

THEME 5 Local Economy and Employment

This theme is about creating sustainable economic and employment opportunities through vital, attractive local and neighbourhood centres, business innovation and use of technology.

Economic development is about creating an environment that promotes sustainable business growth, investment, employment generation and making it easier for people to do business with Council.

During 2015/16 Council pursued opportunities and progressed initiatives to attract business and employment to Ku-ring-gai. This work focussed on areas such as employment growth, small business support, enhanced tourism opportunities as well as new investment and growth in local centres.

SERVICES PROVIDED UNDER THIS THEME

- Economic and social development
- Marketing
- Events coordination

What we achieved in 2015/16

STRENGTHENED LOCAL BUSINESS THROUGH PARTNERSHIPS

During the year, Council continued to forge stronger relationships with local and regional organisations and associations to help our local business community. Council became a member of the Small Business Friendly Council's program, an initiative of the Office of the NSW Small Business Commissioner and NSW Business Chamber, to assist Councils to work with and support local businesses. Currently 70 metropolitan and rural Councils have joined the program, representing over 360,000 small businesses and more than 50 per cent of all small businesses in the state.

Ku-ring-gai Council has joined the program and has committed to:

- Introducing six monthly business forums which will be measured through satisfaction of attendees and regular progress reports. The first of the biannual business forums was held in March. Nearly 100 people attended the event joining local state and federal politicians, representatives from the Office of the NSW Small Business Commission, NSW Business Chamber, other local business chambers and CSIRO to hear about the

innovation and ideas boom.

The event was a great success with very positive feedback and planning is now underway for two small business workshops on innovation and accessing government grants.

- Introduction of a monthly e-news to communicate specific information of interest to local businesses. The Ku-ring-gai Business Connections' e-news was launched in early 2016.
- Continuation of the existing schedule of breakfast seminars and evening networking events aiming to help local business connect with each other and learn collaboratively.

Council has developed strong relationships with representatives from the NSW Small Business Connect program, ensuring that their small business advisers are in attendance at Council events to provide practical business advice to attendees and to set up subsequent business coaching sessions.

► Small business events

Following our membership of the Small Business Friendly Council's program a series of seminars and events was delivered, covering a diverse range of topics to assist small business. Each event was well attended, focusing on topics

such as leadership, continuity planning, disaster and risk management, Cloud applications and tools, low cost marketing and cash flow management, innovation and news ways of thinking. Well regarded technical experts shared their insight, practical tips and advice.

► Small Biz Bus

During 2015/16 the Small Biz Bus visited offering advice to small business and prospective new businesses. The Small Biz Bus, sponsored by the NSW government, provides practical, free and independent advice to local business owners.

► Helping small business

A partnership with Ku-ring-gai Chamber of Commerce was established to support education and training in the local business community. Council is also working with the NSW Chamber of Commerce to determine opportunities for strengthening our local chambers including promoting their services to enhance business participation.

► E-news

The first issue of the monthly 'Ku-ring-gai Business Connections' e-news, commenced in January 2016 to promote events and

information relevant to business in the LGA. Council actively liaises with local chambers of commerce as well as the NSW Business Chamber and promotes their events and programs through the e-news.

Council's website, social media and local media continues to promote and support Ku-ring-gai business.

► **Better Business Partnership.**

The Better Business Partnership (BBP) program continues to provide a valuable sustainability advice service to small and medium businesses in Ku-ring-gai. Sixty eight businesses joined in 15/16 bringing the total membership to 222. During this financial year, 62 businesses were assessed for their energy, water and waste performance and provided with tailored sustainability advice. In addition, 64 businesses received a detailed waste audit. This service has identified a potential diversion of 4,555,794 litres (1035 tonnes) of annual waste from landfill. A total of 25,590 kWh of annual electricity savings was achieved by businesses that received an energy audit.

A further \$7 million in funding to assist 26 NSW Councils and organisations help small-to-medium businesses increase recycling, reduce waste and lower costs was announced. The Better Business Partnership funded by Ku-ring-gai, North Sydney and Willoughby City Councils was successful in securing funding.

Local businesses have been provided with a Missed Business Guide, which was developed in partnership with the Better Business Partnership. The guide provides information that supports businesses to be accessible and meet the needs of clients with access needs

CONSULTED ON CENTRES REVITALISATION PLANS

The business community, Chambers of Commerce and home based businesses were consulted



Business Forum at the CSIRO, Lindfield



Business Breakfast Seminar at Roseville Golf Club

regarding major activation projects, public domain upgrades and improvement programs particularly Activate Lindfield and Activate Turramurra. A major program for the Activate Turramurra Project included engaging with both local businesses and Chambers of Commerce. Council also attended a business meet and greet in Lindfield to discuss local business issues including the Lindfield Hub and Village Green developments.

Key stakeholders and the business community were consulted on designs to revitalise The Mall Shops, Warrimoo Avenue, St Ives Chase and construct an accessible link to The Mall Park. The concept designs were adopted in late 2015. The detailed design has been completed and tender documents and specifications are now being prepared for construction tenders.

REGIONAL ECONOMIC CO-OPERATION

We are actively working with neighbouring Councils to determine areas for economic growth. Partnerships are active with the Northern Beaches Council and Ku-ring-gai is working closely to complement the Better Business Partnership program in northern Sydney.

Staff are also active participants in Economic Development Australia events and benefit from these learning and networking opportunities to develop strategies to better support local businesses.

Council maintains ongoing dialogue with local Chambers of Commerce and business groups to implement economic development priorities and actions. Ideas from these



St Ives Medieval Faire

discussions are used to inform our plans for business engagement and other economic development activities.

We also facilitated discussions with the State Government Office of Small Business Commissioner and other regional bodies such as Business North Shore and NSW Business Chamber to develop regional partnerships and strengthen the local economy. The Activate Ku-ring-gai projects are important strategic employment opportunities which were progressed during the financial year.

PROMOTED LOCAL ACTIVITIES AND EVENTS

Events are an important factor in attracting visitors and feature prominently in the development and marketing plans of most destinations. These events, which have the potential to attract visitors from all over Sydney and beyond, were supported by extensive marketing campaigns. The events also provided opportunities for local businesses to promote their services, with the aim of strengthening local and neighbourhood business centres.

Ku-ring-gai continued to work with community partners to develop a marketing program that promotes and supports local activities, both new and existing. Council

administered a sponsorship program distributing \$60,000 during the year to a range of events that support the arts, sports and festivals.

Successful events during 2015/16 included the Medieval Faire, Back to the 50's Festival, Polo Spectacular, Wildflower Garden Festival and the Wahroonga Food and Wine Festival, St Ives Food and Wine Festival, Movies in the Park, Carols in the Park, Field of Crosses in Roseville, Festival on the Green and Australia Day.

Council provided marketing support to the community market at East Lindfield. This year the market extended operations from the community hall to the grassed area. Work has also continued on developing the organic food market at the old school site at St Ives.

INCREASED VISITORS AND TOURISM OPPORTUNITIES

During 2015/2016 Visitation numbers continued to increase at the St Ives Precinct, including the Ku-ring-gai Wildflower Garden, as a result of Council's successful events and promotional activities.

► Achievements during 2015/16 included:

- Total visitation for 2015/16 to the Wildflower Garden for programs, visitors, and functions was 27,764. An additional 3000 visitors attended the Wildflower Garden Festival. This represents a significant increase from 20,500 visits in 2014/15. Highlights have included 100% capacity in Campfire and Evening Spotlight events, successful introduction of Shakespeare in the Gardens, and the junior rangers programs.
- The St Ives Medieval Faire, Council's signature event, was held in September 2015 and attracted 8900 visitors. This unique event, heading into its third year, has drawn national

and international recognition for the most historically accurate joust and village. Strong bookings for September 2016 are already evident with almost 1700 people booked in advance. The event has strong interest from social groups, family and previous attendees. It also provides a boost to local tourism and travel with some 400 participants travelling from around Australia. DestinationNSW assist with marketing of the event through their various website portals.

- Council has been working with education rangers, promoters and other potential users to further develop programs and events to expand usage of the Wildflower Garden and St Ives Showground. Activities include a Romeo and Juliet production, curry festival, campfire birthdays and spotlight walks, YMCA trampoline classes at the Douglas Pickering Pavilion, children's duathlon events (running and cycling), Northside Riding Club Paralympics training program for 2020, increased filming bookings, and an overnight camping experience.

- The Precinct has also proved successful in hosting a variety of running and obstacle events. Recent events include The Anzac Challenge, attracting some 2000 participants, Oxfam Trail-Walker which attracted 100,000 participants and the Miss Muddy Run with 3000 participants. All running events have been well attended and are making their mark as regular and signature events for the showground program with Oxfam, Miss Muddy and the Anzac Challenge re-booking for 2017.

Planning for a new Cultural and Education Centre at the Ku-ring-gai Wildflower Garden has progressed during the year with concept drawings receiving Council approval.

Work has commenced on a tourism and visitation strategy to strengthen and expand tourism business in the Ku-ring-gai local government area.

The year ahead

- Continue marketing the St Ives Showground and Wildflower Garden precinct for events
- Progress Tourism and Visitation Strategy for Ku-ring-gai
- Strengthen economic partnerships.





Little Gem Cafe, Gordon. Photo by Peter Reynolds.

Summary of our performance 2015/16

LOCAL ECONOMY AND EMPLOYMENT

The tables in this section reflect the progress of our key work during 2015/16.

1. HOW WE PERFORMED AGAINST QBL TREND INDICATORS

► QBL trend analysis – key performance indicators

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

The following table indicates our performance for key 'social and economic' indicators for the 2015/16 year, under this theme, compared to the previous four years.

Measure	Unit	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
Ku-ring-gai Wildflower Garden visits	No.	9,434	12,384	17,900	20,500	30,764	Increased (1)
Major Events attendance	No.	25,540	38,500	51,121	24,000	35,000	Increased (2)

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

(1) There were a total of 27,764 visitors in 2015/16 to the Wildflower Garden for programs and functions. An additional 3000 attended the Wildflower Garden Festival. Highlights have included 100% capacity in Campfire and Evening Spotlight events, successful introduction of Shakespeare in

the Gardens and Junior rangers programs. This represents a 150% increase from 20,500 visits in 2014/15.

(2) Numbers of participants increased in 2015/16 due to improved weather conditions, increased promotion and event innovations.

2. HOW WE PERFORMED AGAINST COUNCIL'S PLAN

► Achievement of Operational Plan Tasks and Performance Indicators

The annual Operational Plan sets out 2015/16 tasks and performance indicators for each theme. The following tables indicate our performance in completing what we said we would do in 2015/16 under this theme.

Summary – 2015/16	Achieved
Completion of 2015/16 Tasks*	83%
Achievement of 2015/16 Performance Indicators**	100%

Notes:

* Of the 12 Tasks, 10 were achieved and 2 were not achieved during this period. All tasks not completed were carried over to the 2016/17 Operational Plan.

** All 6 Performance Indicators were achieved during this period.

See Council's website link below for more information on our performance for 2015/16.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram

2015/2016 Performance Indicators	Target	Achieved
Businesses in Ku-ring-gai Local Government Area (LGA).	13,499 number of businesses	13,572
Economic employment promotion initiatives delivered or facilitated by Council (annual program).	100%	100
Local jobs in Ku-ring-gai Local Government Area (LGA).	34,835 local jobs	37,447
Participants involved in economic employment forums, workshops and initiatives facilitated by Council.	45 participants	370
Visitation promotion initiatives delivered or facilitated by Council.	100% completion of agreed annual program	100
Visits to selected Ku-ring-gai attractions (Ku-ring-gai Wildflower Garden).	12,000 visits	30,764 ¹

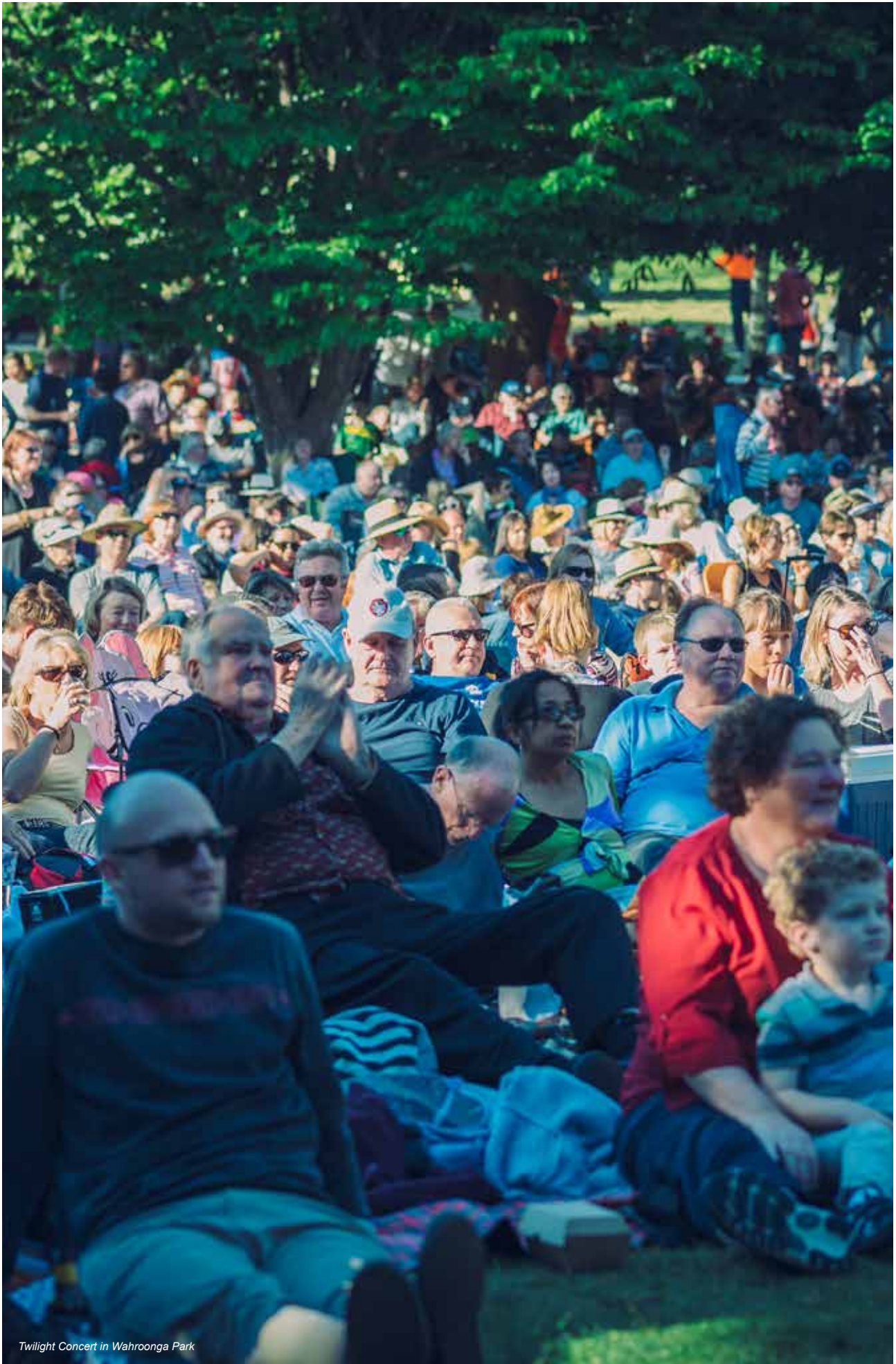
Notes:

1) Total visitation for 2015/16 is 27,764 for the Wildflower Garden for programs, visitors, and functions. An additional 3000 attended the Wildflower Garden Festival. Highlights have included 100% capacity in Campfire and Evening Spotlight events,

successful introduction of Shakespeare in the Gardens, Junior rangers programs. This represents a 150% increase from 20,500 visits in 2014/15.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram



Twilight Concert in Wairoonga Park

THEME 6 Leadership and Governance

This theme is about ensuring that Ku-ring-gai is well led, managed and supported by an ethical organisation which delivers projects and services to the community by listening, advocating and responding to their needs.

During 2015/16 Council continued to engage with the community regarding the planning and delivery of a wide range of projects, programs and services contained in the Community's Strategic Plan 2030, and Council's four-year Delivery Program and 2015/2016 Operational Plan. Consultation and engagement continued to be delivered in an innovative and open manner, tailored to reach a wide audience

and meeting high industry standards. We maintained a sound financial scorecard and continued to strengthen our asset management to ensure our service delivery is sustainable for the future. The organisation's commitment to staff health, safety and wellbeing was maintained to ensure a safe and productive work environment to deliver those services.

SERVICES PROVIDED

- Integrated planning and reporting
- Financial management
- Property and asset management
- Revenue accounting
- Governance
- Procurement
- Risk management
- Customer services
- Communication
- Community engagement
- Human resources
- Information management
- Administration and records
- Civic support

What we achieved in 2015/16

FOCUS ON FINANCIAL AND OPERATIONAL SUSTAINABILITY

During 2015/16 Council's focus was on maintaining a healthy financial position, underpinned by a sound income base and commitment to control and delivery of services, facilities and infrastructure required by the community in an effective and efficient manner.

Our financial position is sound and IPART has assessed Council as satisfying its criteria for being financially fit for the future. Council's current financial performance and position, including key financial indicators are monitored against the budget on a monthly basis and reported to Council as part of Quarterly Budget Reviews (QBRs). Financial indicators are assessed as part of the finalisation of the end of financial year budget review.

All indicators were met as identified in the Long Term Financial Plan (LTFP), with the exception of the Infrastructure Backlog Ratio. Council's adopted funding strategy for asset renewals estimated this ratio to decrease significantly in the first two years of the LTFP with further reduction in future years. The funding strategy was based

on divestment of assets. However as sales of assets have been delayed due to approvals from the Department of Planning additional funding could not be reinvested in Council's infrastructure.

Council invests its surplus cash and continuously looks to maximise its return on investments. Council's investments portfolio is compared to industry benchmark targets on a monthly basis. Investment returns as at end of June 2016 were above benchmark. The weighted average return for the total portfolio as at the end of June was 3.46% compared to the benchmark of the AusBond Bank Bill Index of 2.24%. The net return on investments as at June 2016 was \$4,082,000 against the annual revised budget of \$3,768,000, giving a year to date favourable variance of \$314,000. This was mainly due to a higher investment portfolio during the year from additional S94 funds.

A review and benchmarking analysis on Council's fees and charges against neighbouring Councils was completed in the 2014/15 financial year. Based on the review findings, Council approved increases to sportsground fees and charges over two financial years starting from 2015/16 to be more

consistent with similar facilities in the neighbouring Northern Sydney Regional Organisation of Councils (NSROC) councils. The second stage of fee increases to sportsground fees is reflected in Council's Fees & Charges for 2016/17 and adopted as part of the Delivery Program and Operational Plan 2016/17.

For more information on Council's funding strategies see Council's Resourcing Strategy, Four year Delivery Program and Operational Plan.

 **FURTHER READING**
kmc.nsw.gov.au/deliveryprogram

See also p105 for a summary of Council's financial performance and p109 for Council's audited Financial Statements for 2015/16.

► Commercial leasing

Council has been proactive to ensure that the commercial property portfolio provides market returns. A number of lease renewals including the Wade Lane air-bridge and the Gordon air-bridge lease for digital advertising, and a number of low impact telecommunications leases have been concluded which resulted in substantial rental payments being finalised. Council staff continue to negotiate, as opportunities arise, for

the granting of or extinguishment of easements over Council land and development sites in strict conformity with Council's Easement Management Policy. All commercial terms are negotiated on the basis of expert valuation advice provided by Council's valuers.

IMPROVED RISK MANAGEMENT

We recognise that all of our employees and Councillors are responsible for managing risk. Assistance and technical support are provided by the organisation's risk team working within the People and Culture Team to provide a more coordinated and customer focused response to risk issues.

To improve integrated risk management, compliance and internal control systems the following activities were progressed during 2015/16:

- Analysis of Council's current Risk Management Framework which identified a number of gaps. A review is currently being undertaken to simplify the framework for Council's multiple risk management obligations, together with the development of new templates and documentation.
- Development, mapping and testing of a new risk management program.
- A risk management plan has been developed for the Lindfield Community Hub project, along with a review of the risk management plan for the St Ives Medieval Faire.
- A review of Council's insurance processes/ protocols, policies and their coverage has been completed and implemented.

► Contingency Planning

A review of Council's Crisis Management and Business Continuity Plan framework and Contingency Plans has continued. The review has included the



Big Old Gum at Two Creeks Track, East Lindfield. Photo by Adam Klusman.

identification of a more simplified framework and development of associated documentation including forms, checklists, logs and reporting templates. This is to ensure that loss of service to residents and the community is minimised in the event of a catastrophic event in the Ku-ring-gai area. The four Major Contingency Plans – Workspace – Chambers, Workspace – Operations Depot, People and IT and Communications continue to be given a priority for development.

► Audit and Risk Committee

Our Audit and Risk Committee includes two external independent members (one of whom is the chair), and two Councillor Representatives. It provides independent assurance and assistance to our Internal Audit function in relation to risk

management, internal control, governance, external accountability responsibilities, financial reporting, and compliance with laws and regulations. Additionally, the Committee also provides a level of oversight on the follow-up and completion of any issues or actions identified by internal and external audits, customer and Code of Conduct complaints as well as independent oversight of, and strategic input into our Risk Management Framework.

The Audit and Risk Committee's work in 2015/16 included key reviews of project outcomes, revenue generation activities, financial statements, compliance with legislative updates and procurement, and an ongoing review of key controls and statutory audits.

CONTINUOUS IMPROVEMENT

Council can only achieve the outcomes it seeks for the community with the aid of a well-managed and resourced organisation focussed on working in the community's interest and continuously improving its delivery of services. With change continuously taking place in Council's activities the workplace must be able to adapt to these and other changes as they emerge.

Council also recognises its obligation to provide a safe, secure and satisfying workplace with appropriate resources for staff to carry out their responsibilities and deliver effective and efficient services to the community.

► Organisational values

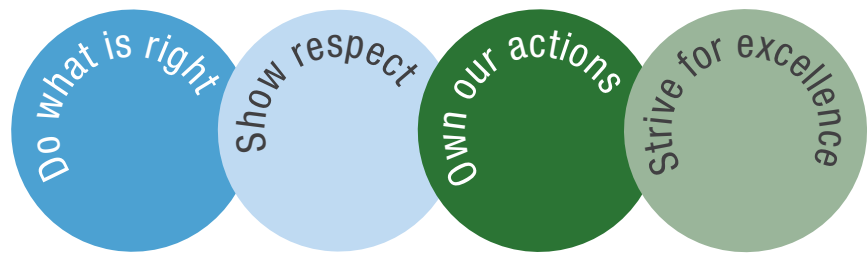
The corporate values support our vision, shape our culture and guide what we do day to day. The values, established during 2014/15, are prominently displayed around common staff areas and on every computer. Directors, managers and supervisors actively discuss the values with their staff and the ways they can be incorporated into their daily work.

► Equal Employment Opportunity (EEO) Plan

A review of Council's current EEO Plan has been undertaken to ensure Ku-ring-gai Council is a diverse workplace with opportunities for individuals irrespective of their background. A working group was established to ensure the new EEO Plan reflects a fair opportunity for all. The Plan sets out strategies for the next 4-5 years.

► A safe workplace

Council continues to provide a safe and healthy workplace for staff, contractors and the community. Key achievements during 15/16 include a review of Work Health and Safety (WH&S) metrics, implementation of action items from Council's WH&S Strategy within set timeframes, and continued interaction between staff and various WH&S committees. A new product to support a fully integrated and electronic WH&S



To guide the organisation's delivery of the themes, long term objectives and term achievements Council adopted the following corporate values in 2015:

DO WHAT IS RIGHT

- We act with integrity in everything that we do and say
- We make transparent, ethical and consistent decisions that support the vision of Council

SHOW RESPECT

- We are considerate towards others ensuring fairness, dignity and equality
- We practice and encourage transparent communication

OWN OUR ACTIONS

- We are accountable for our decisions
- We take responsibility for the outcomes of our choices, behaviours and actions

STRIVE FOR EXCELLENCE

- We work together as a team to achieve our full potential
- We have the insight and passion to lead Council into the future

management system has also been identified. A benefit of this system is that it is accessible by field staff using smart devices to ensure current information is available on demand including online checklists and forms best utilised when tasks are undertaken.

An audit of the Asbestos Management Policy/Manual was completed with remedial action underway to ensure compliance with legislation. Additionally, audits of confined entry procedures and first aid requirements are underway.

Phase one implementation of the SafeStart Safety Program was delivered. The program helps to deliver improvements in safety performance by engaging staff to increase their understanding of how mistakes are made in the workplace and what can be done about it. It assists staff to build new personal safety skills and modify existing habits to safer ones. Modules delivered, or in development, in 15/16 include induction, strains and sprains, risk management and work, health and safety. The program will continually evolve to include other important safety areas.

► New Learning Management System

A new Learning Management System (LMS) to complement and support the performance system at Ku-ring-gai was launched. The LMS enables the development of personalised learning plans, the delivery of eLearning courses, enablement of policy acknowledgements, and the creation of assessments and surveys. A range of eLearning courses will be available for employee self-selection with improved reporting practices for management and supervisors.

► New staff performance management system

A new staff performance management system, Perform, was introduced in August 2015. Perform's aim is to provide tools to make the process of measuring performance easier and more transparent for staff and managers. The system involves staff setting performance objectives which are reviewed, both formally and informally, throughout the year.

IMPROVED SYSTEMS AND EXPANDED ONLINE SERVICES

We are continually enhancing our productivity through the implementation of more effective and efficient procedures and systems: Key achievements in 2015/16 included:

- Installation of a new PABX and new communication links between Council's 12 sites. The new links improve performance and stability for both the data and voice networks. Combined with a new telecommunications provider, the new service has resulted in a reduction in call costs.
- Work continued to develop an Enterprise Asset Management system which will integrate the capital works reporting system with asset management, budgets and finance reporting.
- Council implemented the Legislative Compliance Database to increase the effectiveness of recording legislative and regulatory compliance obligations. Negotiations with the vendor of the database to continuously improve this tool are underway.
- A targeted system audit of Council's delegations register was undertaken and recommendations have been implemented. A full system audit of the register will be undertaken in the 2016/17 financial year.
- Policies and public registers on Council's website have been reviewed. The review relates to the requirements in Section 18 of the Government Information (Public Access) Act 2009 and Schedule 1 of the Government Information (Public Access) Regulation 2009, and a comparison with other Councils. The review identified that Council could improve its open access compliance by providing a link to a community land register and general improvements to Council's GIPA page. This will be further investigated in the 2016/17 financial year.
- System modifications and improvements have been made to Council's Seals Register, and Delegations and Controlled Documents system to ensure the accuracy and ongoing applicability of this system.
- Improvements have been made to applications of standard probity requirements with the successful completion of the Probity Services Accreditation Course enabling Council to provide probity services.
- A new project bid system which allows greater efficiencies in the project bid process is being utilised. The system is structurally aligned with Council's Integrated Planning themes and objectives.
- The Learning Management system, which enables the development of personalised learning plans, was implemented this year. The first module has allowed staff induction to be brought in house.
- Launched in mid-2015, Council's new Web Map is an easy to use online mapping service that will help residents and visitors to Ku-ring-gai plan their activities and find services they need. The service unlocks a comprehensive range of information and search functions for the first time. Statistics indicate that the map achieves about 80 hits per day.
- The implementation and customisation of Geocortex, a powerful web mapping tool, is progressing well with an expected launch in late 2016.
- Council launched its online Certificate Service in January 2016. A total of 4316 Planning Certificates were issued during 2015/16. To date approximately 84% of application are lodged and delivered online. Configuration has commenced on other applications applicable

to the development and regulation area of Council, such as Pre DA and Pre CDC applications.

ENHANCED COMMUNICATION TO STAKEHOLDERS

A comprehensive communications strategy ensure that the Ku-ring-gai community and other stakeholders remain informed of the many activities, services, major projects, consultations and achievements of Council throughout the year.

A central focus of communications during 2015/16 was on communicating Council's response to the State Government's proposed merger of Ku-ring-gai with Hornsby Council and Ku-ring-gai Council's subsequent court action. Regular updates on the progress of the legal action were undertaken through the Mayor's column, media releases, letters to the editor, web-based information pages, the Mayoral E-news and social media.

Communication campaigns were also undertaken for major policy changes including proposed changes by the state government to medium density housing controls and biodiversity legislation; mandatory changes to laws affecting the sale and leasing of properties with pools and/or spas; adoption of the revised bushfire management plan; the end of the State Government's Solar Bonus Scheme; changes to Council's DCP and Local Centres DCP and changes to State Government laws affecting boat trailer parking.

We also maintained a high level of engagement with the community regarding planning and delivery of a wide range of projects, programs and services contained in the Community Strategic Plan, Resourcing Strategy, four-year Delivery Program and 2015/2016 Operational Plan. Community engagement continued to incorporate innovative approaches designed to reach a wide audience and provide feedback for continuous improvement.

A key achievement was the successful community engagement for the Turrumurra Community Hub Masterplan. This included the use of digital and traditional media, meetings and deliberative workshops and an on-site Information Kiosk.

► Social media

Utilising various platforms to target the varied individual communication needs of the community we successfully promoted a large number of events, provided updates and information. Council's Facebook followers increased to 6732 with 11650 engaged users, Twitter following grew to 2309; Instagram to 838 and LinkedIn to 575.

We also managed a number of additional Facebook pages which are purpose built for different members of the community and community services including youth services, Council's Mayor, sustainability and library.

The monthly Ku-ring-gai E-news has 7870 active subscribers. Council also distributes a number of e-newsletters targeting different audiences including the Business E-news, Sustainability E-news, Mayor's E-news, Library E-news, Vacation Care E-news and the Arts Centre E-News.

Public use of Council's website has continued to steadily increase, with a 6.8% rise in overall use in the past six months and a 2.4% increase in page views.

► Reporting and Design Excellence

Council's excellence in reporting on the progress of the Community Strategic Plan was recognised with a gold award for the second consecutive year for its 2014/2015 Annual Report. The Annual Report details the organisation's overall performance and communication with its stakeholders. The Awards are open to all public and private industry sectors in Australia and Asia and provide an opportunity for organisations to benchmark their reports against world best practice for annual reports.

Council's graphic design team

consistently provide a diverse range of creative design solutions to effectively communicate Council services, programs, events and facilities to our community.

Creative material produced during 2015/16 included the Refugee Pack - invitations, stickers and programs; school holiday programs; library events; various senior events and seminar promotional material; Lights of our Lives promotional material; sustainability events; St Ives Medieval Faire; design of the Delivery Program 2013-2017 and Operational Plan 2015-2016; Climate Wise Manual; redesign of various walking track brochures and maps; interpretive signage for walking tracks in the Ku-ring-gai Wildflower Garden; Art Centre Semester program; Youth Services events and re-design of all children services material.

During 2015/16 there was a stronger focus on digital promotion to reduce the amount of printed material. This includes electronic kiosks, library and Art Centre TV screens, social media graphics, website, e-newsletters and digital advertising (North Shore Times, North Shore Mums, staff email signature).

IMPLEMENTED CORPORATE SUSTAINABILITY INITIATIVES

Ku-ring-gai Council is recognised as a leader in sustainability. Council recently received two awards for demonstrating leadership in sustainability for their bushland management program (Local Government NSW Excellence in the Environment Awards) and their Climate Wise Communities Program (Australian Government's Resilience Australia Awards).

Sustainability is integrated into Council's business framework. Council's staff sustainability network, the Ku-ring-gai Green Backs (KGB), continue to be available to support implementation of actions under the Corporate Sustainability Action Plan (CSAP). Highlights during 2015/16 include:

- A progress review of the plan undertaken with managers, which included a presentation of the Corporate Sustainability Snapshot.
- Delivery of Environmentally Sensitive Lands training in Aboriginal Heritage Awareness to staff, ArcGIS (mapping) and undertaking environmental assessments for capital and operational works.
- Investigating options for source separation systems of waste generated at Council facilities and equipment for recycling of organic waste.
- Assessment of options for a central collection system for hard-to-recycle waste such as batteries and CD/DVD/VHS media.
- Rollout of centralised procurement of sustainable serving ware and tea/coffee for all council events and meetings.

Council's sustainability data management and reporting system (Envizi) continues to enable data relating to Council's key sustainability performance indicators (including energy, water and waste data) to be accessible and reportable. It is effective in providing staff with on demand access to energy, water, and emissions data for project evaluation and usage monitoring. In addition, it assists with the compilation of corporate reports such as the Corporate Sustainability Snapshot, 6 monthly energy snapshots, and annual reporting indicators.

In 2015/16, additional functionality was incorporated into the system which allows automated monitoring of next day electricity metre data for Council's large sites. This automatically generated email alert is sent to Council staff when expected electricity consumption is exceeded. This feature has proven invaluable in detecting faults with building equipment and equipment and lighting.



North Turramurra Golf Course. Photo by Stuart Martin.

STRENGTHENED OUR PARTNERSHIPS

Ku-ring-gai's Community Strategic Plan 2030 identifies stakeholders, other than Council, who can play a role in delivering the community's desired outcomes stated in the Plan. Council continued to actively pursue and support numerous partnerships with business, community and not for profit groups as well as government agencies and NSROC to deliver those community outcomes.

Of particular note during 2015/2016 were joint working relationships with 7 partner councils to deliver the award winning Climate Wise Communities program which assists the community to respond to the impacts of a changing

climate outside of the Ku-ring-gai LGA, a working partnership with the Department of Education to progress the Lindfield Learning Village proposal to include improved access to community facilities and a successful grant for \$40,000 to upgrade the East Roseville Community Centre drainage and Park Avenue Playground under the State Government Community Building partnership and Federal Government Stronger Communities Programme.

Partnership arrangements continued during the period for priority areas with significant benefits for the Ku-ring-gai community. These included a partnership with a number of Rotary Clubs in Ku-ring-gai to reduce the incidence of illegal graffiti on private property,

and partnerships with Turramurra and Lindfield stakeholder groups established as part of the Activate Ku-ring-gai program. Council became a member of the Small Business Friendly Councils program established by the Office of the NSW Small Business Commissioner and NSW Business Chamber and work was undertaken with the State Government Office of Small Business Commissioner and other regional bodies such as Business North Shore and NSW Business Chamber in developing regional partnerships and strengthening the local economy.

The year ahead

- Continue to respond to the NSW Government's Fit for the Future initiatives and other local government reform proposals
- Maintain our long term financial sustainability and annual operating surplus
- Continue to satisfy performance measures for long term sustainability
- Maximise funds available for projects to upgrade or renew infrastructure
- Meet all statutory requirements for Integrated Planning and Reporting, financial reporting and other governance requirements.

Summary of our performance 2015/16

LEADERSHIP AND GOVERNANCE

The tables in this section reflect the progress of our key work during 2015/16.

1. HOW WE PERFORMED AGAINST QBL TREND INDICATORS

► QBL trend analysis – key performance indicators

Quadruple Bottom Line (QBL) refers to the framework for measuring and reporting on the achievement of key indicators of performance for Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

The following table indicates our performance for key 'social, economic and governance' indicators for the 2015/16 year, under this theme, compared to the previous four years.

Measure	Unit	2011/12	2012/13	2013/14	2014/15	2015/16	Trend
Customer service requests received	No.	25,208	23,679	22,375	25,769	28,551	Increased (1)
Customer requests completed	%	98	96	98	87	91.29	Increased (2)
Consultation surveys conducted	No.	45	42	38	60	49	
Leadership Training Program	No.	0	0	27	27	49	Increased
Induction Program	No.	5	5	4	4	4	Stable
Fulltime employee turnover rate	%	8	9	9.3	12	15.8	Increased
Number of policies reviewed	No.	27	10	11	4	7	Increased
Unrestricted Current Ratio	Ratio	2	2.04	2.88	2.50	2.58	Increased (3)
Restricted cash - internal	\$M	20,848	14,746	22,992	20,701	23,256	Increased (4)
Restricted cash - external	\$M	70,650	70,764	65,599	73,554	98,769	Increased (5)
Operating result before capital grants and contributions	\$M	8,360	4,815	3,117	13,460	6,819	Decreased (6)
Building & Infrastructure renewal expenditure	Ratio	1.00	0.95	1.04	1.00	0.82	Decreased (7)
Debt servicing	%	2	2.08	4.4	16.42	2.7	Decreased (8)
Loans/borrowings per year	\$M	2.23	28.3	12.8	1.03	0.66	Decreased
Collection Performance (Rates, Annual, Interest and Extra Charges only)	%	3.39	3.36	3.25	3.18	3.16	Stable
Re-votes expenditure	%	10.00	8.00	12.15	7.61	12	Increased
Return on investment	%	6	5.38	4.27	3.87	3.25	Decreased (9)
Number of ratepayers	No.	40,299	40,914	41,418	41,975	42,336	Increased
IPART rate increase approved (including special variations)	%	7.8	8.6	7.3	2.3	2.4	Increased (10)
Untied grants revenue	\$	4,207,000	3,338,000	2,046,000	3,833,000	3,801,000	Stable
Specific purpose grants revenue	\$	4,039,000	5,938,000	3,855,000	4,237,000	4,500,000	Increased (11)
Source of revenue from rates and annual charges	%	59	61.69	62.4	57.0	50	Decreased
Available funds balance (Working Capital)	\$M	5.7	5.90	4.7	4.7	4.7	Stable

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

(1) An increase in customer service requests received was due in part to an online eRequest facility being established, which has made it easier for residents to submit requests. In addition, population growth, particularly as a result of multi-unit residential development, has increased regular service requests such as waste collection.

(2) There was an increase in waste and everyday requests which are closed more quickly.

(3) This increase is above the benchmark of 1.5 and has been outperforming the benchmark for the last four years

(4) This increase was due to increased unrestricted income.

(5) This increase was due to s94 contributions.

(6) This decrease is largely due to a decrease in net gain from asset sales.

(7) The decrease was due to delays in obtaining funding for planned asset renewal. This will be caught up in future years.

(8) The decrease is due to decreased principal repayments during the year.

(9) Return on investment is decreasing due to lower interest rates and lower than

anticipated return on investment portfolio. Nevertheless, it exceeded the bank bill benchmark by 1.2% (2.2% Aus Bond Bank Bill Index).

(10) The approved rate peg increase was 2.4% in 2015/16.

(11) Special purpose grants revenue increased due to transport grants received in advance.

2. HOW WE PERFORMED AGAINST COUNCIL'S PLAN

► Achievement of Operational Plan Tasks and Performance Indicators

The annual Operational Plan sets out 2015/16 tasks and performance indicators for each theme. The following tables indicate our performance in completing what we said we would do in 2015/16 under this theme.

Summary – 2015/16	Achieved
Completion of 2015/16 Tasks *	83%
Achievement of 2015/16 Performance Indicators **	91%

Notes:

* Of the 69 Tasks, 57 were achieved, 11 were not achieved and 1 was placed on hold during this period. All tasks which were not completed, excluding one, were carried over to the 2016/17 Operational Plan.

** Of the 22 Performance Indicators, 20 were achieved and 2 were not achieved during this period.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram

2015/2016 Performance Indicators	Target	Achieved
Occupancy rate of Council property portfolio.	90%	97
Debt Service Percentage. Lesser is better.	4.0%	2.7
Working Capital.	\$4M (greater than or equal to)	4.6
Unrestricted Current Ratio.	2.0 ratio	2.6
Rates and Annual Charges Coverage Percentage. Lesser is better.	60%	50
Rates Outstanding Percentage. Lesser is better.	4.0%	3.16
Statutory financial reports are prepared and reported to Council in compliance with legislative requirements.	100% requirements met in period	100
Building and Infrastructure Renewals Funding Ratio.	100%	82 ¹
Invoices paid to small businesses within 30 days from invoice date.	90%	92
Statutory governance and integrated planning reports are prepared and reported to Council in compliance with legislative requirements.	100% requirements met in period	100
Risk management performance against Council's Enterprise Risk Management Framework.	100% reports presented to Audit Committee in period	100
Council's Business Papers are accessible via Council's website in a timely manner.	100%	100
Request for information applications completed within statutory timeframes.	90%	100
Council's policies are accessible via Council's website in a timely manner.	98%	100
Staff Turnover Rate. Lesser is better.	10%	9.53 ²
Reduction in Lost Time Injuries (LTI).	5% reduction from same period in 2012	+70 ³
Staff participation in learning and development.	40%	47 ⁴
Computer network availability.	98% consistently maintained	99
Customer service enquiries responded to within agreed service delivery standard.	85%	85
Customer requests actioned within agreed service delivery standard.	85%	85
Community engagement activities facilitated by Council.	100% completion of agreed annual program	100
Increase in community access of information about local activities and services.	5% increase in access	5

Notes:

(1) This indicator assesses Council's rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating. A ratio of 82% indicates that the amount spent on asset renewals is lower than the amount of depreciation on Infrastructure Assets. Council's ratio for 2015/16 was below the benchmark of 100% due to the delay in obtaining approvals from the NSW Department of Planning to enable asset sales which would in turn provide funding for infrastructure renewal. A number of infrastructure renewal projects have been carried forward to the financial new year. Council will continue to focus on appropriate asset standards for renewal and maintenance of its assets and prioritise renewal capital works programs.

(2) The staff turnover rate is consistent with previous years. Staff turnover at Ku-ring-gai Council remains primarily a function of career advancement, retirement and changed personal circumstances.

(3) In the past year Council has had a 70% increase in Lost Time Injuries – rising from 10 in 2014/15 to 17 in 2015/16. In 2014-2015 Council achieved a record low for lost time injuries and remains one of the best performing councils in NSW. Ku-ring-gai Council has been consistently trending downward for the past six years on most WHS indicators. The number of lost time injuries is comparable to the average annual number of Lost Time Injuries calculated over the last 7 years which is (on average) 18 per year. Ku-ring-gai Council's performance, when benchmarked against other councils,

is still excellent with all but two of the 17 lost time injuries being of very short duration (usually less than 7 days). Two significant Lost Time Injuries have accounted for the majority of time lost and both have been reviewed and the unique issues associated with those injuries have been addressed as part of Council's ongoing WHS management system processes.

(4) More than 47% of employees participated in 'in house' delivered learning and development activities. A further 110 attendances were recorded for staff attending approved external training, seminars or conferences.



FURTHER READING
kmc.nsw.gov.au/deliveryprogram



FINANCIAL INFORMATION

The Financial Statements show that Council has achieved a sound financial result for 2015/16. Council's net operating result for the financial year ended 30 June 2016 was a surplus of \$41.97m including Grants and Contributions for capital purposes. After adjusting for Capital Grants and Contributions, the net operating result was \$6.82m. The actual working capital as at 2015/16 was \$4.69m in line with the

target identified in Council's Annual Budget.

The Financial Statements for the year ended 30 June 2016 have been prepared in accordance with the Local Government Act 1993 (as amended) and Regulations, the Australian Accounting Standards and professional pronouncements and the Local Government Code of Accounting Practice and Financial

Reporting (Update No 24). The Statements are made up of the following:

- General Purpose Financial Statements (independently audited)
- Special Purpose Financial Statements (independently audited)
- Special Schedules

SUMMARY - FINANCIAL POSITION OF COUNCIL AS AT 30 JUNE 2016

The following table provides a summary of the financial results from the Financial Statements 2015/16:

Income Statement '000	Actual 2016	Actual 2015
Income from Continuing Operations	156,027	133,320
Expenses from Continuing Operations	114,057	110,734
Net Operating Result for the Year	41,970	22,586
Net Operating Result for the year before Grants and Contributions for Capital purposes	6,819	13,460
Statement of Financial Position '000	Actual 2016	Actual 2015
Current Assets	68,108	45,686
Non-Current Assets	1,262,158	1,147,464
Total Assets	1,330,266	1,193,150
Current Liabilities	24,608	23,445
Non-Current Liabilities	22,629	24,280
Total Liabilities	47,237	47,725
Net Assets	1,283,029	1,145,425
Total Equity	1,283,029	1,145,425
Statement of Cash Flows '000	Actual 2016	Actual 2015
Net Cash Flow from Operating Activities	61,987	29,265
Net Cash Flow from Investing Activities	(59,285)	(11,122)
Net Cash Flow from Financing Activities	(2,595)	(17,909)
Net Decrease in Cash	107	234
Plus: Cash at beginning of year	184	(50)
Cash at end of Year	291	184
Plus: Investments on hand at end of year	125,567	97,100
Total Cash & Investments	125,858	97,284

For further details regarding the above financial results see the Financial Statements on page 109.

PERFORMANCE MEASUREMENT INDICATORS

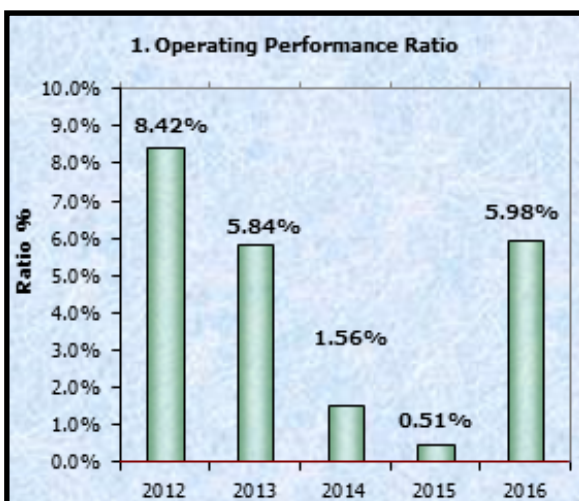
The Statement of Performance Measurement (See Note 13 of the Financial Statements on page 148 to 150 and Special Schedule 7 on page 221) provide ratios used to assess various aspects of Council's financial performance. These ratios have been prescribed by the Code of Accounting Practice for 2015/16, which are mainly the financial ratios identified in T-Corp's Financial Assessment and Benchmarking Report. The Infrastructure assets ratios listed in "Special Schedule 7 - Report on Infrastructure Assets" are Building, Infrastructure & Other Structures Renewal Ratio, Infrastructure Backlog Ratio and Asset Maintenance Ratio. These can be found on page 224 in the Special Schedule section of the Financial Statements.

The results of all financial indicators, including asset ratios, providing previous four years comparisons and commentary, are detailed in the charts below.

► Operating Performance Ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue. It is important to distinguish that this ratio is focussing on operating performance and hence capital grants and contributions, fair value adjustments and reversal of revaluation decrements are excluded. The benchmark is greater than (0%).

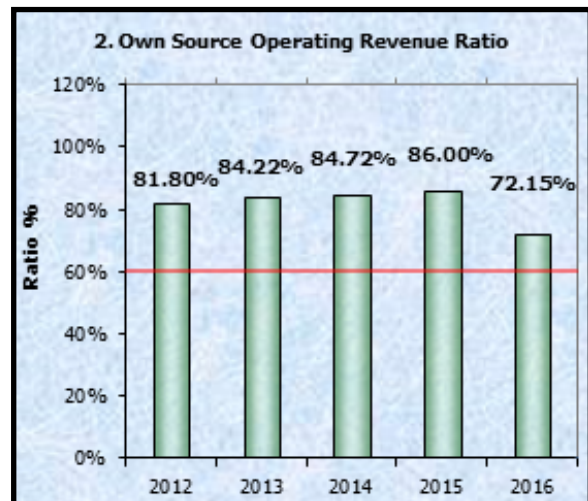
Council performance ratio is above the benchmark which means that Council can easily contain operating expenditure (excluding capital grants and contributions) within its operating revenue. The ratio has been above benchmark for the last four years. The increase from the previous year is largely due to higher operating revenue from user fees and charges



► Own Source Operating Revenue

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. Council's financial flexibility improves the higher the level of its own source revenue. The benchmark is greater than 60%.

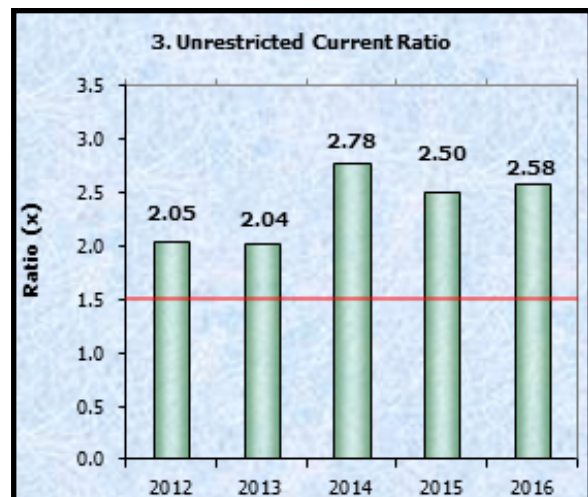
Council's Own Source Operating Revenue Ratio (72%) has remained above the benchmark of (>60%) in the last four years. Council has sufficient level of fiscal flexibility, in the event of being faced with unforeseen events.



► Unrestricted Current Ratio

The Unrestricted Current Ratio is designed to represent Council's ability to meet short term obligations as they fall due. The benchmark is greater than 1.5x.

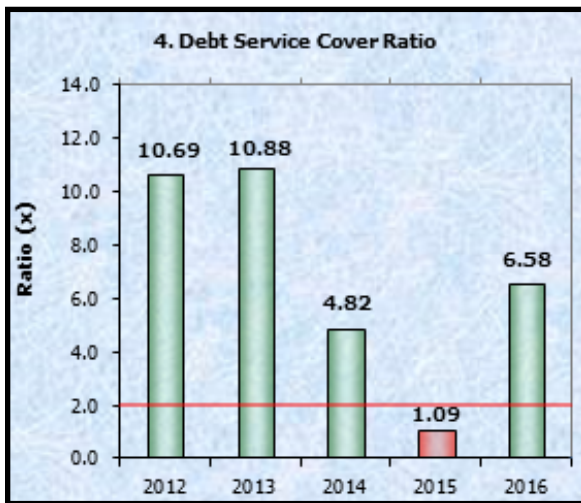
Council's Unrestricted Current Ratio at 2.58x is above benchmark of >1.5x and has been outperforming benchmark for the last four years. Council's liquidity is good and it can readily pay its debts as they fall due.



► **Debt Service Cover Ratio**

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark is greater than 2x.

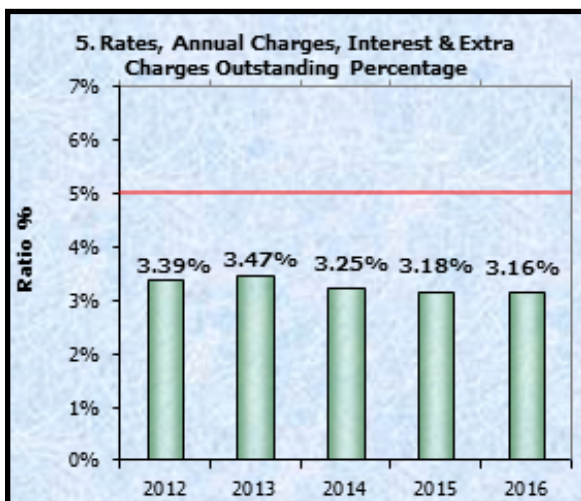
The Debt Service Cover Ratio has increased from the previous year and is above the benchmark of 2x, mainly due to decreased principal and interest repayments during the financial year compared to the year before.



► **Rates, Annual Charges, Interest & Extra Outstanding Percentage**

The purpose of this ratio is to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts.

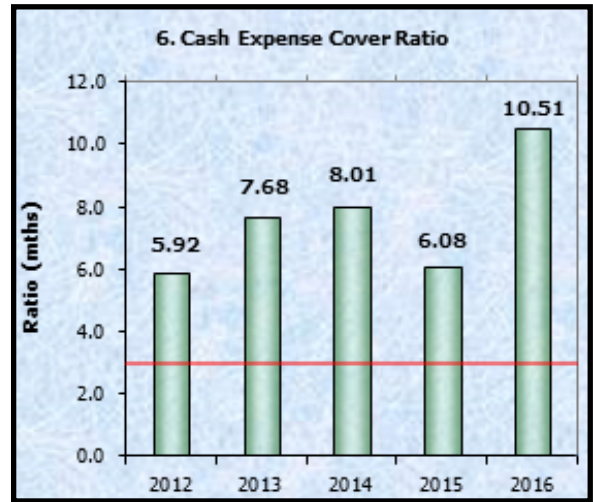
The percentage of rates and annual charges that are unpaid at the end of the financial year is a measure of how well Council is managing debt recovery. Council's ratio of 3.16% is satisfactory and is better than benchmark of "less than 5%".



► **Cash Expense Cover Ratio**

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

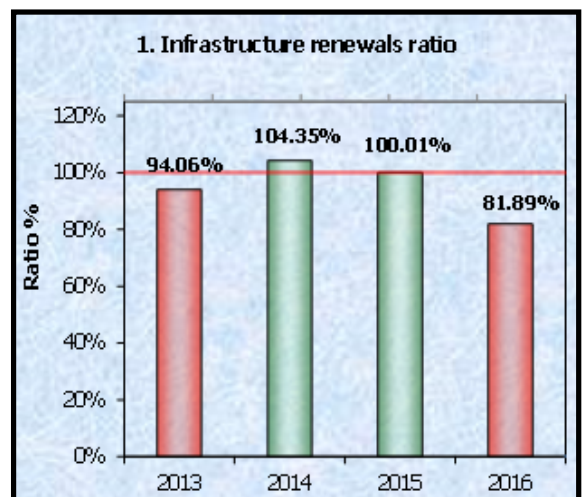
Council's Cash Expense Cover Ratio is satisfactory and above benchmark of "greater than 3 months".



► **Building and Infrastructure Renewal Expenditure**

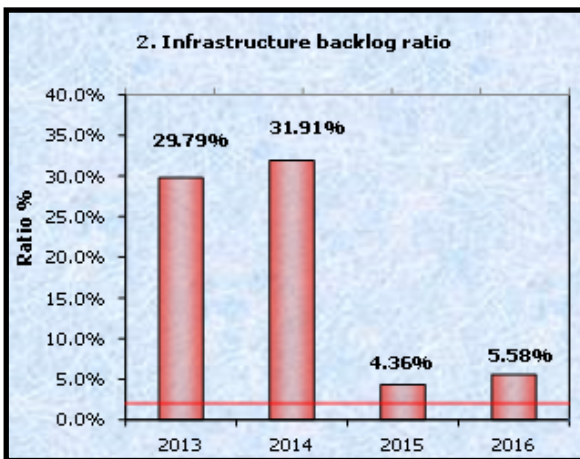
This indicator assesses Council's rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating.

A ratio of 82% indicates that the amount spent on renewing infrastructure assets is lower than the amount of depreciation on those assets. While Council's long term financial plan provides for infrastructure renewal to meet the benchmark of 100% in all years, in 2015/16 there were delays in obtaining funding for planned asset renewal that will be caught up in future years. Council will continue to focus on appropriate asset standards for renewal and maintenance of its assets and prioritise renewal capital works programs.



► **Infrastructure Backlog Ratio**

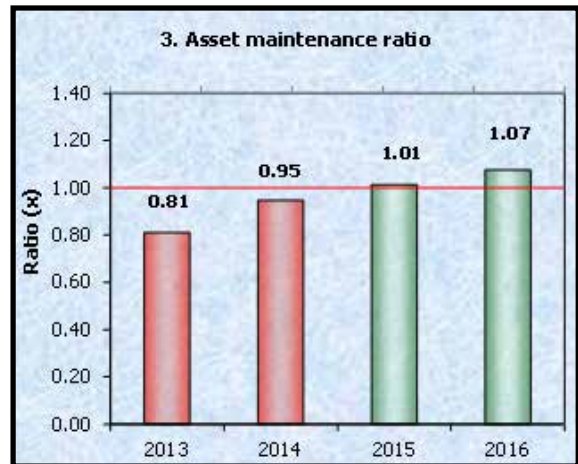
This ratio shows what proportion of the backlog is against the total value of Council’s infrastructure. Council achieved a backlog ratio of 5.58% at the end of 2015/16, which is an increase from the previous year largely due to less expenditure on asset renewals. The ratio indicates that Council still has an infrastructure backlog. Council is continuing to focus on appropriate asset standards for renewal and decreasing the infrastructure backlog in future.



► **Asset Maintenance Ratio**

This ratio compares actual versus required annual asset maintenance. A ratio of above 1.0 indicates that Council is investing enough funds within the year to ensure assets reach their useful lives. The benchmark is greater than 1.0.

Council is committed to increase expenditure on asset maintenance in future to maintain its infrastructure assets in satisfactory condition in the long term.



FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Ku-ring-gai Council.

(ii) Ku-ring-gai Council is a body politic 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.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 08 September 2015. Council has the power to amend and reissue these financial statements.

Understanding Council's Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

INTRODUCTION

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council and Community.

WHAT YOU WILL FIND IN THE STATEMENTS

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2016.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office of Local Government.

ABOUT THE COUNCILLOR/MANAGEMENT STATEMENT

The financial statements must be certified by senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for and ownership of the financial statements.

ABOUT THE PRIMARY FINANCIAL STATEMENTS

The financial statements incorporate five "primary" financial statements:

► 1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

► 2. The Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant and Equipment.

► 3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities and Net Wealth.

► 4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's Net Wealth.

► 5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

ABOUT THE NOTES TO THE FINANCIAL STATEMENTS

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

ABOUT THE AUDITOR'S REPORTS

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides two audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance and position.
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance and financial position.

WHO USES THE FINANCIAL STATEMENTS?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

Statement by Councillors and Management

MADE PURSUANT TO SECTION 413(2)(C) OF THE LOCAL GOVERNMENT ACT 1993 (AS AMENDED)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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

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

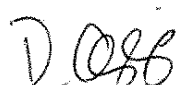
To the best of our knowledge and belief, these financial statements:


- 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 these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 20 September 2016.


Jennifer Anderson
MAYOR


David Ossip
DEPUTY MAYOR


John McKee
GENERAL MANAGER


Angela Apostol
RESPONSIBLE ACCOUNTING OFFICER

Income Statement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
Income from continuing operations				
Revenue:				
78,387	Rates and annual charges	3a	78,537	76,370
16,991	User charges and fees	3b	18,003	13,683
4,183	Interest and investment revenue	3c	4,218	4,027
10,723	Other revenues	3d	11,823	9,534
7,566	Grants and contributions provided for operating purposes	3e,f	8,295	7,728
18,162	Grants and contributions provided for capital purposes	3e,f	35,151	9,126
Other income:				
5,587	Net gains from the disposal of assets	5	–	12,852
141,599	Total income from continuing operations		156,027	133,320
Expenses from continuing operations				
38,679	Employee benefits and on-costs	4a	37,447	36,127
1,093	Borrowing costs	4b	948	1,562
38,654	Materials and contracts	4c	39,539	38,390
19,155	Depreciation and amortisation	4d	19,476	19,349
16,748	Other expenses	4e	16,242	15,306
–	Net losses from the disposal of assets	5	405	–
114,329	Total expenses from continuing operations		114,057	110,734
27,270	Operating result from continuing operations		41,970	22,586
27,270	Net operating result for the year		41,970	22,586
9,108	Net operating result for the year before grants and contributions provided for capital purposes		6,819	13,460

¹ Original budget as approved by Council – refer Note 16

This Statement should be read in conjunction with the accompanying Notes.

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
Net operating result for the year (as per Income Statement)		41,970	22,586
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	95,633	93,593
Total other comprehensive income for the year		95,633	93,593
Total comprehensive income for the year		137,604	116,179

This Statement should be read in conjunction with the accompanying Notes.

Statement of Financial Position

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015 * Reinstated	Actual 2014 * Reinstated
ASSETS				
Current assets				
Cash and cash equivalents	6a	291	184	–
Investments	6b	57,313	34,826	41,457
Receivables	7	8,042	8,081	7,811
Inventories	8	231	251	252
Other	8	2,231	1,304	1,159
Assets classified as 'held for sale'	22	–	1,040	7,290
Total current assets		68,108	45,686	57,969
Non-current assets				
Investments	6b	68,254	62,274	51,005
Receivables	7	133	150	185
Infrastructure, property, plant and equipment	9	1,174,318	1,084,422	984,728
Investment property	14	19,056	–	–
Intangible assets	25	397	618	748
Total non-current assets		1,262,158	1,147,464	1,036,666
TOTAL ASSETS		1,330,266	1,193,150	1,094,635
LIABILITIES				
Current liabilities				
Payables	10	12,211	10,609	11,055
Borrowings	10	1,584	2,536	4,397
Provisions	10	10,813	10,300	10,307
Total current liabilities		24,608	23,445	25,759
Non-current liabilities				
Borrowings	10	22,344	23,987	39,335
Provisions	10	285	293	295
Total non-current liabilities		22,629	24,280	39,630
TOTAL LIABILITIES		47,237	47,725	65,389
Net assets		1,283,029	1,145,425	1,029,246
EQUITY				
Retained earnings	20	776,315	734,344	711,758
Revaluation reserves	20	506,714	411,081	317,488
Council equity interest		1,283,029	1,145,425	1,029,246
Total equity		1,283,029	1,145,425	1,029,246

* Refer to Note 20(c) for the details of the reinstatement

This Statement should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total equity
2016						
Opening balance (as per last year's audited accounts)		734,344	411,081	1,145,425	–	1,145,425
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effect)	20 (d)	–	–	–	–	–
Revised opening balance (as at 1/7/15)		734,344	411,081	1,145,425	–	1,145,425
c. Net operating result for the year		41,970	–	41,970	–	41,970
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation reserve	20b (ii)	–	95,633	95,633	–	95,633
Total comprehensive income (c&d)		41,970	95,633	137,604	–	137,604
Equity – balance at end of the reporting period		776,315	506,714	1,283,029	–	1,283,029

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2015						
Opening balance (as per last year's audited accounts)		704,772	317,488	1,022,260	–	1,022,260
a. Correction of prior period errors	20 (c)	6,986	–	6,986	–	6,986
b. Changes in accounting policies (prior year effect)	20 (d)	–	–	–	–	–
Revised opening balance (as at 1/7/14)		711,758	317,488	1,029,246	–	1,029,246
c. Net operating result for the year		22,586	–	22,586	–	22,586
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation reserve	20b (ii)	–	93,593	93,593	–	93,593
Total comprehensive income (c&d)		22,586	93,593	116,179	–	116,179
Equity – balance at end of the reporting period		734,344	411,081	1,145,425	–	1,145,425

This Statement should be read in conjunction with the accompanying Notes.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
Cash flows from operating activities				
Receipts:				
77,465	Rates and annual charges		78,500	76,298
16,991	User charges and fees		19,052	14,925
4,183	Investment and interest revenue received		4,238	3,969
25,728	Grants and contributions		44,340	17,897
–	Bonds, deposits and retention amounts received		25	36
10,744	Other		12,856	14,789
Payments:				
(36,853)	Employee benefits and on-costs		(36,992)	(36,187)
(35,174)	Materials and contracts		(42,885)	(42,295)
(355)	Borrowing costs		(948)	(812)
–	Bonds, deposits and retention amounts refunded		(305)	(124)
(20,930)	Other		(15,894)	(19,231)
41,799	Net cash provided (or used in) operating activities	11b	61,987	29,265
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		35,546	39,216
–	Sale of assets held for sale		1,146	12,607
11,587	Sale of infrastructure, property, plant and equipment		773	9,618
Payments:				
–	Purchase of investment securities		(64,052)	(43,813)
–	Purchase of investment property		(256)	–
(47,669)	Purchase of infrastructure, property, plant and equipment		(32,328)	(28,750)
(36,082)	Net cash provided (or used in) investing activities		(59,285)	(11,122)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		656	283
Payments:				
(2,228)	Repayment of borrowings and advances		(3,251)	(18,192)
(2,228)	Net cash flow provided (used in) financing activities		(2,595)	(17,909)
3,489	Net increase/(decrease) in cash and cash equivalents		107	234
5,975	Plus: cash and cash equivalents – beginning of year	11a	184	(50)
9,464	Cash and cash equivalents – end of the year	11a	291	184
	plus: Investments on hand – end of year	6b	125,567	97,100
	Total cash, cash equivalents and investments		125,858	97,284

Please refer to Note 11 for additional cash flow information

This Statement should be read in conjunction with the accompanying Notes.

Contents of the Notes accompanying the Financial Statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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Note 1. Summary of Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Ku-ring-gai Council has its principal business office at 818 Pacific Highway Gordon NSW 2072. Council is empowered by the New South Wales Local Government Act (LGA) 1993 and its Charter as specified in Section 8 of the Act.

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards Board (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements, which have been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the *Local Government Act (1993)* and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the not-for-profit sector (including local government) which are not in compliance with IFRSs, or
- (b) specifically exclude application by not-for-profit entities.

Accordingly, in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the *Local Government Act (LGA)*, Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

(iii) New and amended standards adopted by Council

There have been no new accounting standards adopted in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

(iv) Early adoption of accounting standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015, except for AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, which has reduced the fair value disclosures for Level 3 assets.

(v) Basis of accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) assets held for sale - measured at fair value less cost of disposal
- (ii) the write down of any asset on the basis of impairment (if warranted), and
- (iii) certain classes of non-current assets (eg. infrastructure, property, plant and equipment and investment property) that are accounted for at fair value.

The accrual basis of accounting has also been applied in their preparation.

(vi) Changes in accounting policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated.

(vii) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly, this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of infrastructure, property, plant and equipment.

(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 it, and specific criteria have been met for each of the Council's activities as described below.

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.

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.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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 from contributions is recognised when the Council either obtains control of the contribution or the right to receive it, (i) it is probable that the economic benefits comprising the contribution will flow to the Council and (ii) 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).

Note 3 (g) 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 s94 of the *EPA Act 1979*.

Whilst Council generally incorporates these amounts as part of a Development Consents 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.

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

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

A detailed note relating to developer contributions can be found at Note 17.

User charges, fees and other Income

User charges, fees and other income are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

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

Interest income from cash and investments is accounted for using the effective interest rate at the date that interest is earned.

Other Income

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

(c) Principles of consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it controls (as at 30 June 2016) and (ii) all the related operating results (for the financial year ended the 30th June 2016).

(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. Council's General Purpose Operations have been included as part of the consolidated fund. Council does not hold money or property in a Trust fund.

(ii) Joint Arrangements

Joint operations (controlled assets and operations)

Joint operations represent operational arrangements where the joint control parties have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

The proportionate interests of Council in the assets, liabilities, income and expenses of all Joint Operation activities have been incorporated throughout the financial statements under the appropriate notes and line items.

Detailed information relating to Council's joint operations can be found at Note 19 (c).

Joint ventures

Council has no interest in any joint venture.

Associates

Council has no interest in any associates.

(d) Leases

All leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Operating Leases

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 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) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

- cash on hand,
- deposits held at call with financial institutions,
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into cash and cash equivalents for presentation of the Cash Flow Statement.

(f) Investments and other financial assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments,

Each classification depends on the purpose or intention for which the investment was acquired and at the time it was acquired.

Management determines each investment classification at the time of initial recognition and 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 include financial assets that are 'held for trading'.

A financial asset is classified in the 'held for trading' category if it is acquired principally for the purpose of selling in the short term.

(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 arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the 'loans and receivables' classification, these investments are generally quoted in an active market.

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.

General accounting and measurement of financial instruments:

(i) Initial recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at 'fair value through profit or loss', directly attributable transactions costs.

Purchases and sales of investments are recognised on trade-date – the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent measurement

Financial assets at fair value through profit and loss are subsequently carried at fair value.

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

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as 'fair value through profit or loss'

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

category are included in the income statement in the period in which they arise.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. loans and receivables), the amount of 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) discounted at the financial asset's original effective interest rate.

(iii) Types of investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its Investment Policy in compliance 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 that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(g) 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.

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding rates and annual charges) are generally due for settlement no more than 30 days from the date of recognition.

A provision for impairment (i.e. an allowance account) relating to receivables is established when objective evidence shows that Council will not be able to collect all amounts due according to the original terms of each receivable.

(i) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

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

(j) Infrastructure, property, plant and equipment (I,PP&E)

Acquisition of assets

Council's non-current assets are continually revalued (over a 5-year period) in accordance with the Fair

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Valuation Policy as mandated by the Office of Local Government.

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

- **Plant and equipment**
(as approximated by depreciated historical cost)
- **Operational land** (external valuation)
- **Community land** (VG valuation)
- **Land improvements**
(as approximated by depreciated historical cost)
- **Buildings – specialised/non-specialised**
(external valuation)
- **Other structures**
(as approximated by depreciated historical cost)
- **Roads assets including roads, bridges and footpaths** (internal valuation)
- **Bulk earthworks** (internal valuation)
- **Stormwater drainage** (internal valuation)
- **Swimming pools** (as approximated by depreciated historical cost)
- **Recreational Facility Assets**
(as approximated by depreciated historical cost)
- **Other infrastructure**
(as approximated by depreciated historical cost)
- **Other assets**
(as approximated by depreciated historical cost)

Initial recognition

On initial recognition, an asset's cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date, being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

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.

Asset revaluations (including indexation)

In accounting for asset revaluations relating to infrastructure, property, plant and equipment:

- increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve,
- to the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss,
- net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income Statement.

Full revaluations are undertaken for all assets on a 5-year cycle.

Capitalisation thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following:

Asset capitalisation thresholds:

- Road Assets	\$10,000
- Bridge Assets	\$10,000
- Road & Reserve Furniture	\$2,000
- Car Park Assets	\$10,000
- Footpath Assets	\$5,000
- Kerb & Gutter Assets	\$5,000
- Stormwater Drainage Assets	\$10,000
- Buildings	\$5,000
- Parks & Recreation Assets	\$5,000

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

- Fleet & Plant	\$2,000
- Information Technology Hardware/ Software	\$2,000

In determining (and annually reviewing) such thresholds, regard is given to the nature of the asset and its estimated service life.

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight-line method in order to allocate an asset's cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

- Roads: Surface	20 - 30 years
- Roads: Pavement	50 - 100 years
- Roads: Formation	120 years
- Recreational Facilities	30 - 100 years
- Drain Structures	10 - 50 years
- Drain grates, inlets and pipes	100 - 150 years
- Buildings	60 - 95 years
- Motor vehicles	10 years
- Plant & Equipment	10 years
- Office Equipment	10 years
- Software	5 years
- Land Improvement	20 years
- Car Park	20 - 100 years
- Bridges	10 - 100 years
- Footpaths	40 - 80 years
- Kerb & Gutter	60 - 100 years

All asset residual values and useful lives are reviewed and adjusted (if appropriate) at each reporting 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.

Disposal and de-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land (other than land under roads) is in accordance with Part 2 of Chapter 6 of the *Local Government Act (1993)* classified as either operational or community.

This classification of land is disclosed in Note 9 (a).

(l) Land under roads

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

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

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

(m) Intangible assets

IT development and software

Systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include software licenses.

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

(n) Investment property

Investment property comprises buildings that are principally held for long-term rental yields, capital gains or both, that is not occupied by Council. Investment property is carried at fair value. Annual changes in the fair value of investment properties are

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

recorded in the Income Statement as part of 'other income'.

(o) Non-current assets 'held for sale'

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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.

For any assets or disposal groups classified as non-current assets 'held for sale', an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets 'held for sale' 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.

(p) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed 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.

(q) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year that are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(r) Borrowing costs

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

(s) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events,
- it is more likely than not 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.

(t) Employee benefits

(i) Short-term obligations

Short-term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be wholly settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

All other short-term employee benefit obligations are presented as payables.

Liabilities for non-vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no liability has been recognised in these reports.

Wages and salaries, annual leave and vesting sick leave are all classified as current liabilities.

(ii) Other long-term obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based 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 5 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 5 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.

Defined benefit plans

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 can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the 'Local Government Superannuation Scheme – Pool B'.

This scheme has been deemed to be a 'multi-employer fund' for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 24th February 2016, relating to the period ending 30 June 2015.

The position is monitored annually and the actuary has estimated that as at 30 June 2016 the prior period deficit still exists.

As a result the Scheme has asked for a continuation of increased future contributions to recover that deficiency.

Council's share of that deficiency cannot be accurately calculated as the scheme is a mutual

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

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.

Defined contribution plans

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

(u) Allocation between current and non-current assets and 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.

Exceptions

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 it is not expected to be settled within the next 12 months.

(v) 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).

Goods and Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / 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.

(w) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

Council has not adopted any of these standards early.

These include the following standards that are anticipated will impact on local government:

AASB 9 – Financial Instruments

AASB 15 – Revenue from Contracts with Customers and associated amending standards

AASB ED 260 – Income of Not-for-Profit Entities

AASB16 – Leases

AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

AASB 2014 – 10 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

AASB 2014 – 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

Note 1. Summary of Significant Accounting Policies (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

The full impact of the above standards has yet to be ascertained or quantified but will range from additional and/or revised disclosures to changes in how certain transactions and balances are accounted for.

(x) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(y) 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.

(z) Disclaimer

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

Note 2(a) Council Functions/Activities - Financial Information

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	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 2016	Actual 2016	Actual 2015	Original Budget 2016	Actual 2016	Actual 2015	Original Budget 2016	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Governance	3	7	11	295	265	176	(292)	(258)	(165)	52	—	96,878	87,463
Administration	59,292	71,679	48,978	25,850	22,444	25,200	33,442	49,235	23,778	—	59	184,940	165,926
Public order and safety	442	820	638	4,405	4,430	4,147	(3,963)	(3,610)	(3,509)	388	278	7,281	6,533
Health	130	289	173	567	509	373	(437)	(220)	(200)	—	24	8,332	6,578
Environment	22,487	23,196	20,905	26,739	26,414	24,547	(4,252)	(3,217)	(3,642)	211	172	5,551	4,980
Community services and education	7,102	7,587	6,808	6,511	7,228	6,514	591	359	294	1,233	1,414	11,739	10,532
Housing and community amenities	1,022	1,199	1,148	4,531	4,134	4,466	(3,509)	(2,935)	(3,318)	473	475	63,049	56,567
Recreation and culture	7,077	7,078	10,646	25,561	26,816	23,846	(18,484)	(19,738)	(13,200)	332	513	376,358	337,665
Mining, manufacturing and construction	2,266	2,463	2,259	5,230	6,898	7,829	(2,964)	(4,435)	(5,570)	—	—	1,951	1,750
Transport and communication	5,764	4,792	6,678	14,302	14,572	13,441	(8,538)	(9,780)	(6,763)	1,811	1,302	574,187	515,155
Economic affairs	63	655	31	338	347	195	(275)	308	(164)	—	—	—	—
Total functions and activities	105,648	119,765	98,275	114,329	114,057	110,734	(8,681)	5,708	(12,459)	4,500	4,237	1,330,266	1,193,150
General purpose income ¹	35,951	36,262	35,045	—	—	—	35,951	36,262	35,045	3,801	3,833	—	—
Operating result from continuing operations	141,599	156,027	133,320	114,329	114,057	110,734	27,270	41,970	22,586	8,301	8,070	1,330,266	1,193,150

1. Includes: rates and annual charges (incl. ex-gratia), united general purpose grants and unrestricted interest and investment income.

Note 2(b) Council Functions/Activities - Component Descriptions

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

GOVERNANCE

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

ADMINISTRATION

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

PUBLIC ORDER AND SAFETY

Fire protection, animal control, enforcement of local government regulations, emergency services, other.

HEALTH

Inspection, immunisations, food control, health centres, other, administration.

ENVIRONMENT

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

COMMUNITY SERVICES AND EDUCATION

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

HOUSING AND COMMUNITY AMENITIES

Housing, town planning, street lighting, other sanitation and garbage, public cemeteries, public conveniences, other community amenities.

RECREATION AND CULTURE

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

MINING, MANUFACTURING AND CONSTRUCTION

Building control, abattoirs, quarries, pits and other.

TRANSPORT AND COMMUNICATION

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RMS works, other.

ECONOMIC AFFAIRS

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, commercial nurseries, other business undertakings.

Note 3 Income from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(a) Rates and annual charges			
Ordinary rates			
Residential		26,969	25,752
Business		4,035	3,970
Total ordinary rates		31,004	29,722
Special rates			
Environmental levy		2,638	2,643
Infrastructure levy		24,604	23,739
New facility rate		–	1,669
Total special rates		27,242	28,051
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		19,253	17,579
Stormwater management services		964	952
Section 611 charges		74	66
Total annual charges		20,291	18,597
TOTAL RATES AND ANNUAL CHARGES		78,537	76,370

Note 3 Income from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(b) User charges and fees			
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building regulation		2,230	1,660
Certificates		696	746
DA advertising fees		83	76
Driveway application fees		302	252
Outstanding notices		212	148
Regulatory application fees		243	237
Tree preservation charges		90	91
Total fees and charges – statutory/regulatory		3,856	3,210
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Art centre		508	446
Bus shelters		330	323
Thomas Carlyle Children Centre & Family day care		1,287	1,106
Golf courses (Gordon & Turramurra)		1,139	725
Halls		382	328
Holiday activities		447	386
Leaseback fees – Council vehicles		353	342
Library		101	43
Nursery & Wildflower Garden		62	38
Parks		806	706
Restoration charges		1,781	1,282
Sale of documents		6	6
Showground		73	61
Swimming centres		4,197	2,234
Tennis courts		322	299
Trade waste charges		1,779	1,666
Other		574	482
Total fees and charges – other		14,147	10,473
TOTAL USER CHARGES AND FEES		18,003	13,683

Note 3 Income from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(c) Interest and investment revenue (including losses)			
Interest			
– Interest on overdue rates and annual charges (incl. special purpose rates)		127	120
– Interest earned on investments (interest and coupon payment income)		4,130	3,866
Amortisation of premiums and discounts			
– ‘Held to maturity’ investments		(39)	41
TOTAL INTEREST AND INVESTMENT REVENUE		4,218	4,027
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		127	120
General Council cash and investments		867	892
Restricted investments/funds – external:			
Development contributions			
– Section 94		2,761	2,537
Restricted investments/funds – internal:			
Internally restricted assets		463	478
Total interest and investment revenue recognised		4,218	4,027
(d) Other revenues			
Rental income – investment properties	14	1,106	–
Rental income – other council properties		4,232	4,720
Fines – parking		1,833	2,001
Fines – other		632	350
Legal fees recovery – rates and charges (extra charges)		–	79
Legal fees recovery – other		378	87
Commissions and agency fees		26	17
Credit card surcharge		119	118
Dog registration fees		93	71
Filming fees		6	6
Insurance claim recoveries		4	95
Licence income		454	290
Program fees		227	407
Recycling income (non-domestic)		1,025	740
Trade discount		26	26
Domestic waste other income		497	140
Other		1,164	387
TOTAL OTHER REVENUE		11,823	9,534

Note 3 Income from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(e) Grants				
General purpose (untied)				
Financial assistance	3,527	3,544	–	–
Pensioners' rates subsidies – general component	274	289	–	–
Total general purpose	3,801	3,833	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Domestic waste management	203	203	–	–
Community care	21	60	–	–
Community centres	1,212	1,298	–	–
Environmental protection	70	172	–	40
Fire management	–	1	141	137
Library	298	234	–	–
LIRS subsidy	51	61	–	–
NSW rural fire services	60	92	–	–
Recreation and culture	–	29	34	171
Road safety	42	54	–	–
Street lighting	286	276	–	–
Transport	1,811	715	–	362
Better waste and recycling fund	271	271	–	–
Other	–	61	–	–
Total specific purpose	4,326	3,527	174	710
Total grants	8,127	7,360	174	710
Grant revenue is attributable to:				
– Commonwealth funding	2,518	3,544	–	55
– State funding	5,609	3,816	174	655
	8,127	7,360	174	710

Note 3 Income from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(f) Contributions				
Developer contributions:				
S 94 – contributions towards amenities/services	2	2	33,401	7,671
Total developer contributions	17	2	33,401	7,671
Other contributions:				
Contribution to works	166	366	876	93
RMS contributions (regional roads, block grant)	–	–	–	652
Other	–	–	700	–
Total other contributions	166	366	1,576	745
Total contributions	168	368	34,977	8,416
TOTAL GRANTS AND CONTRIBUTIONS	8,295	7,728	35,151	9,126

\$ '000	Actual 2016	Actual 2015
(g) Restrictions relating to grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the close of the previous reporting period	65,970	61,444
Add: grants and contributions recognised in the current period but not yet spent:	38,600	12,219
Less: grants and contributions recognised in a previous reporting period now spent:	(15,089)	(7,693)
Net increase in restricted assets during the period	23,511	4,526
Unexpended and held as restricted assets	89,481	65,970
Comprising:		
– Specific purpose unexpended grants	972	823
– Developer contributions	88,509	65,147
	89,481	65,970

Note 4 Expenses from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(a) Employee benefits and on-costs			
Salaries and wages		30,003	28,779
Employee leave entitlements (ELE)		4,972	4,925
Superannuation		3,555	3,531
Workers' compensation insurance		362	296
Fringe benefit tax (FBT)		356	358
Training costs (other than salaries and wages)		249	329
Other		78	82
Total employee costs		39,575	38,300
Less: capitalised costs		(2,128)	(2,173)
TOTAL EMPLOYEE COSTS EXPENSED		37,447	36,127
Number of 'full-time equivalent' employees (FTE) at year end			
		409	424
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		948	1,562
Total interest bearing liability costs		948	1,562
TOTAL BORROWING COSTS EXPENSED		948	1,562
(c) Materials and contracts			
Raw materials and consumables		3,552	3,319
Contractor and consultancy costs		32,978	32,818
Auditors remuneration		57	46
Lease expense		424	350
Legal expenses:			
– Legal expenses: planning and development		1,805	1,277
– Legal expenses: other		252	150
Operating leases:			
– Operating lease rentals: minimum lease payments		270	273
Other		201	157
TOTAL MATERIALS AND CONTRACTS		39,539	38,390

Note 4 Expenses from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(c) Materials and contracts (continued)			
1. Auditor remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor:			
Audit and other assurance services			
– Audit and review of financial statements: Council's Auditor		57	46
Remuneration for audit and other assurance services		57	46
Total Auditor remuneration		57	46
2. Operating lease payments are attributable to:			
Computers		270	273
		270	273

\$ '000	Notes	Depreciation/amortisation Actual 2016	Actual 2015
(d) Depreciation, amortisation and impairment			
Plant and equipment		895	894
Office equipment		191	172
Furniture and fittings		27	21
Land improvements (depreciable)		334	451
Infrastructure:			
– Buildings – non-specialised		1,899	2,494
– Buildings – specialised		402	442
– Other structures		272	31
– Roads		8,810	6,664
– Bridges		163	162
– Footpaths		750	1,235
– Stormwater drainage		1,653	2,396
– Swimming pools		353	625
– Other open space/recreational assets		2,853	2,931
Other assets			
– Library books		530	512
– Other		54	53
Intangible assets	25	290	266
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		19,476	19,349

Note 4 Expenses from Continuing Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(e) Other expenses			
Advertising		497	497
Bad and doubtful debts		207	3
Bank charges		244	243
Commissions		305	303
Computer software charges		1,029	907
Conferences		278	158
Contributions/levies to other levels of government			
– Department of Planning levy		374	391
– NSW Fire Brigade Levy		2,212	1,956
Corporate events		44	28
Councillor expenses – mayoral fee		40	39
Councillor expenses – councillors' fees		184	179
Donations, contributions and assistance to other organisations (Section 356)		174	173
Electricity and heating		1,069	1,169
External plant hire		32	59
Family day care (child care assistance)		511	507
Insurance		1,450	1,267
Insurance excess		47	73
Postage		275	231
Rate issue costs		17	21
Rental rebates		2,306	2,321
Street lighting		2,085	2,237
Subscriptions and publications		255	283
Sydney water		356	340
Telephone and communications		604	464
Valuation fees		212	215
Vehicle registration		149	155
Other		1,286	1,087
TOTAL OTHER EXPENSES		16,242	15,306

Note 5 Gains or Losses from the Disposal of Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
Plant and equipment			
Proceeds from disposal – plant and equipment		774	720
Less: carrying amount of plant and equipment assets sold/written off		(908)	(712)
Net gain/(loss) on disposal		(135)	8
Infrastructure			
Proceeds from disposal – infrastructure		–	9,004
Less: carrying amount of infrastructure assets sold/written off		(331)	(2,937)
Net gain/(loss) on disposal		(331)	6,067
Financial assets			
Proceeds from disposal/redemptions/maturities – financial assets		35,546	39,216
Less: carrying amount of financial assets sold/redeemed/matured		(35,546)	(39,216)
Net gain/(loss) on disposal		–	–
Non-current assets classified as 'held for sale'			
Proceeds from disposal – non-current assets 'held for sale'		1,146	12,607
Less: carrying amount of 'held for sale' assets sold/written off		(1,040)	(5,830)
Net gain on disposal		106	6,777
Other			
Proceeds from disposal – Other		–	–
Less: carrying amount of Other assets sold/written off		(45)	–
Net (loss) on disposal		(45)	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(405)	12,852

Note 6a Cash Assets and Note 6b Investments

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	2016 Actual Current	2016 Actual Non-current	2015 Actual Current	2015 Actual Non-current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		291	–	184	–
Total cash and cash equivalents		291	–	184	–
Investments (Note 6b)					
– Term deposits		43,500	44,000	16,000	43,000
– FRN's (with maturities > 3 months)		3,009	24,254	4,993	13,274
– Deposits (Short Term) ¹		10,804	–	13,833	–
– Other Long Term Financial Assets (CPDO PP)		–	–	–	6,000
Total investments		57,313	68,254	34,826	62,274
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS		57,604	68,254	35,010	62,274

¹ Those investments where time to maturity (from date of purchase) is less than 3 months.

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

\$ '000	2016 Actual Current	2016 Actual Non-current	2015 Actual Current	2015 Actual Non-current
Reconciliation of investments classified as 'held to maturity'				
Balance at the beginning of the year	34,826	62,274	41,457	51,005
Additions	42,052	22,000	21,557	22,256
Disposals (sales and redemptions)	(35,544)	(2)	(39,166)	(9)
Transfers between current/non-current	16,018	(16,018)	10,978	(10,978)
Balance at end of year	57,313	68,254	34,826	62,274
Comprising:				
– Term deposits	54,304	44,000	29,833	43,000
– FRN's (with maturities > 3 months)	3,009	24,254	4,993	13,274
– Other Long Term Financial Assets (CPDO PP)	–	–	–	6,000
Total	57,313	68,254	34,826	62,274

Note 6c Restricted Cash, Cash Equivalents & Investments - Details

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	2016	2016	2015	2015
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investment	57,604	68,254	35,010	62,274
Attributable to:				
External restrictions (refer below)	30,515	68,254	11,280	62,274
Internal restrictions (refer below)	23,256	–	20,701	–
Unrestricted	3,833	–	3,029	–
	57,604	68,254	35,010	62,274

\$ '000		Opening	Transfers to	Transfers from	Closing
		balance	restrictions	restrictions	balance
Details of restrictions					
External restrictions					
	Developer contributions – general (A)	65,147	36,164	(12,802)	88,509
	Specific purpose unexpended grants (B)	823	2,436	(2,287)	972
	Domestic waste management (C)	2,483	21,003	(18,073)	5,413
	Infrastructure levy	–	2,720	(2,720)	–
	Environmental levy	2,171	2,638	(2,540)	2,269
	New facility rate	2,352	1,543	(2,557)	1,338
	Specific purpose unexpended loan – LIRS	578	–	(310)	268
	Total external restrictions	73,554	66,504	(41,289)	98,769
Internal restrictions					
	Employees leave entitlement	2,201	25	–	2,226
	Carry over works	182	1,190	(365)	1,007
	Deposits, retentions and bonds	1,199	–	–	1,199
	Infrastructure and facilities	11,617	9,064	(8,214)	12,467
	Other	5,502	1,776	(921)	6,357
	Total internal restrictions	20,701	12,055	(9,500)	23,256
	TOTAL RESTRICTIONS	94,255	78,559	(50,789)	122,025

- A** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- B** Grants which are not yet expended for the purposes for which the grants were obtained (refer Note 1 (b)).
- C** Domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

Note 7 Receivables

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		2,222	87	2,154	118
Interest and extra charges		211	46	207	32
User charges and fees		2,296	–	1,513	–
Capital debtors (being sale of assets)					
– Other asset sales		–	–	106	–
Accrued revenues					
– Interest on investments		1,604	–	1,825	–
– Other income accruals		935	–	752	–
Government grants and subsidies		–	–	687	–
Net GST receivable		934	–	914	–
Other debtors		43	–	27	–
Total		8,245	133	8,185	150
Less: provision for impairment					
User charges and fees		(203)	–	(104)	–
Total provision for impairment – receivables		(203)	–	(104)	–
TOTAL NET RECEIVABLES		8,042	133	8,081	150

There are no restrictions applicable to the above assets.

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Interest was charged on overdue rates and charges at 8.00% (2015 8.50%).
Generally all other receivables are non-interest bearing.
- (iii) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Note 8 Inventories & Other Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
(a) Inventories					
Inventories at cost					
Stores and materials		139	–	142	–
Trading stock		92	–	109	–
TOTAL INVENTORIES		231	–	251	–
(b) Other assets					
Prepayments		2,231	–	1,304	–
TOTAL OTHER ASSETS		2,231	–	1,304	–
TOTAL INVENTORIES AND OTHER ASSETS		2,462	–	1,555	–

There are no restrictions applicable to the above assets.

Note 9a Infrastructure, Property, Plant & Equipment

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	as at 30/6/2015				Asset movements during the reporting period										as at 30/6/2016			
	At cost	At fair value	Accumulated depreciation	Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Other movements	Tfns from/(to) investment properties	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated depreciation	Carrying value
Capital work in progress	8,462	-	-	8,462	3,711	3,630	-	-	(5,324)	-	(2)	-	-	-	10,476	-	-	10,476
Plant and equipment	-	12,223	6,193	6,030	1,781	-	(865)	-	-	-	-	-	-	-	-	12,284	6,232	6,052
Office equipment	-	2,363	1,171	1,192	-	65	(43)	-	-	-	(50)	-	-	-	-	1,743	770	973
Furniture and fittings	-	445	231	214	-	6	-	-	-	-	-	-	-	-	-	451	258	193
Land:																		
- Operational land	-	52,632	-	52,632	-	2,515	-	-	1,145	-	-	-	-	-	-	56,292	-	56,292
- Community land*	-	334,736	-	334,736	-	1,700	-	-	(1,145)	-	-	(23,008)	116,122	-	-	428,406	-	428,406
- Land under roads (post 30/6/08)	-	66	-	66	-	-	-	-	-	-	-	-	-	-	-	66	-	66
Land improvements – depreciable	-	17,911	304	17,607	-	3,522	-	-	(18,600)	-	-	-	-	-	-	2,834	639	2,195
Infrastructure:																		
- Buildings – non-specialised	-	126,472	60,192	66,280	1,435	1,242	-	(1,899)	140	172	-	(19,228)	-	-	-	109,805	61,663	48,142
- Buildings – specialised	-	11,899	1,431	10,468	17	17	-	(402)	3,100	-	-	-	-	-	-	15,016	1,833	13,183
- Other structures	-	13,032	5,131	7,901	33	-	-	(272)	-	-	-	-	-	-	-	12,988	5,326	7,662
- Roads	-	455,348	205,745	249,603	7,608	108	-	(8,810)	1,276	603	-	-	-	-	-	464,943	214,555	250,388
- Bridges	-	11,418	4,869	6,549	-	-	-	(163)	-	-	-	-	-	-	-	11,418	5,032	6,386
- Footpaths	-	45,413	14,066	31,347	434	35	-	(750)	-	-	-	-	-	-	-	45,882	14,816	31,066
- Bulk earthworks (non-depreciable)	-	58,789	-	58,789	937	-	-	-	-	-	-	-	-	-	-	59,726	-	59,726
- Stormwater drainage	-	236,237	73,118	163,119	113	171	-	(1,653)	-	-	-	-	-	-	-	236,520	74,770	161,750
- Swimming pools	-	23,979	4,091	19,888	122	994	-	(353)	-	-	-	-	-	-	-	25,095	4,444	20,651
- Other open space/recreational assets	-	87,192	41,366	45,806	593	2,441	(331)	(2,853)	3,892	14,897	-	-	-	2,080	-	110,087	43,562	66,525
Other assets:																		
- Library books	-	12,931	10,192	2,739	582	-	-	(530)	16	-	-	-	-	-	-	13,528	10,721	2,807
- Other*	-	5,233	4,239	994	-	-	-	(54)	-	-	-	-	-	-	-	5,671	4,292	1,379
TOTAL INFRASTRUCTURE	8,462	1,508,319	432,359	1,084,422	16,412	17,383	(1,239)	(19,186)	-	172	(52)	(19,228)	(23,008)	118,641	10,476	1,612,755	448,913	1,174,318

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

Note 9b Externally Restricted Infrastructure, Property, Plant & Equipment

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Council has no Externally Restricted Infrastructure, Property, Plant & Equipment.

Note 9c Infrastructure, Property, Plant & Equipment - Current Year Impairments

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Note 10a Payables, Borrowings & Provisions

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
Payables					
Goods and services – operating expenditure		4,588	–	4,347	–
Goods and services – capital expenditure		2,435	–	1,382	–
Payments received in advance		1,945	–	1,625	–
Accrued expenses:					
Security bonds, deposits and retentions		2,570	–	2,621	–
Other		673	–	634	–
Total payables		12,211	–	10,609	–
Borrowings					
Loans – secured ¹		1,584	22,344	2,536	23,987
Total borrowings		1,584	22,344	2,536	23,987
Provisions					
Employee benefits:					
Annual leave		3,058	–	3,124	–
Sick leave		323	–	321	–
Long service leave		6,714	285	6,093	293
Gratuities		718	–	762	–
Total provisions		10,813	285	10,300	293
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		24,608	22,629	23,445	24,280

(i) Liabilities relating to restricted assets

There are no restricted assets (external or internal) applicable to the above liabilities except for certain employee entitlements.

¹ Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Note 10a Payables, Borrowings & Provisions (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Actual 2016	Actual 2015
(ii) Current liabilities not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	7,569	7,210
Payables – security bonds, deposits and retentions	2,470	2,486
	10,039	9,696

Note 10b Description of and movements in Provisions

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Class of provision	2015		2016			Closing balance as at 30/6/16
	Opening balance as at 1/7/15	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	
Annual leave	3,124	2,382	(2,448)	–	–	3,058
Sick leave	321	2	–	–	–	323
Long service leave	6,386	1,453	(840)	–	–	6,999
Gratuities	762	–	(44)	–	–	718
TOTAL	10,593	3,837	(3,332)	–	–	11,098

- a. Employees leave entitlements and 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.

Note 11 Statement of Cash Flows - Additional Information

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	291	184
Balance as per the Statement of Cash Flows		291	184
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		41,970	22,586
Adjust for non-cash items:			
Depreciation and amortisation		19,476	19,349
Net losses/(gains) on disposal of assets		405	(12,852)
Non-cash capital grants and contributions		–	750
Amortisation of premiums, discounts and prior period fair valuations – ‘Held to maturity’ financial assets		39	(41)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(149)	(126)
Increase/(decrease) in provision for doubtful debts		99	(3)
Decrease/(increase) in inventories		20	1
Decrease/(increase) in other assets		(927)	(145)
Increase/(decrease) in payables		241	(67)
Increase/(decrease) in other liabilities		308	(178)
Increase/(decrease) in employee leave entitlements		505	(9)
Net cash provided from operating activities from the Statement of Cash Flows		61,987	29,265
(c) Non-cash investing and financing activities			
Nil			
(d) Financing arrangements			
Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		2,520	2,000
Credit cards		100	100
Total financing arrangements		2,620	2,100

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

Note 12 Commitments for Expenditure

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(a) Capital commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, plant and equipment			
Buildings		1,020	891
Other		1,597	4,459
Total commitments		2,617	5,350
These expenditures are payable as follows:			
Within the next year		2,617	5,350
Total payable		2,617	5,350
Sources for funding of capital commitments:			
Unrestricted general funds		2,617	5,350
Total sources of funding		2,617	5,350
(b) Finance lease commitments			
Nil			
(c) Operating lease commitments (non-cancellable)			
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:			
Within the next year		369	297
Later than one year and not later than 5 years		490	533
Total non-cancellable operating lease commitments		859	830

b. Non-cancellable operating leases include the following assets:

Council's current operating leases are for IT Equipment including desktop computers, laptops, printers and multi-function devices and are for a term of four years.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

Note 13a(i) Statement of Performance Measurement - Indicators (Consolidated)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Local government industry indicators – consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	7,224	5.98%	0.55%	1.56%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	120,876			
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	112,581	72.15%	86.01%	84.72%
Total continuing operating revenue ⁽¹⁾	156,027			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	37,593	2.58x	2.50x	2.78x
Current liabilities less specific purpose liabilities ^(3, 4)	14,569			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	27,648	6.58x	1.09x	4.82x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	4,199			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	2,566	3.16%	3.18%	3.25%
Rates, annual and extra charges collectible	81,175			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	87,791	10.51 mths	6.08 mths	8.01 mths
Payments from cash flow of operating and financing activities	8,356			

Notes

⁽¹⁾ Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.

⁽²⁾ Refer Notes 6-8 inclusive.

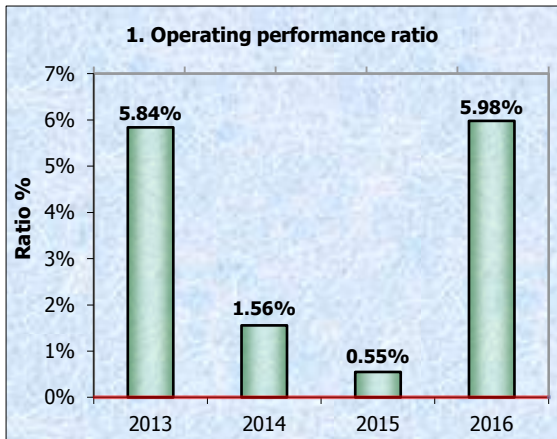
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Note 10(a).

⁽⁴⁾ Refer to Note 10(a)(ii) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Note 13a(ii) Local Government Industry Indicators - Graphs (Consolidated)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016



Purpose of operating performance ratio

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

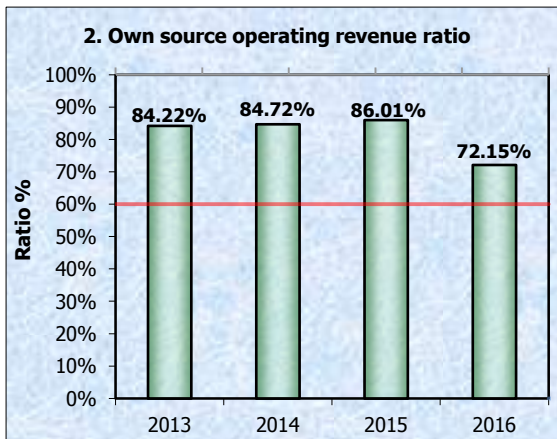
Commentary on 2015/16 result

2015/16 ratio 5.98%

Council's performance ratio is above the benchmark of (0%), which means that Council can easily contain operating expenditure (excluding capital grants and contributions) within its operating revenue. The ratio has been above benchmark for the last four years. The increase from previous year is mainly due to higher operating revenue from user fees and charges.

Benchmark: — Minimum >=0.00%
 Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of own source operating revenue ratio

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

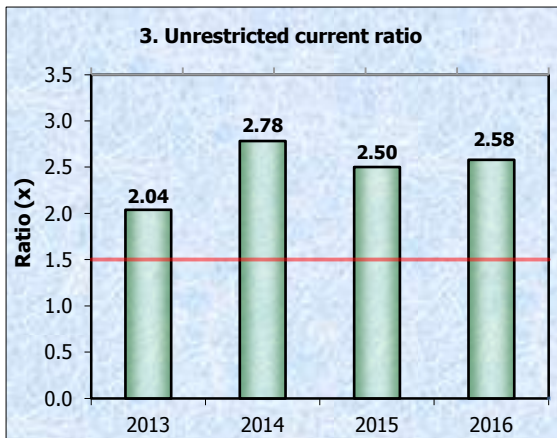
Commentary on 2015/16 result

2015/16 ratio 72.15%

Council's Own Source Operating Revenue Ratio has remained above the benchmark of (>60%) in the last four years. Council has sufficient level of fiscal flexibility, in the event of being faced with unforeseen events.

Benchmark: — Minimum >=60.00%
 Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of unrestricted current ratio

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

Commentary on 2015/16 result

2015/16 ratio 2.58x

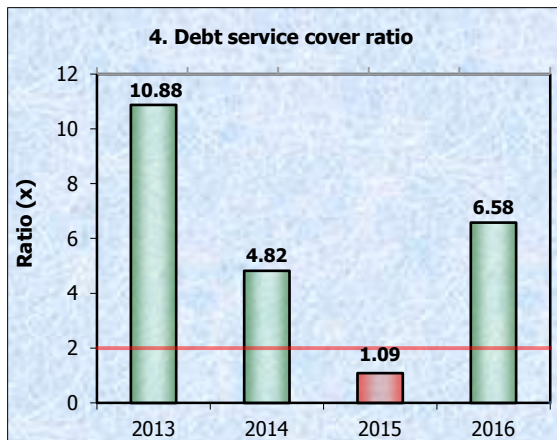
Council's Unrestricted Current Ratio is above the benchmark of >1.5x and has been outperforming benchmark for the last four years. Council's liquidity is good and it can readily pay its debts as they fall due.

Benchmark: — Minimum >=1.50
 Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016



Benchmark: — Minimum ≥ 2.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose of debt service cover ratio

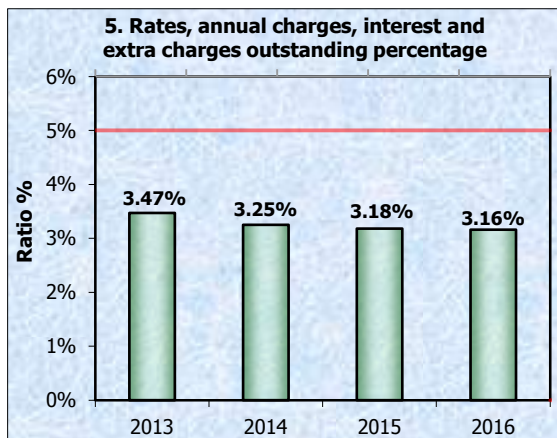
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2015/16 result

2015/16 ratio 6.58x

The Debt Service Cover Ratio has increased from previous year and is above the benchmark of 2x, mainly due to decreased principal and interest repayments during the financial year compared to the year before.

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Benchmark: — Maximum $< 5.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose of rates and annual charges outstanding ratio

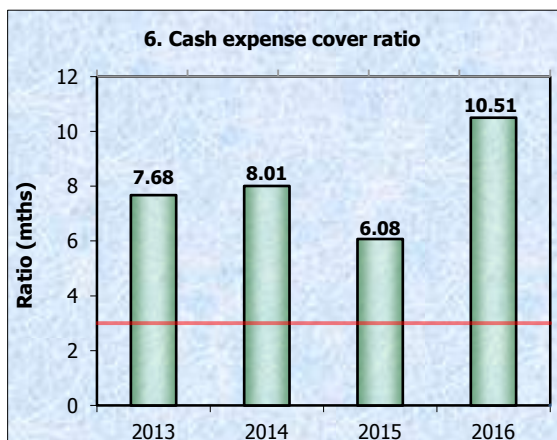
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2015/16 result

2015/16 ratio 3.16%

The percentage of rates and annual charges that are unpaid at the end of the financial year is a measure of how well Council is managing debt recovery. Council's ratio of 3.16% is satisfactory and is better than the benchmark of "less than 5%".

■ Ratio is within Benchmark
■ Ratio is outside Benchmark



Benchmark: — Minimum ≥ 3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose of cash expense cover ratio

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

Commentary on 2015/16 result

2015/16 ratio 10.51 mths

Council's Cash Expense Cover Ratio is satisfactory and above benchmark of "greater than 3 months". The ratio has increased compared to the year before largely due to a higher proportion of the investment portfolio invested in shorter term deposits.

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Note 14 Investment Properties

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(a) Investment properties at fair value			
Investment properties on hand		19,056	–
CLOSING BALANCE – INVESTMENT PROPERTIES		19,056	–
(b) 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 receivable as follows:			
Within 1 year		315	–
Later than 1 year but less than 5 years		1,903	–
Later than 5 years		–	–
Total minimum lease payments receivable		2,218	–
(c) Investment property income and expenditure – summary			
Rental income from investment properties:			
– Other income		1,106	–
Direct operating expenses on investment properties:			
– that generated rental income		(763)	–
Net revenue contribution from investment properties		343	–
plus:			
Fair value movement for year		–	–
Total income attributable to investment properties		343	–

Refer to Note 27. Fair value measurement for information regarding the fair value of investment properties held.

Note 15 Financial Risk Management

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

Risk management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2016	2015	2016	2015
Financial assets				
Cash and cash equivalents	291	184	291	184
Investments				
– 'Held to maturity'	125,567	97,100	125,567	97,129
Receivables	8,175	8,231	8,374	8,231
Total financial assets	134,033	105,515	134,232	105,544
Financial liabilities				
Payables	10,266	8,984	10,266	8,833
Loans/advances	23,928	26,523	23,928	26,523
Total financial liabilities	34,194	35,507	34,194	35,356

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity** investments – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- **Payables** – excludes payments received in advance

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

Note 15 Financial Risk Management (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(a) Cash & Cash Equivalents & "Held-to-maturity" Investments

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

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

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2016				
Possible impact of a 10% movement in market values	1,080	1,080	(1,080)	(1,080)
Possible impact of a 1% movement in interest rates	108	108	(108)	(108)
2015				
Possible impact of a 10% movement in market values	1,383	1,383	(1,383)	(1,383)
Possible impact of a 1% movement in interest rates	138	138	(138)	(138)

Note 15 Financial Risk Management (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(b) Credit risk

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

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

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

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

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

		2016	2016	2015	2015
		Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
(i) Ageing of receivables – %					
Current (not yet overdue)		100%	74%	100%	84%
Overdue		0%	26%	0%	16%
		100%	100%	100%	100%
		Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
(ii) Ageing of receivables – value					
Rates and annual charges	Other receivables				
Current	Current	2,309	4,469	2,272	5,064
< 1 year overdue	0 – 30 days overdue	–	329	–	162
1 – 2 years overdue	30 – 60 days overdue	–	124	–	159
2 – 5 years overdue	60 – 90 days overdue	–	1,147	–	678
		2,309	6,069	2,272	6,063

(iii) Movement in provision for impairment of receivables

	2016	2015
Balance at the beginning of the year	104	107
+ new provisions recognised during the year	203	–
– amounts already provided for and written off this year	(104)	(3)
Balance at the end of the year	203	104

Note 15 Financial Risk Management (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(c) Liquidity risk

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

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

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

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2016									
Trade/other payables	2,570	7,696	–	–	–	–	–	10,266	10,266
Loans and advances	–	1,802	19,686	1,177	741	404	764	24,574	23,928
Total financial liabilities	2,570	9,498	19,686	1,177	741	404	764	34,840	34,194
2015									
Trade/other payables	2,621	6,363	–	–	–	–	–	8,984	8,984
Loans and advances	–	2,824	19,743	1,497	1,388	708	1,118	27,278	26,523
Total financial liabilities	2,621	9,187	19,743	1,497	1,388	708	1,118	36,262	35,507

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

The following interest rates were applicable to Council's borrowings at balance date:

	2016		2015	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	10,266	0.00%	8,984	5.00%
Loans and advances – fixed interest rate	1,153	5.13%	1,804	6.00%
Loans and advances – variable interest rate	22,775	3.60%	24,719	3.90%
	34,194		35,507	

Note 16 Material Budget Variations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

Council's original financial budget for 2015/2016 was adopted by the Council on 12 June 2015.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus 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.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000	2016 Budget	2016 Actual	2016 Variance*
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REVENUES

Other revenues	10,723	11,823	1,100	10%	F
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Other Revenue is favourable compared to budget by \$1.1 million. This is primarily due to higher waste income received from metals recovery and sale of paper and includes higher Area Ranger fines and rental income from childcare facilities.

Operating grants and contributions	7,566	8,295	729	10%	F
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The favourable variance of \$729k in Operating Grants & Contributions is primarily due to the reclassification of Roads to Recovery actual grants as operational. Roads to Recovery grants are not specifically given to Council for Capital purposes, therefore, are treated and disclosed as Operational Grants.

Capital grants and contributions	18,162	35,151	16,989	94%	F
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Capital grants and contributions is higher than anticipated by \$17m as a result of additional section 94 income received.

Net gains from disposal of assets	5,587	–	(5,587)	(100%)	U
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Net gain from disposal of assets is lower than anticipated due to the timing variances in the sale of two parcels of land.

EXPENSES

Borrowing costs	1,093	948	145	13%	F
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The favourable variance of \$145k in borrowing costs is mainly due to lower loan balance during the year and low interest rates.

Note 17 Statement of Developer Contributions

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

Council recovers contributions, raises levies and 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 and levies and the value of all remaining funds which are 'restricted' in their future use.

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	(6,785)	2,527	-	-	(1,492)	-	(5,750)	-
Traffic facilities	10,902	9,648	-	522	(250)	-	20,822	-
Parking	836	-	-	31	(3)	-	864	-
Open space	53,882	18,694	-	1,966	(9,614)	-	64,928	-
Community facilities	6,182	2,497	-	239	(1,348)	-	7,570	-
Other	130	3	-	3	(95)	-	41	-
S94 contributions – under a plan	65,147	33,369	-	2,761	(12,802)	-	88,475	-
S94A levies – under a plan	-	34	-	-	-	-	34	-
Total S94 revenue under plans	65,147	33,403	-	2,761	(12,802)	-	88,509	-
Total contributions	65,147	33,403	-	2,761	(12,802)	-	88,509	-

Note 17 Statement of Developer Contributions (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN CONTRIBUTION PLAN - 1993 Plan

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Parking	836	-	-	31	(3)	-	864	-
Community facilities	219	-	-	8	(1)	-	226	-
Total	1,055	-	-	39	(4)	-	1,090	-

CONTRIBUTION PLAN - 2000 to 2003 Residential Plan

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	1,414	-	-	51	(22)	-	1,443	-
Community facilities	640	-	-	24	-	-	664	-
Total	2,054	-	-	75	(22)	-	2,107	-

CONTRIBUTION PLAN - 2004/2009 Residential Plan

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	4,815	26	-	132	(2,480)	-	2,493	-
Community facilities	3,130	17	-	115	-	-	3,262	-
Other	140	1	-	3	(94)	-	50	-
Total	8,085	44	-	250	(2,574)	-	5,805	-

Note 17 Statement of Developer Contributions (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN CONTRIBUTION PLAN - 2010 Plan

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	(6,785)	2,527	-	-	(1,492)	-	(5,750)	-
Traffic facilities	10,902	9,648	-	522	(250)	-	20,822	-
Open space	47,313	18,668	-	1,771	(7,112)	-	60,640	-
Community facilities	2,193	2,480	-	92	(1,347)	-	3,418	-
Other	(10)	2	-	-	(1)	-	(9)	-
Total	53,613	33,325	-	2,385	(10,202)	-	79,121	-

CONTRIBUTION PLAN - Ku-ring-gai SEPP 5 Plan

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	340	-	-	12	-	-	352	-
Total	340	-	-	12	-	-	352	-

S94A LEVIES – UNDER A PLAN CONTRIBUTION PLAN NUMBER - Section 94 A levies

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	-	34	-	-	-	-	34	-
Total	-	34	-	-	-	-	34	-

Note 18 Contingencies & Other Assets/Liabilities Not Recognised

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

(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 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

Note 18 Contingencies & Other Assets/Liabilities Not Recognised (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

LIABILITIES NOT RECOGNISED (continued):

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 contributions upon various development 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) Potential land acquisitions due to planning

Council has zoned a number of privately owned land parcels as RE1Local Open Space or SP2 Local Road.

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

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

ASSETS NOT RECOGNISED:

(i) 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 30/6/08.

(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.

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

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

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

Note 19 Interests in Other Entities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

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 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Controlled entities (subsidiaries)

Note 19(a)

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

Joint ventures and associates

Note 19(b)

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint operations

Note 19(c)

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

Unconsolidated structured entities

Note 19(d)

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Note 19 Interests in Other Entities (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

(b) Joint ventures and associates

Council has no interest in any joint ventures or associates.

(c) Joint operations

(i) Council was involved in the following joint operations (JO's)

Name of joint operation	Principal activity	Place of business	Interest in ownership		Interest in voting	
			2016	2015	2016	2015
B2 Land Subdivision	Joint Operation with the Office of Strategic Lands, NSW Environment and Planning, the joint development and sale of 26 lots housing subdivision.	South Turramurra	0%	54%	0%	50%

(ii) Council assets employed in the joint operations

	2016	2015
Council's own assets employed in the operations		
Current assets:		
Other assets	–	1,040
Total assets – Council owned	–	1,040
Council's share of assets jointly owned with other partners		
Current assets	–	16
Current liabilities	–	(12)
Total net assets employed – Council and jointly owned	–	1,044

(d) Unconsolidated structured entities

Council has no unconsolidated structured entities

Note 20 Equity - Retained Earnings and Revaluation Reserves

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		734,344	704,772
a. Correction of prior period errors	20 (c)	–	6,986
b. Net operating result for the year		41,970	22,586
Balance at end of the reporting period		776,315	734,344
(b) Revaluation reserves			
(i) Reserves are represented by:			
– Infrastructure, property, plant and equipment revaluation reserve		506,714	411,081
Total		506,714	411,081
(ii) Reconciliation of movements in reserves:			
Infrastructure, property, plant and equipment revaluation reserve			
– Opening balance		411,081	317,488
– Revaluations for the year (Community Land & Artworks)	9(a)	95,633	93,593
Balance at end of year		506,714	411,081
Total value of reserves		506,714	411,081

(iii) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

- The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.

Note 20 Equity - Retained Earnings and Revaluation Reserves (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Notes	Actual 2016	Actual 2015
(c) Correction of error/s relating to a previous reporting period			
Correction of errors disclosed in this year's financial statements:			
Adjustment to Retained Earnings and Assets Register			
As part of the revaluation of Community Land and Art Works Council undertook a detailed review of assets classified as Community Land and Art Works. As a result, an adjustment has been made to Retained Earnings to recognise assets not previously recorded in the Assets Register .			
The following adjustment has been made to Retained Earnings:			
- Community Land Assets		7,961	7,961
- Art Works Assets		458	458
- Retained Earnings		(8,419)	(8,419)
Correction of errors as disclosed in last year's financial statements:			
During 2013/14 Council received reimbursement of expenses from the NSW Department of Planning for works undertaken as part of the Joint Operation for B2 land subdivision. This reimbursement was treated as contribution and accounted for as income in the Income Statement, rather than offset against expenditure. As a result, Council's held for sale assets relating to B2 were overstated due to projects gross expenditure being capitalised.			
To correct this error, the following balances have been reinstated:			
- Assets held for sale			(1,456)
- Retained Earnings			1,456
Minor adjustment to Council's Assets Register			
As part of an Assets review performed last year, an immaterial discrepancy was identified between the Financial Assets Register and the General ledger which was carried forward from previous financial years. This discrepancy was rectified to Retained Earnings at the end of financial year.			
			23
This adjustment resulted in a net increase/(decrease) in Council's accumulated surplus as at 30/6/14.			
In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.			
These amounted to the following equity adjustments:			
- Adjustments to opening equity – 1/7/14 (relating to adjustments for the 30/6/14 reporting year end and prior periods)		–	6,986
Total prior period adjustments – prior period errors		–	6,986

Note 20 Equity - Retained Earnings and Revaluation Reserves (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

(d) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

Note 21 Financial Result & Financial Position by Fund

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Council utilises only a general fund for its operations.

Note 22 "Held for Sale" Non Current Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	2016 Current	2016 Non-current	2015 Current	2015 Non-current
(i) Non-current assets and disposal group assets				
Non-current assets 'held for sale'				
Land	–	–	1,040	–
Total non-current assets 'held for sale'	–	–	1,040	–

\$ '000	Assets 'held for sale'	
	2016	2015
(ii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations		
Opening balance	1,040	7,290
Less: carrying value of assets/operations sold	(1,040)	(5,830)
Balance still unsold after 12 months:	–	1,460
Plus new transfers in:		
– Assets 'held for sale'	–	(420)
Closing balance of 'held for sale' non-current assets and operations	–	1,040

Refer to Note 27. Fair value measurement for fair value measurement information.

Note 23 Events occurring after the Reporting Date

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

Events that occur between the end of the reporting period (30 June 2016) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable 'authorised for issue' date relating to these General Purpose Financial Statements.

Accordingly, the 'authorised for issue' date is 20 September 2016.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2016.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2016 and which are only indicative of conditions that arose after 30 June 2016.

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

Proposed merger of Ku-ring-gai Council with part of Hornsby Shire Council

The Minister for Local Government is considering a proposal to merge Ku-ring-gai Council with part of Hornsby Shire Council. This merger is opposed by Ku-ring-gai Council and supported by Hornsby Shire Council.

Ku-ring-gai Council has taken legal action to challenge the process undertaken by the State Government to assess the merger proposal. A decision on the merger proposal by the Minister for Local Government is pending, subject to a decision by the courts.

Note 24 Discontinued Operations

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Council has not classified any of its operations as 'discontinued'.

Note 25 Intangible Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Actual 2016	Actual 2015
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	1,339	1,203
Accumulated amortisation (1/7)	(721)	(455)
Net book value – opening balance	618	748
Movements for the year		
– Purchases	64	136
– Transfers	50	–
– Amortisation charges	(290)	(266)
– Gross book value written off	(66)	–
– Accumulated amortisation charges written off	21	–
Closing values:		
Gross book value (30/6)	1,387	1,339
Accumulated amortisation (30/6)	(990)	(721)
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE¹	397	618
¹ The net book value of intangible assets represent:		
– Software	397	618
	397	618

Note 26 Reinstatement, Rehabilitation & Restoration Liabilities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

Note 27 Fair Value Measurement

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

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

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

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

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

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

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

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

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

2016	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Investment properties					
Investment properties	30/06/13	–	–	19,056	19,056
Total investment properties		–	–	19,056	19,056
Infrastructure, property, plant and equipment					
Operational Land	30/06/13	–	–	56,292	56,292
Community Land	30/06/16	–	–	428,406	428,406
Land Under Roads	30/06/14	–	–	66	66
Land Improvements Depreciable	30/06/16	–	–	2,195	2,195
Stormwater Drainage	30/06/15	–	–	161,750	161,750
Structure (Car Parks)	30/06/15	–	–	7,662	7,662
Buildings - Non Specialised	30/06/13	–	–	48,142	48,142
Buildings - Specialised	30/06/13	–	–	13,183	13,183
Furniture & Fittings	30/06/15	–	–	193	193
Library Books	30/06/15	–	–	2,807	2,807
Office Equipment	30/06/15	–	–	973	973
Plant & Equipment (e.g. Fleet & Small Plant)	30/06/15	–	–	6,052	6,052
Other (Artworks, Sculptures)	30/06/16	–	–	1,379	1,379
Roads	30/06/15	–	–	238,552	238,552
Bridges	30/06/15	–	–	6,386	6,386
Footpaths	30/06/15	–	–	31,066	31,066
Kerb & Gutter	30/06/15	–	–	67,979	67,979
Road Structure & Street Furniture	30/06/15	–	–	3,583	3,583
Recreational Facilities	30/06/13	–	–	66,525	66,525
Swimming Pools	30/06/13	–	–	20,651	20,651
Total infrastructure, property, plant and equipment		–	–	1,163,842	1,163,842

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

2015	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Operational Land	30/06/13	–	–	52,632	52,632
Community Land	30/06/11	–	–	326,775	326,775
Land Under Roads	30/06/14	–	–	66	66
Land Improvements Depreciable	30/06/11	–	–	16,930	16,930
Stormwater Drainage	30/06/15	–	–	163,119	163,119
Structure (Car Parks)	30/06/15	–	–	7,901	7,901
Buildings - Non Specialised	30/06/13	–	–	66,280	66,280
Buildings - Specialised	30/06/13	–	–	10,832	10,832
Furniture & Fittings	30/06/15	–	–	214	214
Library Books	30/06/15	–	–	2,739	2,739
Office Equipment	30/06/15	–	–	1,164	1,164
Plant & Equipment (e.g. Fleet & Small Plant)	30/06/15	–	–	6,030	6,030
Other (Artworks, Sculptures)	30/06/11	–	–	536	536
Roads	30/06/15	–	–	233,162	233,162
Bridges	30/06/15	–	–	6,549	6,549
Footpaths	30/06/15	–	–	31,347	31,347
Kerb & Gutter	30/06/15	–	–	69,303	69,303
Road Structure & Street Furniture	30/06/15	–	–	5,948	5,948
Recreational Facilities	30/06/11	–	–	46,098	46,098
Swimming Pools	30/06/13	–	–	19,888	19,888
Total infrastructure, property, plant and equipment		–	–	1,067,513	1,067,513
Non-recurring fair value measurements					
Non-current assets classified as 'held for sale'					
Community Land	30/06/11	–	–	1,040	1,040
Total NCA's classified as 'held for sale'		–	–	1,040	1,040

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values

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

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

Investment properties

Council obtains independent valuations of its investment property on a regular basis to ensure the financial statements reflect the most up-to-date valuation. The investment property valuation is included in level 3 of the hierarchy. The key unobservable input to the valuation is the price per square metre. The fair value of the investment property is determined by an independent and qualified valuer. The Council reviews the valuation and discusses significant movements with the valuer. Council will revalue its Investment Property to make sure it reflects the most up-to-date value at the end of the reporting period.

Infrastructure, property, plant and equipment (IPP&E)

Community Land

Assets within the "Community Land" class are Council owned Community Land. Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General.

Currently all Council assets in this asset class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

The last revaluation of Community Land was performed in June 2016

Operational Land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993. The total area of land at the time of the last valuation was 42,713m². Council's operational land is valued on an annual basis with a comprehensive valuation completed and revalued every five years. Liquid Pacific Holdings Pty Ltd completed the last valuation in June 2013. Council's operational land was valued at market value (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting the price, including but not limited to zoning, topography, location, size, shape, access, exposure to traffic and businesses. Remaining useful life, condition of asset, future cash flow from the use of asset are also considered when determining the fair value.

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

Valuation techniques remained the same for this reporting period.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Land Under Roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips. Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051. Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment and Council recognised this asset for the first time in financial year 2010/11. One location was included in the valuation. The Land under Roads was valued in accordance with the Australian Accounting Standard AASB 116 Property, Plant and Equipment, the Code of Accounting Practice and Financial Reporting June 2014, and completed by Council's Strategic Asset Coordinator. Values were determined using the Englobo methodology derived from the Code of Accounting Practice and Financial Reporting. This asset class is classified as Level 3 asset as significant inputs used in the Englobo valuation methodology are unobservable.

There are no changes in valuation techniques from prior years.

Land Improvements Depreciable

The land improvements asset class consists of bus shelters, North Turrumurra Recreation Area assets and land improvement assets surrounding Council buildings. Council values these land improvements internally using cost approach. Replacement costs (unit rates) and useful lives of Council's land improvement assets were determined using technical knowledge from council staff (engineers and asset management) and contractor information. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, pattern of consumption, dimensions and residual value. The condition of each asset was determined by completing field inspections using the ratings 1 (Excellent) to 5 (Very Poor). This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Stormwater Drainage

The Stormwater Drainage asset class consists of Council's pits and pipes. Council staff completed the valuation of these assets internally using replacement cost approach and the last valuation was completed in June 2015.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through a combination of historic subdivision data and technical knowledge of Council staff, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, pattern of consumption, and residual value. The asset condition of 1 (Excellent) to 5 (Very Poor) was determined by assumptions based on age and CCTV investigations undertaken across a representative selection of Council's drainage network. This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Other Structure

Council's car park assets are separated into two registers: the car park surface and pavement register and the car park structures register which consists of all road structures and furniture within the car park location. Replacement costs (unit rate) were determined using technical knowledge from council staff (engineers and asset management) and contractor information. The useful lives were determined using SSROC useful life as a guide. Other significant inputs considered in the valuation of these assets are condition rating, remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of each asset was determined by completing field inspections using the 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Buildings - Non specialised and Specialised

Council engaged Liquid Pacific Holdings Pty Ltd to value all buildings and shelters in 2013. The valuation methodology adopted was dependent on whether a market exists to substantiate the value of the asset. Council's buildings are separated into commercial, community and operational assets.

If there are changes in valuation techniques from prior years, these and the reasons for change also need to be listed.

Non Specialised Buildings

The market sale approach to the valuation of assets comprises reference to market evidence of the sale of the identical and or similar assets. The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs require judgement and are unobservable, the asset class has been classified as Level 3.

There are no changes in valuation techniques from prior years.

Specialised Buildings

The market buying approach is estimated by the sum of the current market prices for one or more purchase transactions required to reproduce or replace the asset, less accumulated depreciation. In determining the current cost of a specialised asset, reference is made to the cost of replacing the assets service potential and in doing so the Modern Equivalent Replacement Cost (MERC) is adopted. The other significant inputs considered in the valuation are remaining useful life of the asset, condition, pattern of consumption and residual value.

In 2012/13 financial year Council completed construction of Council's Depot at Suakin Street, Pymble which was classified as a specialised building.

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

There are no changes in valuation techniques from prior years.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Roads

Council's roads are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation. The full revaluation of road assets is undertaken on a 5 year cycle.

The valuation, which is completed by Council's asset and pavement engineers, was completed in June 2015. The Cost approach was adopted to value Council roads. The replacement costs (based on unit rates), useful lives and conditions were determined by extracting technical information contained in Council's pavement management system (SMEC) and the updated road condition spread sheet provided by the asset and pavement engineer (based on invoices and contracts). Useful lives were reviewed based on SSROC guide. This year all the road assets data stored in the Pavement Management System (SMEC) has been imported into the new corporate system. Roads due for renewal are assessed by pavement engineers and the entire road network is assessed by an independent consultant (every 2-3 years). The last independent assessment was completed in 2013. An updated assessment of Council road conditions were carried out in the 2015/2016 financial year. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, inspections and pattern of consumption, dimensions, components, residual value and type of road. A pavement condition index (PCI) is used in SMEC and determined by field. This PCI is converted into road technical ratings condition 1 (Excellent) to 5 (Very Poor). This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Bridges

Council's bridges register consists of all pedestrian and vehicle access bridges. The bridges were inspected and valued by an independent consultant (Asset Val) in June 2015. In order to apply fair valuation and condition based depreciation, the following information was determined by the consultant for each component:

- The replacement cost was based on the cost to replace a component to a current day equivalent. Published available market data for recent projects and published cost guides are utilised to determine the estimated replacement cost.
- The useful life and remaining useful life - Where the site inspections were done, a condition assessment was allocated to all the assets and that was used to estimate useful and remaining useful life of an asset.
- Condition assessment - is based on factors such as age of the asset, overall condition, economic & functional obsolescence.
- Residual value – The estimated amount that an entity would currently obtain from disposal of the asset
- Pattern of Consumption – straight line pattern of consumption

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

There are no changes in valuation techniques from prior years.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Footpaths

Council's footpath register consists of all pedestrian walkways and cycleways within the Council area. Council staff completed the valuation of the Footpath assets internally and the valuation was completed in June 2015.

Replacement costs (unit rates) and useful lives of Council's footpaths were determined using technical knowledge and Contractor information. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of each asset was determined using the ratings 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Kerb & Gutter

Council's kerb and gutter register consists of all kerb and gutter within Council's road network. Council staff performed the valuation of the assets internally and the valuation was completed in June 2015.

Replacement costs (unit rates) and useful lives of Council's kerb and gutter were determined using technical knowledge, Contractor information and SSROC Guide. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of each asset was determined using the ratings 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Road Structure and Street Furniture

The Road Structures and Street Furniture register comprises of all structures (traffic islands, guardrails) and furniture (bollards, signs) within Council's road network. Council staff completed the valuation of the assets internally and the valuation was completed in June 2015. Replacement costs (unit rates) and useful lives of Council's road structures and street furniture were determined using technical knowledge from Council staff (engineers and asset management), Contractor information, current invoices and SSROC guide. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of each asset was determined using the ratings 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Open Space / Recreational Assets

Council's recreational facilities register includes all assets within our sports fields, bushland and park locations. This includes but is not limited to ovals, playing courts, playgrounds, fences and fire trails. Council staff completes the valuation of these assets internally. Replacement costs (unit rates) and useful lives of Council's recreational facilities were determined using technical knowledge from Council staff (engineers and asset management) and Contractor information. Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, components and residual value.

The condition of these assets was determined by field inspections using the ratings 1 (Excellent) to 5 (Very Poor).

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Swimming Pool

The swimming pool includes all assets located within the facility.

Liquid Pacific Pty Ltd valued the building components of the swimming pool in June 2013 as part of the building revaluation and other substantial components of the pool are valued using replacement cost method. Replacement costs were determined using square metre rates and other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, components, dimensions and residual value.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Plant & Equipment, Office Equipment, and Furniture & Fittings

This asset category includes:

Plant & Equipment – Motor vehicles, trucks, mowers, buses, earthmoving equipment

Office Equipment – Computer equipment

Furniture & Fittings – Chairs, desks, cabinets, display systems

These assets are valued at cost in Council's books and reported at Fair value in the notes due to the nature of the items. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market therefore placing these assets in Level 3. Valuation techniques remained the same for this reporting period.

Library Books

This asset category comprises of assets such as library books, journals, magazines, CDs and DVDs.

The library books are reported at Fair value in the notes however, due to the nature of these items they are valued at cost. There are no major variances between the fair value and carrying amount of these assets. The cost of these assets are based on current invoices and contracts, which are based on observable inputs, however the remaining useful life and residual value is based on internal factors which are unobservable in the market making it a Level 3 asset. Valuation techniques remain the same for this reporting period.

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Others (Artwork, Sculptures)

Council engaged McWilliam and Associates Pty Ltd to value all artwork, memorabilia and monuments in June 2016. This information was updated into Council's public art register.

The valuation was completed using the replacement cost approach and market value in accordance with AASB 116.

The replacement value for artworks and memorabilia was determined by the price at which the items could be purchased from a reputable dealer, gallery or retail outlet.

The replacement value for monuments was determined as the cost of replacing an asset with a similar object in a condition equal to, but not better than its condition when new. An estimate of associated costs including consultancy and site management is included in the determination of the replacement value.

Where the fair value of an asset could not be determined by sale on the open market, a depreciable replacement cost has been adopted. Other significant inputs considered in the valuation are the condition of the asset, pattern of consumption and remaining useful life. This asset class is categorised as Level 3 as some of the above mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

There are no changes in valuation techniques from prior years.

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Community Land	Land Under Roads	Land Improvements Depreciable	Stormwater Drainage	Total
Opening balance – 1/7/14	336,311	66	13,761	136,183	486,321
Transfers from/(to) another asset class	(147)	–	646	–	499
Purchases (GBV)	–	–	3,651	1,205	4,856
Disposals (WDV)	(1,428)	–	–	–	(1,428)
Depreciation and impairment	–	–	(451)	(2,396)	(2,847)
Reval Incl Dec to Equity (ARR)	–	–	–	28,127	28,127
Closing balance – 30/6/15	334,736	66	17,607	163,119	515,528
Transfers from/(to) another asset class	(1,145)	–	(18,600)	–	(19,745)
Purchases (GBV)	1,700	–	3,522	284	5,506
Disposals (WDV)	–	–	–	–	–
Depreciation and impairment	–	–	(334)	(1,653)	(1,987)
Reval Incl Dec to Equity (ARR)	93,114	–	–	–	93,114
Closing balance – 30/6/16	428,406	66	2,195	161,750	592,417

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Structure (Car Parks)	Buildings Specialised	Other	Roads	Total
Opening balance – 1/7/14	1,197	10,911	1,047	214,992	228,147
Transfers from/(to) another asset class	207	–	–	–	207
Purchases (GBV)	–	–	–	9,555	9,555
Depreciation and impairment	(31)	(442)	(53)	(4,688)	(5,214)
Reval Inc / Dec to Equity (ARR)	6,528	–	–	15,349	21,877
Transfer from WIP	–	–	–	92	92
Closing balance – 30/6/15	7,901	10,469	994	235,300	254,664
Transfers from/(to) another asset class	–	3,100	–	603	3,703
Purchases (GBV)	33	17	–	8,637	8,687
Depreciation and impairment	(272)	(402)	(54)	(7,264)	(7,992)
Reval Inc / Dec to Equity (ARR)	–	–	439	–	439
Transfer from WIP	–	–	–	1,276	1,276
Closing balance – 30/6/16	7,662	13,184	1,379	238,552	260,777

	Bridges	Footpaths	Kerb and Gutter	Road Structure and Street Furniture	Total
Opening balance – 1/7/14	5,911	21,218	35,571	5,646	68,346
Transfers from/(to) another asset class	1,238	354	–	–	1,592
Purchases (GBV)	–	854	–	–	854
Depreciation and impairment	(162)	(1,235)	(1,652)	(345)	(3,394)
Reval Inc / Dec to Equity (ARR)	(438)	10,156	35,384	(1,512)	43,590
Closing balance – 30/6/15	6,549	31,347	69,303	3,789	110,988
Purchases (GBV)	–	469	7	9	485
Depreciation and impairment	(163)	(750)	(1,331)	(215)	(2,459)
Closing balance – 30/6/16	6,386	31,066	67,979	3,583	109,015

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Recreational Facilities	Swimming Pools	Land (Oper. and Comm) (Assets Held for Sale)	Land Improvements (Assets Held for Sale)	Total
Opening balance – 1/7/14	47,303	17,479	5,003	2,287	72,072
Transfers from/(to) another asset class	(1,683)	11	–	–	(1,672)
Purchases (GBV)	672	2,862	–	–	3,534
Disposals (WDV)	–	–	(3,963)	(2,287)	(6,250)
Depreciation and impairment	(2,931)	(625)	–	–	(3,556)
Transfers from WIP	2,445	161	–	–	2,606
Closing balance – 30/6/15	45,806	19,888	1,040	–	66,734
Transfers from/(to) another asset class	14,897	–	–	–	14,897
Purchases (GBV)	3,034	1,116	–	–	4,150
Disposals (WDV)	(331)	–	(1,040)	–	(1,371)
Depreciation and impairment	(2,853)	(353)	–	–	(3,206)
Transfers from WIP	3,892	–	–	–	3,892
Reval Inc / Dec to Equity (ARR)	2,080	–	–	–	2,080
Closing balance – 30/6/16	66,525	20,651	–	–	87,176

	Buildings Non Specialised	Furniture and Fittings	Office Equipment	Plant and Equipment	Total
Opening balance – 1/7/14	67,390	165	853	6,241	74,649
Transfers from/(to) another asset class	27	4	208	(220)	19
Purchases (GBV)	1,925	66	275	1,614	3,880
Disposals (WDV)	(970)	–	–	(712)	(1,682)
Depreciation and impairment	(2,494)	(21)	(144)	(894)	(3,553)
Transfers from WIP	402	–	–	–	402
Closing balance – 30/6/15	66,280	214	1,192	6,029	73,715
Transfers from/(to) another asset class	(19,056)	–	(50)	–	(19,106)
Purchases (GBV)	2,677	6	65	1,781	4,529
Disposals (WDV)	–	–	(43)	(865)	(908)
Depreciation and impairment	(1,899)	(27)	(191)	(895)	(3,012)
Transfers from WIP	140	–	–	–	140
Closing balance – 30/6/16	48,142	193	973	6,050	55,358

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Investment Properties	Operational Land	Library Books	Total
Opening balance – 1/7/14	–	52,933	2,667	55,600
Purchases (GBV)	–	238	584	822
Disposals (WDV)	–	(539)	(512)	(1,051)
Reval Inc / Dec to Equity (ARR)	–	–	–	–
Closing balance – 30/6/15		52,632	2,739	55,371
Transfers from/(to) another asset class	19,056	1,145	–	20,201
Purchases (GBV)	–	2,515	582	3,097
Disposals (WDV)	–	–	–	–
Depreciation and impairment	–	–	(530)	(530)
Transfers from WIP	–	–	16	16
Closing balance – 30/6/16	19,056	56,292	2,807	78,155

b. Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above):

During the year, there were no transfers into and out of the Level 3 Fair Valuation hierarchy

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
Investment properties					
Investment property	19,056	Market Value/Sales/Income Approach	Replacement Cost Total area (17,068 m2)	Unit Rates: \$1,172 (per square metre)	Increase/decrease in the unit rate by 10% will result in 10% increase/decrease in fair value
			Asset Condition Rating	Asset Condition: 1 (Excellent)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful Life	Remaining Useful Life: 47	
			Components	Components: Superstructure Roof Fire Mechanical Lift Floor	

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I,PP&E					
Community Land	428,406	Cost Approach	Unimproved Capital Value provided by Valuer General Total area (6,986,004 m2)	Unit Rates: \$1 - \$2,384 (per square metre)	Increase/decrease in the price per square metre based on the unimproved capital value will result in changes in fair value
Land Under Roads	66	Cost Approach	Total area (85,374,620m2) Total Value of land (\$24,944,545,350) Total area LUR (2245m2) Englobo valuation basis (AASB116)	\$29.22 (per square metre)	Increase/decrease in the price per square metre will result in changes in fair value
Land Improvements Depreciable	2,195	Cost Approach	Replacement Cost	Unit Rates - vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition 1 - 5 representing Excellent to Very poor	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life 20 yrs	

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I, PP&E					
Stormwater Drainage	161,750	Cost Approach	Replacement Cost	Unit Rates: \$92 - \$5,567 vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 15 - 135 yrs	
			Residual Value	Residual Value: 0% to 10%	
Buildings - Specialised	48,142	Cost Approach	Modern Equivalent Replacement Cost (MERC)	Unit Rates: vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 4 - 95yrs	
			Components	Components: Superstructure Roof Floor Mechanical Fire	

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I, PP&E					
Structure (Car Parks)	7,662	Cost Approach	Replacement Cost	Unit Rates: Surface: \$25 Pavement: \$50 Formation \$15	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 2.5yrs to 100 yrs	
			Residual Value	Residual Value: Pavement: 0% to 10%	
Other (Artworks, Sculptures)	1,379	Cost Approach	Replacement costs In the absence of replacement cost, depreciable replacement (DRC) cost is adopted	Replacement cost vary from asset to asset	Increases (decreases) in replacement cost or condition of the asset would result in a higher (lower) fair value measurement

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I, PP&E					
Roads	238,552	Cost Approach	Replacement Cost	Unit Rates - Surface: \$25-\$32 - Pavement: \$50-\$100 - Formation: \$15-\$20 (Unit rates vary from asset to asset)	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition - Surface - Pavement - Formation Assessed as 1 - 5: Excellent to Very poor	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life - Surface: 30yrs - Pavement: 80 yrs - Formation 120 yrs	
			Residual Value	Residual Value: 0%	
Bridges	6,386	Cost Approach	Replacement Cost	Unit Rates - vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to Fair value.
			Remaining Useful life	Remaining Useful Life: 3 - 85 yrs	

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I,PP&E					
Footpaths	31,066	Cost Approach	Replacement Cost	Unit Rates: \$85 - \$120 vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 3 - 80 yrs	
Kerb and Gutter	67,979	Cost Approach	Replacement Cost	Unit Rates: \$100 - \$900 vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 0 - 90 yrs	

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I,PP&E					
Road Structure and Street Furniture	3,583	Cost Approach	Replacement Cost	Unit Rates: vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 18 - 90 yrs	
Recreational Facilities	66,525	Cost Approach	Replacement Cost	Unit Rates: vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 0 - 100 yrs	
Swimming Pools	20,651	Cost Approach	Replacement Cost	Unit Rates: vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 60 yrs	

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I,PP&E					
Buildings Non Specialised	48,142	Cost Approach	Replacement Cost	Unit Rates: vary from asset to asset	Increase/decrease in the unit rates by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 2 - 60yrs	
			Components	Components Superstructure Roof Floor Mechanical Fire	
Furniture and Fittings, Office Equipment and Plant and Equipment (e.g. Fleet and Small Plant)	193	Cost Approach	Replacement Cost	Cost vary from asset to asset	Increase/decrease in the cost of the asset by 10% will result in 10% increase/decrease in fair value
			Remaining Useful life	Remaining Useful Life: 0 - 10yrs	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Residual Value	Residual Value: 0-5%	
Operational Land	56,292	Market Value / Cost Approach	Total area (42,713m2) Total Value of land (\$49,810,000)	Unit Rates: \$1 - \$1170 (per square metre)	Increase/decrease in the price per square metre will result in changes in fair value

Note 27 Fair Value Measurement (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
I,PP&E					
Library Books	2,807	Cost Approach	Replacement Cost	Unit Rates: vary from asset to asset	Increase/decrease in the cost of the asset by 10% will result in 10% increase/decrease in fair value
			Asset Condition rating	Asset Condition: 1-5 (Excellent to Very poor)	Asset condition rating and pattern of consumption that impact the remaining useful life or residual value of the asset will also result in significant changes to fair value.
			Remaining Useful life	Remaining Useful Life: 0 - 10 yrs	
			Residual Value	Residual Value: 0% to 10%	

(5). Highest and best use

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

Ku-ring-gai Council
General Purpose Financial Report
Independent Auditor's Report

We have audited the accompanying financial report of Ku-ring-gai Council (the Council), which comprises the statement of financial position as at 30 June 2016, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillor's Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial report 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 Council, as well as evaluating the overall presentation of the financial report.

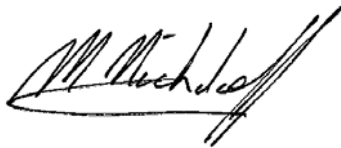
Our audit responsibility does not extend to the original budget information disclosed in the income statement, statement of cash flows, original budget disclosures in Notes 2(a) and 16 and the Projects disclosed in Note 17 to the financial statements, nor the attached Special Schedules and accordingly, we express no opinion on them.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

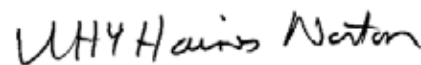
Auditor's Opinion

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;
- (b) the financial report:
 - (i) has been presented, in all material respects, in accordance with the requirements of this Division;
 - (ii) is consistent with the Council's accounting records;
 - (iii) presents fairly, in all material respects, the Council's financial position as at 30 June 2016 and the results of its operations and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards;
- (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 report that have come to light during the course of the audit.



M.D. Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Signed in Sydney on 20 September 2016

20 September 2016

The Mayor
Ku-ring-gai Council
818 Pacific Highway
GORDON NSW 2072

Dear Mayor,

**Report on the Conduct of the Audit
Year Ended 30 June 2016**

We are pleased to advise completion of our audit of the General and Special Purpose Financial Statements for Ku-ring-gai Council for the year ended 30 June 2016, in accordance with Section 415 of the Local Government Act, 1993 ("the Act"); and that our audit opinion provided under Section 417(2) of the Act has been issued to Council. The following report on the conduct of the audit is issued in compliance with Section 417(3) of the Act.

The Councillors and Council Management are responsible for the preparation and true and fair presentation of the financial reports, which includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial reports. While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We have conducted our audit in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the Council's financial reports are free of material misstatement. An audit is influenced by factors such as professional judgement, selective testing, the inherent limitations of internal control and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We have reviewed 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.

We offer the following comments on the financial statements and the audit:

STATEMENT OF COMPREHENSIVE INCOME

MOVEMENT IN RESULTS OVER PRIOR YEAR

Council’s Net Operating Result before Grants and Contributions provided for capital purposes indicates a surplus of \$6.820 million for the year ended 30 June 2016 compared to a surplus of \$13.460 million for the year ended 30 June 2015.

The Net Operating Result after Grants and Contributions for capital purposes has increased by \$19.384 million to a surplus of \$41.971 million (2015: surplus of \$22.586 million).

Commentary on the major movements within the income and expense categories within the income statement is detailed below:

MOVEMENT IN REVENUE ITEMS 2015-2016

	2016	2015	Increase (Decrease)
	\$'000	\$'000	\$'000
Rates and Annual Charges	78,537	76,370	2,167
User Charges and Fees	18,003	13,683	4,320
Grants & Contributions Provided for Operating Purposes	8,295	7,728	567
Grants & Contributions Provided for Capital Purposes	35,151	9,126	26,025
Net Gains from the Disposal of Assets	-	12,852	(12,852)

RATES AND ANNUAL CHARGES

Rates and annual charges have increased by \$2.167 million (3%). The increase in rate income is in line with the permissible rate increase granted by the Minister for Local Government and in line with the changes to supplementary valuations in the Ku-ring-gai area.

USER CHARGES AND FEES

User fees & charges have increased this year by \$4.320 million (32%). This increase is as a result of the full year income received from Council’s Fitness and Aquatic Centre which officially opened in October 2014. There were notable increases also in fees and charges for building regulations, golf courses and restoration charges.

GRANTS AND CONTRIBUTIONS PROVIDED FOR OPERATING PURPOSES

Grants and contributions provided for operating purposes has increased by \$0.567 million (7.3%) to \$8.295 million. The increase was largely due to the full receipt of the Transport Grant.

GRANTS AND CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES

Grants and contributions provided for capital purposes has increased by \$26.025 million (285%) to \$35.151 million. The main reason for the increase in Capital Grant income is due to increased Section 94 contributions from developers.

NET GAINS FROM THE DISPOSAL OF ASSETS

Net gains from the disposal of assets is nil in 2016 compared to \$12.852 million. The prior year balance relates to the sale of the Culworth Avenue carpark and twenty-four (24) lots from the B2 Land Subdivision project with the NSW Department of Planning.

MOVEMENT IN EXPENSE ITEMS 2015-2016

	2016	2015	Increase (Decrease)
	\$'000	\$'000	\$'000
Employee Benefits and On-costs	37,447	36,127	1,320
Materials and Contracts	39,539	38,390	1,149
Depreciation and Amortisation	19,476	19,349	127
Other Expenses	16,242	15,306	936

EMPLOYEE BENEFITS & ON-COSTS

Employee benefits and on-costs expense has increased by \$1.320 million (4%) to \$37.447 million. The increase is broadly consistent with the increases to the award.

MATERIALS AND CONTRACTS

Materials and contracts expense has increased by \$1.149 million (3%) to \$39.539 million. The increase can mainly be attributed to various contractor expenses and consultancy costs.

DEPRECIATION AND AMORTISATION

Depreciation and amortisation expense has increased by \$127,000 (0.7%) to \$19.476 million. The increase was due to the recognition of additional assets recognised in the infrastructure asset class.

OTHER EXPENSES

Other expenses have increased by \$936,000 (6%) to \$16.242 million. This was largely a result of increased costs for contributions/levies to other levels of government, insurance, telephone and communications and computer software charges.

STATEMENT OF FINANCIAL POSITION

During the year, the Council’s net assets increased by \$137.604 million to \$1.283 billion. The major movements within the balance sheet were:

- Increase in current and noncurrent investments of \$28,467 million
- Increase of \$89.896 million in the value of infrastructure, property, plant, and equipment.

INVESTMENTS

- The increase in investments is largely due to higher long term deposits (2016 - \$87.500 million compared to 2015 - \$59.000 million) and floating rate notes (2016 - \$27.263 million compared to 2015 - \$18.267 million). A significant portion of this is the external restricted funds for the developer contributions – general (2016 - \$88.509 million compared to 2015 - \$65.147 million)

INFRASTRUCTURE, PROPERTY, PLANT, AND EQUIPMENT

The increase in the IPPE balance is largely a result of asset revaluations of community land and art works conducted for the financial year. Net revaluation increment resulting from these revaluations is \$95.633 million.

Council also brought to account additional assets and asset renewals to the value of \$33.795 million and had a depreciation expense of \$19.186 million.

STATEMENT OF CASH FLOWS

	2016	2015	Increase (Decrease)
	\$'000	\$'000	\$'000
Net Cash Flows from Operations	61,987	29,265	32,722
Net Cash Flows from Investing	(59,285)	(11,122)	48,163
Net Cash Flows from Financing	(2,595)	(17,909)	(15,314)

NET CASH FLOWS FROM OPERATIONS

Net cash provided from operating activities amounted to \$61.987 million in 2016 compared to \$29.265 million in the prior year. The increase can mainly be explained by higher cash received from grants and contributions of \$44.341 million in 2016 (2015 - \$17.897 million), user charges and fees of \$19.052 million in 2016 (2015 – 14.925 million) and rates and annual charges of \$78.500 million in 2016 (2015 - \$76.298 million).

NET CASH FLOWS FROM INVESTING

Net cash used in investing activities amounted to \$59.285 million for the year ended 30 June 2016 compared to \$11.122 million for the prior year.

This is largely due to net cash outflows for the sale and purchase of investment securities of \$28.506 million in 2016 (2015 - \$4.597 million) and net purchase of infrastructure, plant and equipment of \$31.555 million (2015 - \$19.132 million).

NET CASH FLOWS FROM FINANCING

Net cash used in financing activities amount to \$2.595 million for the year ended 30 June 2016 compared to \$17.909 million in 2015. The current year cash outflows relate to the net repayment of borrowings while the prior year balance can be attributed to the voluntary repayment of the loan associated with the Council Administration Building and repayment of other loans of \$18.192 million offset by loan proceeds of \$283,000.

TOTAL INVESTMENTS AND CASH BALANCES

	2016	2015	Increase (Decrease)
	\$'000	\$'000	\$'000
Externally Restricted Cash	98,769	73,554	25,215
Internally Restricted Cash	23,256	20,701	2,555
Unrestricted Cash	3,833	3,029	804
Total Cash, Cash Equivalents and Investments	125,858	97,284	28,574

EXTERNALLY RESTRICTED CASH

Externally restricted cash and investments are restricted in their use by externally imposed requirements. The movement in externally restricted cash balances included the net increase of \$23.262 million in developer contributions – general and \$2.930 million domestic waste management.

INTERNALLY RESTRICTED CASH

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The movement in internally restricted cash balances included the net increase of \$850,000 in infrastructure and facilities and \$825,000 in carry over works.

UNRESTRICTED CASH

Unrestricted cash and investments are those funds available to provide liquidity for day to day operations.

WORKING CAPITAL (NET CURRENT ASSETS)

	2016	2015	Increase (Decrease)
	\$'000	\$'000	\$'000
Current Assets	68,108	45,686	22,422
Current Liabilities	(24,608)	(23,445)	(1,163)
Net Current Assets	43,500	22,241	21,259
Add: Current Liabilities not anticipated to be settled within the next 12 months	10,039	9,696	343
Adjusted Net Current Assets	53,539	31,937	21,602
Add: Current Liabilities expected to be settled within the next 12 months			
- Borrowings	1,584	2,536	(952)
- Provisions	3,244	3,090	154
- Security Bonds, Deposits and Retentions	100	135	(35)
Less: Externally Restricted Assets	(30,515)	(11,280)	(19,235)
Less: Internally Restricted Assets including Current Assets Classified as Held for Sale	(23,256)	(21,741)	(1,515)
Working Capital as at 30 June	4,696	4,677	19

Council's balance of working capital has had a slight increase of \$19 thousand to \$4.696 million for the 2016 financial year.

PERFORMANCE INDICATORS AND TRENDS

Our comments in regard to Council's performance for the 2016 year are based on those performance indicators that are considered meaningful.

The indicators we have reviewed are as follows:

	2016	2015
Unrestricted Current Ratio	2.58 : 1	2.50 : 1
Debt Service Cover Ratio	6.58 : 1	1.09 : 1
Operating Performance Ratio	5.98%	0.55%
Own Source Operating Revenue Ratio	72.15%	86.01%
Rates and Annual Charges Outstanding Percentage	3.16%	3.18%
Cash Expense Cover Ratio	10.51	6.08

UNRESTRICTED CURRENT RATIO

The unrestricted current ratio is used to assess the adequacy of available current assets and Council's ability to satisfy its obligations in the short term after taking into account any external restrictions over the use of the current assets. The ratio of 2.58 has increased from the prior year's ratio of 2.50 and this is an indicator of Council's ability to effectively meet their current liabilities.

DEBT SERVICE COVER RATIO

At 30 June 2016 Council had outstanding borrowings of \$23.298 million compared with \$26.523 million as at 30 June 2015. The debt service cover ratio measures the availability of operating cash to service debt repayments. For the 2016 financial year the ratio indicated that operating results before capital, interest, depreciation and amortisation covered payments required to service debt by 6.58 to 1. The ratio has increased mainly due to lower payments for borrowings during the year compared to last year.

OPERATING PERFORMANCE RATIO

This ratio is measures Council's ability to contain operating expenditure within its operating revenue, excluding capital grants and contributions. For the 2016 financial year, this indicator was 5.98%, which exceeded the benchmark of 0%.

OWN SOURCE OPERATING REVENUE RATIO

The own source operating revenue ratio measures Council's fiscal flexibility and their degree of reliance on external funding sources such as grants and contributions. For the 2016 financial year, this indicator was 72.15% and exceeded the benchmark of 60%.

RATES AND ANNUAL CHARGES OUTSTANDING PERCENTAGE

The rates and annual charges outstanding percentage is used to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of debt recovery efforts. The percentage of rates and annual charges outstanding has decreased from 3.18% to 3.16% in the current year. This indicates that debtors are being collected at a faster rate than in the prior year.

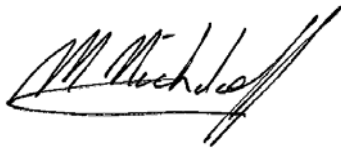
CASH EXPENSE COVER RATIO

This liquidity ratio indicates the number of months that Council can continue to pay its immediate expenditure items with available cash and term deposit balances, without the need for additional cash inflow. For 2016, this ratio stood at 10.51 months compared to the benchmark of greater than 3 months.

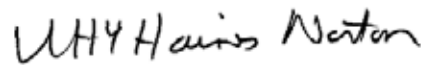
REPORTING TO MANAGEMENT

A management letter highlighting matters arising from our interim audit has been prepared and issued where considered necessary or appropriate. Matters raised in the letter included suggestions for improvement and management's comments and proposed actions.

We wish to record our appreciation to your General Manager, Director Corporate, Finance Manager and their staff for the co-operation and courtesy extended to us during the course of our audit and commend their efforts in the early completion of the financial reports.



M.D. Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Signed at Sydney on 20 September 2016

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities), and **(c)** those activities with a turnover of less than \$2 million that Council has formally declared as a Business Activity (defined as Category 2 activities).
- (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Statement by Councillors and Management

MADE PURSUANT TO THE LOCAL GOVERNMENT CODE OF ACCOUNTING PRACTICE AND FINANCIAL REPORTING
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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


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

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

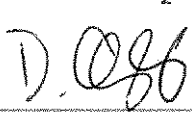
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 20 September 2016.



Jennifer Anderson
MAYOR



David Ossip
DEPUTY MAYOR



John McKee
GENERAL MANAGER



Angela Apostol
RESPONSIBLE ACCOUNTING OFFICER

Income Statement of Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Thomas Carlyle Childrens Centre		Art Centre	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Income from continuing operations				
User charges	1,111	986	516	452
Grants and contributions provided for non-capital purposes	385	384	–	–
Total income from continuing operations	1,496	1,370	516	452
Expenses from continuing operations				
Employee benefits and on-costs	1,047	1,011	554	523
Materials and contracts	127	147	81	43
Depreciation and impairment	18	23	25	32
Other expenses	84	76	46	50
Total expenses from continuing operations	1,276	1,257	706	648
Surplus (deficit) from continuing operations before capital amounts	220	113	(190)	(196)
Less: corporate taxation equivalent (30%) [based on result before capital]	(66)	(34)	–	–
SURPLUS (DEFICIT) AFTER TAX	154	79	(190)	(196)
Plus opening retained profits	820	831	4,196	3,847
Plus adjustments for amounts unpaid:				
– Corporate taxation equivalent	66	34	–	–
Add:				
– Subsidy paid/contribution to operations	–	–	–	544
Less:				
– Dividend paid	(72)	(124)	–	–
Closing retained profits	968	820	4,006	4,195
Return on capital %	22.5%	12.2%	-4.6%	-4.5%
Subsidy from Council	–	–	279	329

Income Statement of Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Trade Waste		Gordon Golf Course	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Income from continuing operations				
User charges	1,779	1,671	558	558
Other income	87	92	–	–
Total income from continuing operations	1,866	1,763	558	558
Expenses from continuing operations				
Employee benefits and on-costs	43	42	375	274
Materials and contracts	1,203	1,475	286	347
Depreciation and impairment	–	–	118	124
Other expenses	3	1	371	161
Total expenses from continuing operations	1,249	1,518	1,150	906
Surplus (deficit) from continuing operations before capital amounts	617	245	(592)	(348)
Less: corporate taxation equivalent (30%) [based on result before capital]	(185)	(74)	–	–
SURPLUS (DEFICIT) AFTER TAX	432	172	(592)	(348)
Plus opening retained profits	(335)	(175)	6,073	6,292
Plus adjustments for amounts unpaid:				
– Corporate taxation equivalent	185	74	–	–
Add:				
– Subsidy paid/contribution to operations	–	–	2,187	129
Less:				
– Dividend paid	(512)	(405)	–	–
Closing retained profits	(230)	(335)	7,668	6,073
Return on capital %	n/a	n/a	-7.7%	-5.3%
Subsidy from Council	–	–	758	549

Income Statement of Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Turramurra Golf Course		Tennis Courts	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Income from continuing operations				
User charges	708	294	322	298
Total income from continuing operations	708	294	322	298
Expenses from continuing operations				
Employee benefits and on-costs	344	321	2	2
Materials and contracts	418	265	18	8
Depreciation and impairment	233	242	612	639
Other expenses	223	191	26	26
Total expenses from continuing operations	1,218	1,019	658	675
Surplus (deficit) from continuing operations before capital amounts	(510)	(725)	(336)	(377)
SURPLUS (DEFICIT) AFTER TAX	(510)	(725)	(336)	(377)
Plus opening retained profits	17,668	14,342	5,381	5,993
Add:				
– Subsidy paid/contribution to operations	855	4,051	–	–
Less:				
– Dividend paid	–	–	(641)	(235)
Closing retained profits	18,013	17,668	4,404	5,381
Return on capital %	-2.8%	-4.0%	-7.6%	-7.0%
Subsidy from Council	903	1,288	432	543

Income Statement of Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Swimming Pool		Nursery	
\$ '000	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Income from continuing operations				
User charges	4,197	2,234	41	33
Other income	–	–	4	7
Total income from continuing operations	4,197	2,234	45	40
Expenses from continuing operations				
Employee benefits and on-costs	–	–	142	137
Materials and contracts	3,700	2,404	12	8
Depreciation and impairment	374	625	11	11
Other expenses	395	384	42	11
Total expenses from continuing operations	4,469	3,413	207	167
Surplus (deficit) from continuing operations before capital amounts	(272)	(1,179)	(162)	(127)
SURPLUS (DEFICIT) AFTER TAX	(272)	(1,179)	(162)	(127)
Plus opening retained profits	19,755	16,926	69	83
Add:				
– Subsidy paid/contribution to operations	1,152	4,008	125	113
Closing retained profits	20,635	19,755	32	69
Return on capital %	-1.3%	-5.9%	-522.6%	-135.1%
Subsidy from Council	720	1,789	163	130

Income Statement of Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Commercial Leasing

\$ '000	Actual 2016	Actual 2015
Income from continuing operations		
User charges	1,855	1,495
Other income	208	158
Total income from continuing operations	2,063	1,653
Expenses from continuing operations		
Employee benefits and on-costs	198	195
Materials and contracts	636	504
Depreciation and impairment	456	565
Other expenses	323	305
Total expenses from continuing operations	1,613	1,569
Surplus (deficit) from continuing operations before capital amounts	450	84
Less: corporate taxation equivalent (30%) [based on result before capital]	(135)	(25)
SURPLUS (DEFICIT) AFTER TAX	315	59
Plus opening retained profits	21,392	21,036
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	135	25
Add:		
– Subsidy paid/contribution to operations	239	272
Closing retained profits	22,081	21,392
Return on capital %	2.0%	0.4%
Subsidy from Council	28	573

Statement of Financial Position - Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Thomas Carlyle Childrens Centre		Art Centre	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
ASSETS				
Current assets				
Cash and cash equivalents	–	–	–	–
Investments	–	–	–	–
Receivables	25	19	–	2
Inventories	–	–	–	–
Other	–	–	–	–
Non-current assets classified as held for sale	–	–	–	–
Total Current Assets	25	19	–	2
Non-current assets				
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	977	924	4,122	4,323
Investments accounted for using equity method	–	–	–	–
Intangible assets	–	–	–	–
Other	–	–	–	–
Total non-current assets	977	924	4,122	4,323
TOTAL ASSETS	1,002	943	4,122	4,325
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Payables	34	49	116	114
Borrowings	–	–	–	–
Provisions	–	70	–	16
Total current liabilities	34	119	116	130
Non-current liabilities				
Payables	–	–	–	–
Borrowings	–	–	–	–
Provisions	–	–	–	–
Other Liabilities	–	–	–	–
Total non-current liabilities	–	–	–	–
TOTAL LIABILITIES	34	119	116	130
NET ASSETS	968	824	4,006	4,195
EQUITY				
Retained earnings	968	820	4,006	4,195
Revaluation reserves	–	4	–	–
TOTAL EQUITY	968	824	4,006	4,195

Statement of Financial Position - Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Trade Waste		Gordon Golf Course	
\$ '000	Actual 2016	Actual 2015	Actual 2016	Actual 2015
ASSETS				
Current assets				
Cash and cash equivalents	–	–	–	–
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Other	–	–	–	–
Non-current assets classified as held for sale	–	–	–	–
Total Current Assets	–	–	–	–
Non-current assets				
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	–	–	7,670	6,562
Investments accounted for using equity method	–	–	–	–
Intangible assets	–	–	–	–
Other	–	–	–	–
Total non-current assets	–	–	7,670	6,562
TOTAL ASSETS	–	–	7,670	6,562
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Payables	120	140	2	1
Borrowings	–	–	–	–
Provisions	110	195	–	47
Total current liabilities	230	335	2	48
Non-current liabilities				
Payables	–	–	–	–
Borrowings	–	–	–	–
Provisions	–	–	–	–
Other Liabilities	–	–	–	–
Total non-current liabilities	–	–	–	–
TOTAL LIABILITIES	230	335	2	48
NET ASSETS	(230)	(335)	7,668	6,514
EQUITY				
Retained earnings	(230)	(335)	7,668	6,073
Revaluation reserves	–	–	–	441
TOTAL EQUITY	(230)	(335)	7,668	6,514

Statement of Financial Position - Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Turramurra Golf Course		Tennis Courts	
\$ '000	Actual 2016	Actual 2015	Actual 2016	Actual 2015
ASSETS				
Current assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	27	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	-	27	-	-
Non-current assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	18,113	18,330	4,407	5,396
Investments accounted for using equity method	-	-	-	-
Intangible assets	-	-	-	-
Other	-	-	-	-
Total non-current assets	18,113	18,330	4,407	5,396
TOTAL ASSETS	18,113	18,357	4,407	5,396
LIABILITIES				
Current liabilities				
Bank overdraft	-	-	-	-
Payables	-	-	3	15
Borrowings	-	-	-	-
Provisions	100	107	-	-
Total current liabilities	100	107	3	15
Non-current liabilities				
Payables	-	-	-	-
Borrowings	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total non-current liabilities	-	-	-	-
TOTAL LIABILITIES	100	107	3	15
NET ASSETS	18,013	18,250	4,404	5,381
EQUITY				
Retained earnings	18,013	17,668	4,404	5,381
Revaluation reserves	-	582	-	-
TOTAL EQUITY	18,013	18,250	4,404	5,381

Statement of Financial Position - Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

	Swimming Pool		Nursery	
\$ '000	Actual 2016	Actual 2015	Actual 2016	Actual 2015
ASSETS				
Current assets				
Cash and cash equivalents	–	–	–	–
Investments	–	–	–	–
Receivables	–	262	1	–
Inventories	–	–	–	–
Other	–	–	–	–
Non-current assets classified as held for sale	–	–	–	–
Total Current Assets	–	262	1	–
Non-current assets				
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	20,651	19,880	31	94
Investments accounted for using equity method	–	–	–	–
Intangible assets	–	–	–	–
Other	–	–	–	–
Total non-current assets	20,651	19,880	31	94
TOTAL ASSETS	20,651	20,142	32	94
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Payables	16	321	–	–
Borrowings	–	–	–	–
Provisions	–	–	–	21
Total current liabilities	16	321	–	21
Non-current liabilities				
Payables	–	–	–	–
Borrowings	–	–	–	–
Provisions	–	–	–	–
Other Liabilities	–	–	–	–
Total non-current liabilities	–	–	–	–
TOTAL LIABILITIES	16	321	–	21
NET ASSETS	20,635	19,821	32	73
EQUITY				
Retained earnings	20,635	19,755	32	69
Revaluation reserves	–	66	–	4
TOTAL EQUITY	20,635	19,821	32	73

Statement of Financial Position - Council's Other Business Activities

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Commercial Leasing

\$ '000	Actual 2016	Actual 2015
ASSETS		
Current assets		
Cash and cash equivalents	-	-
Investments	-	-
Receivables	37	37
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	37	37
Non-current assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	22,046	21,394
Investments accounted for using equity method	-	-
Intangible assets	-	-
Other	-	-
Total non-current assets	22,046	21,394
TOTAL ASSETS	22,083	21,431
LIABILITIES		
Current liabilities		
Bank overdraft	-	-
Payables	2	3
Borrowings	-	-
Provisions	-	36
Total current liabilities	2	39
Non-current liabilities		
Payables	-	-
Borrowings	-	-
Provisions	-	-
Other Liabilities	-	-
Total non-current liabilities	-	-
TOTAL LIABILITIES	2	39
NET ASSETS	22,081	21,392
EQUITY		
Retained earnings	22,081	21,392
Revaluation reserves	-	-
TOTAL EQUITY	22,081	21,392

SPECIAL PURPOSE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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Note 1 Significant Accounting Policies

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

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, "*Application of National Competition Policy to Local Government*".

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

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

(where gross operating turnover is over \$2 million)

a. Swimming Pool

Comprising the whole of the operations and assets of Council's Swimming Pool

Category 2

(where gross operating turnover is less than \$2 million)

a. Thomas Carlyle Children Centre

Comprising the whole of the operations and assets of Thomas Carlyle Children Centre.

b. Art Centre

Comprising the whole of the operations and assets of the Art Centre.

c. Trade Waste

Comprising the whole of the operations and assets of Trade Waste.

d. Gordon Golf Course

Comprising the whole of the operations and assets of the Gordon Golf Course.

e. Turrumurra Golf Course

Comprising the whole of the operations and assets of Turrumurra Golf Course.

f. Tennis Courts

Comprising the whole of the operations and assets of Council's Tennis Courts.

g. Plant Nursery

Comprising the whole of the operations and assets of Council's Plant Nursery.

Note 1 (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

h. Commercial Leasing

Comprising the whole of the operations and assets of Commercial Leasing.

Monetary amounts

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

(i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

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):

Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

While income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain or 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 this taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations, it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The 30% rate applied is the equivalent company tax rate prevalent as at balance date.

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

The 30% rate applied is the equivalent company tax rate prevalent as at balance date.

Loan and debt guarantee fees

There are no loans applicable to the business activities in the operating statement.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when 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.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(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'.

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

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 2.17% at 30/6/16.

(iv) Dividends

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

**Ku-ring-gai Council
Special Purpose Financial Report
Independent Auditor's Report**

We have audited the accompanying financial report, being the special purpose financial report, of Ku-ring-gai Council (the Council), which comprises the statement of financial position by Business Activity as at 30 June 2016, the income statement by Business Activity for the year then ended, the notes to the financial report for the Business Activities identified by Council and the statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting for the year ended 30 June 2016.

Councillor's Responsibility for the Financial Report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in note 1 to the financial report which form part of the financial report, are appropriate to meet the requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial report 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 Council, as well as evaluating the overall presentation of the financial report.

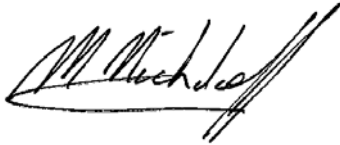
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

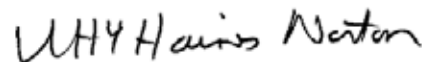
In our opinion, the financial report presents fairly, in all material respects, the financial position by Business Activity of the Ku-ring-gai Council as of 30 June 2016 and its financial performance by Business Activity for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial report, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describe the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Council.



M.D. Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Signed in Sydney on 20 September 2016

SPECIAL SCHEDULES¹

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Contents

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1. Special Schedules are not audited (with the exception of Special Schedule 9)

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (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 the financial activities of specific services.

Special Schedule No. 1 - Net Cost of Services

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$'000

Function or Activity	Expenses from Continuing Operations	Income from Continuing Operations		Net Cost of Services
		Non-Capital	Capital	
Governance	265	7	–	(258)
Administration	22,444	36,138	35,541	49,235
Public order and safety				
Fire service levy, fire protection, emergency services	2,835	60	141	(2,634)
Enforcement of local government regulations	1,386	464	–	(922)
Animal control	209	155	–	(54)
Total public order and safety	4,430	679	141	(3,610)
Health	509	289	–	(220)
Environment				
Other environmental protection	1,189	1,779	–	590
Solid waste management	16,579	21,274	–	4,696
Street cleaning	1,865	–	–	(1,865)
Drainage	2,683	1	–	(2,682)
Stormwater management	4,098	128	14	(3,956)
Total environment	26,414	23,182	14	(3,217)
Community services and education				
Administration and education	3,454	3,524	–	70
Aged persons and disabled	299	187	–	(112)
Children's services	3,475	3,876	–	401
Total community services and education	7,228	7,587	–	359
Housing and community amenities				
Public conveniences	–	–	1	1
Street lighting	2,087	288	–	(1,799)
Town planning	1,897	697	–	(1,200)
Other community amenities	150	213	–	63
Total housing and community amenities	4,134	1,198	1	(2,935)

Special Schedule No. 1 - Net Cost of Services (continued)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$'000

Function or Activity	Expenses from Continuing Operations	Income from Continuing Operations		Net Cost of Services
		Non-Capital	Capital	
Recreation and culture				
Public libraries	4,432	414	–	(4,018)
Art galleries	706	516	–	(190)
Community centres and halls	1,890	845	–	(1,045)
Other cultural services	437	75	–	(362)
Sporting grounds and venues	5,717	558	17	(5,142)
Swimming pools	4,469	4,264	–	(205)
Parks and gardens (lakes)	8,697	192	197	(8,308)
Other sport and recreation	468	–	–	(468)
Total recreation and culture	26,816	6,864	214	(19,738)
Mining, manufacturing and construction				
Building control	6,898	2,463	–	(4,435)
Total mining, manufacturing and const.	6,898	2,463	–	(4,435)
Transport and communication				
Urban roads (UR) – local	12,256	3,548	(771)	(9,479)
Parking areas	737	1,906	–	1,169
Footpaths	1,579	98	11	(1,470)
Total transport and communication	14,572	5,552	(760)	(9,780)
Economic affairs				
Other economic affairs	347	655	–	308
Total economic affairs	347	655	–	308
Totals – functions	114,057	84,614	35,151	5,708
General purpose revenues ⁽¹⁾		36,262		36,262
NET OPERATING RESULT ⁽²⁾	114,057	120,876	35,151	41,970

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As reported in the Income Statement

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$'000

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		From revenue	Sinking funds			Current	Non-current
Loans (by source)									
Commonwealth government	-	-	-	-	-	-	-	-	-
Treasury corporation	-	-	-	-	-	-	-	-	-
Other state government	-	-	-	-	-	-	-	-	-
Public subscription	-	-	-	-	-	-	-	-	-
Financial institutions	2,536	23,987	656	3,251	-	-	948	1,584	22,344
Other	-	-	-	-	-	-	-	-	-
Total loans	2,536	23,987	656	3,251	-	-	948	1,584	22,344
Other long term debt									
Ratepayers advances	-	-	-	-	-	-	-	-	-
Government advances	-	-	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-
Deferred payments	-	-	-	-	-	-	-	-	-
Total long term debt	-	-	-	-	-	-	-	-	-
Total debt	2,536	23,987	656	3,251	-	-	948	1,584	22,344
									23,928

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Special Schedule No. 7 - Report on Infrastructure Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	All Council Buildings	286	1,637	2,600	2,082	61,325	124,821	25%	12%	60%	2%	1%
	Sub-total	286	1,637	2,600	2,082	61,325	124,821	25.0%	12.0%	60.0%	2.0%	1.0%
Other structures	Other structures	402	1,698	200	24	7,662	13,064	2%	53%	32%	11%	2%
	Sub-total	402	1,698	200	24	7,662	13,064	2.0%	53.0%	32.0%	11.0%	2.0%
Roads	Roads	23,424	52,902	2,200	940	178,826	325,795	16%	26%	43%	10%	5%
	Bridges	49	155	100	-	6,386	11,418	0%	52%	46%	1%	1%
	Footpaths	703	2,969	900	819	31,066	45,882	37%	21%	35%	5%	2%
	Kerb and Gutter	128	732	700	171	67,979	133,074	3%	8%	88%	1%	0%
	Road Furniture	4	19	100	-	3,583	6,073	38%	39%	23%	0%	0%
	Sub-total	24,308	56,777	4,000	1,930	287,840	522,242	14.7%	21.6%	53.4%	7.1%	3.1%
Drainage	Pits and Pipes	497	2,838	1,300	617	161,750	236,521	14%	73%	12%	1%	0%
	Sub-total	497	2,838	1,300	617	161,750	236,521	14.0%	73.0%	12.0%	1.0%	0.0%
Open space/recreational assets	Swimming pools	575	3,287	400	-	20,651	25,095	0%	83%	4%	13%	0%
	Recreational Assets	7,875	14,576	1,700	6,413	66,525	110,087	84%	3%	0%	1%	12%
	Sub-total	8,450	17,863	2,100	6,413	87,176	135,182	68.4%	17.9%	0.7%	3.2%	9.8%

Special Schedule No. 7 - Report on Infrastructure Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost							
								1	2	3	4	5			
Land improvements - depreciable															
	Land Improvements			100	-	2,195	2,834	97%	3%	0%	0%	0%			
	Sub-total	-	-	100	-	2,195	2,834	97.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	TOTAL - ALL ASSETS	33,943	80,813	10,300	11,066	607,948	1,034,664	22.9%	32.1%	37.4%	4.6%	3.0%			

\$'000

Notes:

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

Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Special Schedule No. 7 - Report on Infrastructure Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

\$ '000	Amounts	Indicator	Prior periods	
	2016	2016	2015	2014
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	14,049	81.89%	100.01%	104.35%
Depreciation, amortisation and impairment	17,155			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	33,943	5.58%	4.36%	31.91%
Carrying value of infrastructure assets	607,948			
3. Asset maintenance ratio				
Actual asset maintenance	11,066	1.07	1.01	0.95
Required asset maintenance	10,300			

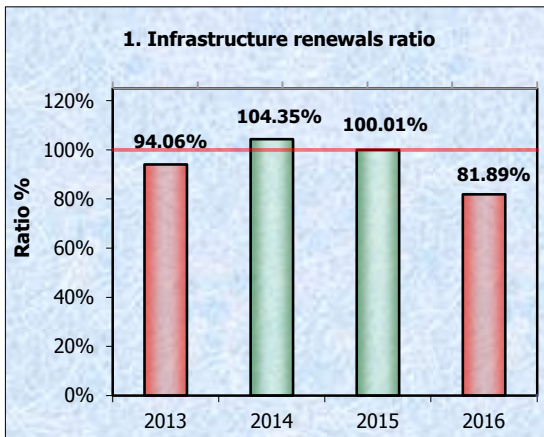
Notes

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

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

Special Schedule No. 7 - Report on Infrastructure Assets

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016



Benchmark: ——— Minimum $\geq 100.00\%$
 Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose of asset renewals ratio

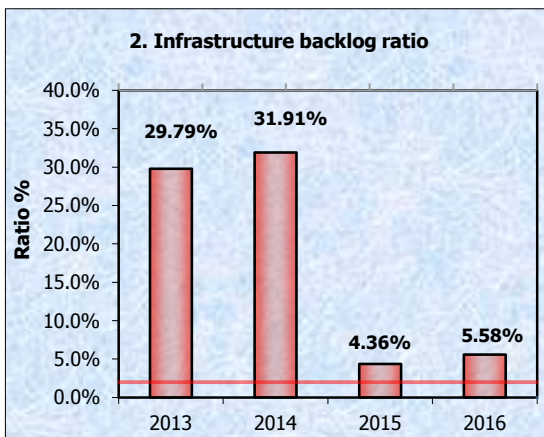
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2015/16 result

2015/16 Ratio 81.89%

A ratio of 82% indicates that the amount spent on renewing infrastructure assets is lower than the amount of depreciation on those assets. While Council's long term financial plan provides for infrastructure renewal to meet the benchmark of 100% in all years, in 2015/16 there were delays in obtaining funding for planned asset renewal that will be caught up in future years. Council will continue to focus on appropriate asset standards for renewal and maintenance of its assets and prioritise renewal capital works programs.

Ratio achieves benchmark
 Ratio is outside benchmark



Benchmark: ——— Maximum $< 2.00\%$
 Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose of infrastructure backlog ratio

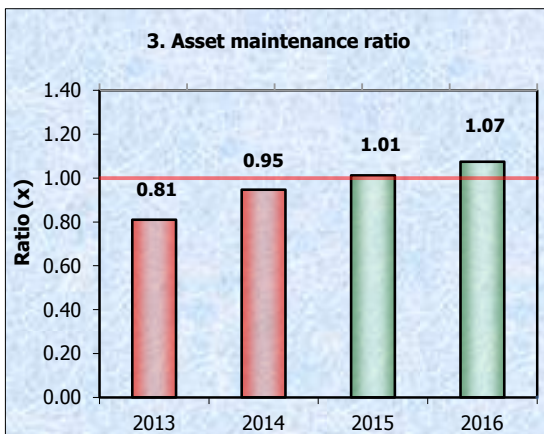
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2015/16 result

2015/16 Ratio 5.58%

Council achieved a backlog ratio of 5.6% at the end of 2015/16 financial year, which is an increase from the last financial year. The ratio indicates that Council still has an infrastructure backlog. Council is continuing to focus on appropriate asset standards for renewal and maintenance of its assets.

Ratio achieves benchmark
 Ratio is outside benchmark



Benchmark: ——— Minimum > 1.00
 Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose of asset maintenance ratio

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

Commentary on 2015/16 result

2015/16 Ratio 1.07 x

A ratio of above 1.0x indicates that the Council is investing enough funds within the year to ensure assets reach their useful lives. The benchmark is greater than 1.0x. Council is committed to increase expenditure on asset maintenance in future to maintain its infrastructure assets in satisfactory condition in the long term.

Ratio achieves benchmark
 Ratio is outside benchmark

Special Schedule No. 8 - Permissible Income Calculation

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	58,666	58,973
Plus or minus adjustments ⁽²⁾	b	539	325
Notional general income	c = (a + b)	59,205	59,298
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.40%	1.80%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	(1,683)	-
Plus special variation amount	h = d x (c - g)	-	-
Or plus rate peg amount	i = c x e	1,381	1,067
Or plus Crown land adjustment and rate peg amount	j = c x f	-	-
Sub-total	k = (c + g + h + i + j)	58,903	60,365
Plus (or minus) last year's carry forward total	l	55	-
Less valuation objections claimed in the previous year	m	-	(18)
Sub-total	n = (l + m)	55	(18)
Total permissible income	o = k + n	58,956	60,347
Less notional general income yield	p	58,973	60,358
Catch-up or (excess) result	q = o - p	(17)	(11)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	18	10
Less unused catch-up ⁽⁵⁾	s	(1)	(1)
Carry forward to next year	t = q + r - s	-	-

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.

Ku-ring-gai Council

Report on Special Schedule No. 8

Scope

We have audited the accompanying special purpose financial report comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Ku-ring-gai Council for the year ending 30 June 2016.

Councillor's Responsibility for Special Schedule No. 8

The Councillors of the Council are responsible for the preparation and fair presentation of Special Schedule No.8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 24. 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 Special Schedule No. 8 that is 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 Special Schedule No. 8 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 as to whether Special Schedule No.8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No.8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No.8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal controls, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 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 entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

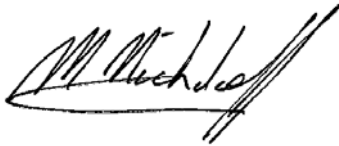
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

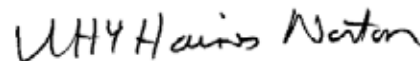
In our opinion, Special Schedule No. 8 of Ku-ring-gai Council for the year ending 30 June 2016 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of the total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the council and the Office of Local Government.



M.D. Nicholaeff
Partner



UHY Haines Norton
Chartered Accountants

Signed in Sydney on 20 September 2016



Magnolias at Wahroonga Park. Photo by Paul Gilmour.

Local Government Reporting

LOCAL GOVERNMENT ACT, 1993

Under Section 428 of the *Local Government Act, 1993* Council must prepare an Annual Report within five months of the end of the financial year. The Annual Report is a report to the community and must outline Council's achievements in implementing its four year Delivery Program and annual Operating Plan. The Annual Report must also contain Council's audited financial statements and notes and any information required by regulation or guidelines.

Section 406 - Integrated Planning and Reporting Guidelines

The Annual Report has been prepared in accordance with the requirements of the NSW Division of Local Government's Integrated Planning and Reporting Guidelines for Local Government in NSW 2010. (revised 2013).

Section 428(2) - End-of-Term Report

- An End-of-Term Report is not required to be prepared in the 2015/16 reporting year.

The End-of-Term report is prepared for the outgoing Council in the year of the Council election. It presents Council's progress and achievements in implementing its Community Strategic Plan over the previous four years.

The NSW Office of Local Government has advised by Circular No 16-28/30, dated 30 August 2016, that councils subject to merger proposals by the NSW Government, and with local government elections deferred to 2017, are not required to prepare an End-of-Term Report in the 2015/2016 reporting year. This report must be tabled at the meeting immediately prior to the deferred election date.

Section 428(4)(a) - Financial Statements

Ku-ring-gai Council's audited Financial Statements for the 2015/16 financial year are presented on pages 109 - 227 (see General Purpose Financial Statement and Special Purpose Financial

Statements).

Section 428A(4) - State of the Environment Report

- A State of the Environment Report is not required to be included in the Annual Report prepared for the 2015/16 year.

A State of the Environment report is normally required to be included in a council's annual report prepared in the year of a Council election.

The NSW Office of Local Government has advised by Circular No. 16-28/30, dated 30 August 2016, that councils subject to merger proposals by the NSW Government, and with local government elections deferred to 2017, have this requirement deferred until the annual report following the council's next ordinary election.

Our previous State of the Environment Report was prepared in 2011/12 as part of the joint Northern Sydney Regional Organisation of Councils (NSROC) Regional State of Environment Report prepared for the then seven Northern Sydney member councils of Ku-ring-gai, Hornsby, Hunters Hill, Lane Cove, North Sydney, Ryde and Willoughby Councils.

The Report provided a comprehensive representation of environmental trends, major environmental impacts and relevant environmental indicators for the region. The joint report recognised that many environmental issues impact beyond council boundaries. Member councils are committed to cooperative approaches to achieve improved environmental outcomes. The joint Report is available at kmc.nsw.gov.au

Implementation of Community Strategic Plan

- An outline of Council's achievements in implementing its Community Strategic Plan is not required to be included in the Annual Report prepared for the 2015/16 year.

Council's achievements in implementing its Community Strategic Plan are normally required to be included in a council's annual

report prepared in the year of a Council election.

The NSW Office of Local Government has advised by Circular No. 16-28/30, dated 30 August 2016, that councils subject to merger proposals by the NSW Government, and with local government elections deferred to 2017, have this requirement deferred until the annual report following the council's next ordinary election.

LOCAL GOVERNMENT (GENERAL) REGULATION, 2005

Clause 217 of the Local Government (General) Regulation requires the following information to be included in the Annual Report:

CI 217 (1)(a) - Details of overseas visits by councillors and council staff

This must include the purpose of overseas visits undertaken during the year by councillors, council staff or other persons while representing the council (including visits sponsored by other organisations)

- Nil

CI 217 (1)(a1) - Details of mayoral and councillor fees, expenses and facilities

This must include the total cost during the year of the payment of the expenses of, and the provision of facilities to, councillors in relation to their civic functions (as paid by the council, reimbursed to the councillor or reconciled with the councillor), including separate details on the total cost of each of the following:

- (i) Provision of dedicated office equipment allocated to councillors - \$3,912.15

This includes equipment allocated to councillors on a personal basis, such as laptop computers, mobile telephones and landline telephones and facsimile machines installed in councillors' homes (including equipment and line rental costs and internet access costs but not including call costs)

- (ii) Communication costs (including telephone calls) - \$12,166.92
- (iii) Attendance of councillors

at conferences and seminars – \$19,679.81 (including accommodation, conference registration, transport and meals)

- (iv) Training of councillors and provision of skill development – \$6,594.50
- (v) Interstate visits by councillors, including transport, accommodation and other out of pocket travelling expenses – Nil
- (vi) Overseas visits by councillors, including transport,

accommodation and other out of pocket travelling expenses – Nil

- (vii) Expenses of any spouse, partner or other person who accompanied a councillor – \$564.83
- (viii) Expenses involved in the provision of care for a child or an immediate family member of a councillor – \$1,362.50

Ku-ring-gai Council has in place a Councillors' Expense Policy that governs the expenses paid and facilities provided to the Mayor and councillors in the discharge of their civic duties. The Policy, entitled 'Payment of Expenses and Provision of Facilities to Councillors' can be found at the following link on Council's website - kmc.nsw.gov.au/policies

The total amount of money spent on mayoral and councillor fees was \$223,889.15

CI 217(1)(a2) - Contracts awarded by Council in 2015/16

This includes contracts exceeding \$150,000 not including employment contracts. It must include the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract.

Payee name	Contract Amount (\$)	Description	Contract Description
Flemming Contracting	\$2,100,436.57	Contract	NTRA Stage 4B Sports Fields and Associated Works
Greenplay Australia	\$1,139,212.00	Contract	NTRA Stage 4C Synthetic Sports Fields and Associated Works
Go Gardening	\$330,273.65	Contract	Carcoola (Lapwing Reserve) Park Development
Kerfoot Electrics Pty Ltd	\$267,295.00	Contract	Gordon Library Lighting Upgrade
Westbury Constructions Pty Ltd	\$1,033,874.60	Contract	NTRA Stage 5A - Sportsfield Amenities Building
DEM (Aust) Pty Ltd	\$331,250.00	Contract	Golden Jubilee and Loftberg Playground Upgrades
Lindfield Village Green	\$454,928.00	Contract	Furnass Landscaping Enterprises Pty Ltd
Veolia Environmental Services Australia Pty Ltd	Schedule of Rates > \$150,000	Contract	Waste Management – Joint Tender for Waste Processing and Disposal

CI 217(1)(a3) - Amounts incurred in relation to legal proceedings

This includes a summary of the amounts incurred by the council during the year in relation to legal proceedings taken by or against the council (including amounts, costs and expenses paid or received by way of out of court settlements, other than those the terms of which are not to be disclosed) and a summary of the state of progress of each legal proceeding and (if it has been finalised) the result.

Land and Environment Court of NSW: Planning matters: The total cost incurred in the 2015/16 financial year was \$1,256,887. The amounts received for costs recovered totalled \$103,431.

Proceedings	Nature of Proceedings	Result	Costs \$
Council ats CP Pymble Developments Pty Ltd	Class 1 application	Resolved by agreement in accordance with an amended proposal.	15,611
Council ats The Northern Eruv Incorporated	Class 1 application	Not concluded.	984
Council and The Minister for Planning and Infrastructure ats Lord & Ayres as Joint and Several Receivers and Managers of the Site	Class 1 application	Not concluded.	89,090
Council ats Diamond Killara Pty Ltd	Class 1 application	Not concluded.	1,208
Council ats Ormaechea	Class 1 application	Not concluded.	6,081
Council ats Funfour Pty Ltd	Class 1 application	Upheld by consent in relation to an amended proposal.	1,730
Council ats Bunnings Properties Pty Ltd	Class 1 application	Not concluded.	215,497
Council ats Landmark Group Australia Pty Limited	Class 1 application	Resolved by agreement in accordance with an amended proposal.	104
Council ats ARTZ 2 Design Limited CAN 090 878 826 trading as GELDER (No. 1)	Class 1 application	Resolved by agreement in accordance with an amended proposal.	10,727
Council ats Mackenzie Architects	Class 1 application	Not concluded.	47,395
Council ats Jacka	Class 1 application	Not concluded.	(239)
Council ats Ryan & Ryan	Class 1 application	Not concluded.	(51)
Council ats Blake Organisation	Class 1 application	Not concluded.	34,837
Council ats ARTZ 2 Design Limited CAN 090 878 826 trading as GELDER (No.2)	Class 1 application	Not concluded.	33,485
Council ats Nasab	Class 1 application	Not concluded.	12,539
Council ats R & J Associates Pty Ltd	Class 1 application	Resolved by agreement in accordance with an amended proposal.	424
Council ats Mackenzie Architects International Pty Ltd	Class 1 application	Not concluded.	19,027
Council ats Stein	Class 1 application	Not concluded.	594
Council ats El-Hage Construction Pty Ltd	Class 1 application	Not concluded.	83,444
Council ats TC Tallwoods Pty Ltd	Class 1 application	Not concluded.	25,567
Council ats McNamee	Class 1 application	Upheld by consent in relation to an amended proposal.	6,783
Council ats Brewster Murray Pty Ltd	Class 1 application	Not concluded.	3,971
Council ats Cresco Opus Pty Ltd	Class 1 application	Resolved by agreement in accordance with an amended proposal.	25,555
Council ats Merriwa Project Pty Ltd	Class 1 application	Resolved by agreement in accordance with an amended proposal.	34,967
Council ats Blake (No. 1)	Class 1 application	Not concluded.	20,967
Council ats Keefe	Class 1 application	Not concluded.	2,879

Proceedings (continued)	Nature of Proceedings	Result	Costs \$
Council ats Dragoneye Properties Pty Ltd	Class 1 application	Not concluded.	13,001
Council ats CP Pymble Developments Pty Ltd	Class 1 application	Not concluded.	22,785
Council ats Vigor Master Pty Ltd	Class 1 application	Not concluded.	20,719
Council ats Blake (No. 2)	Class 1 application	Not concluded.	101,758
Council ats Mackenzie Architects International (No.1)	Class 1 application	Resolved by agreement in accordance with an amended proposal.	24,072
Council ats Heydon Avenue Developments Pty Ltd	Class 1 application	Not concluded.	12,707
Council ats Gelder Architects (No. 1)	Class 1 application	Not concluded.	29,192
Council ats Knox	Class 1 application	Not concluded.	29,989
Council ats Detissera	Class 1 application	Not concluded.	7,770
Council ats Jacobsen & Jacobsen	Class 1 application	Upheld by consent in relation to an amended proposal.	32,099
Council ats Cowin	Class 1 application	Not concluded.	13,945
Council ats F & R Development Pty Ltd	Class 1 application	Resolved by agreement in accordance with an amended proposal.	15,768
Council ats Touma Family Pty Ltd	Class 1 application	Resolved by agreement in accordance with an amended proposal.	30,484
Council ats Gelder Architects (No. 2)	Class 1 application	Not concluded.	14,599
Vanovac Tuon Architects Pty Ltd	Class 1 application	Not concluded.	51,953
Council ats BFD Pymble Pty Ltd	Class 1 application	Not concluded.	19,185
Council ats Southern Cross Care (NSW & ACT)	Class 1 application	Not concluded.	20,791
Council ats Salerno	Class 1 application	Not concluded.	16,650
Council ats Mackenzie Architects International (No. 2)	Class 1 application	Not concluded.	9,902
Council ats Landart Landscapes	Class 1 application	Resolved by agreement in accordance with an amended proposal.	15,430
Staldone Corporation Pty Ltd	Class 1 application	Not concluded.	18,858
Council ats Macri	Class 1 application	Not concluded.	17,957
Council ats Murtag Development Pty Limited	Class 1 application	Not concluded.	2,544
Council ats Bellevue Projects Pty Ltd	Class 1 application	Not concluded.	14,701
Council ats Parsonage	Class 1 application	Upheld by consent in relation to an amended proposal.	1,327
Council ats Able Apartments Pty Limited	Class 1 application	Not concluded.	4,558
Council ats Codling	Class 1 application	Resolved by agreement in accordance with an amended proposal.	968

Development contributions matters: The total cost incurred in the 2015/16 financial year was \$164,628.99

Proceedings	Nature of Proceedings	Result	Costs \$
Council ats The Lawson Clinic Pty Ltd	Class 1	Not concluded.	164,628.99

Local Government Act matters: The total cost incurred in the 2015/16 financial year was \$251,506.53

Proceedings	Nature of Proceedings	Result	Costs \$
Council v West & Ors	Class 4 (transferred from Supreme Court)	Not concluded.	251,506.53

CI 217(1)(a4) - Works on private land

Council is required to provide a summary of resolutions made under Section 67 of the Act concerning work carried out on private land, including details or a summary of such work if the cost of the work has been fully or partly subsidised by the council, together with a statement of the total amount by which the council has subsidised any such work during that year.

During the 2015/16 year Council resolved to undertake and/or completed the following works on private property:

- Embankment protection – 1a Challis Avenue, Turramurra – Stone blockwork laid on one side, approx. 23m in Council stormwater Drainage Easement
- Embankment protection – 159 Burns Road, Turramurra – Stone blockwork laid on both

sides, approx. 10m in Council stormwater Drainage Easement.

- Greenwall - St Ives - Cerebral Palsy Alliance - \$4500
- Bush tucker garden - Wahroonga - Abbotsleigh Junior School - \$3188
- Native fauna Habitat homes - Wahroonga - Adventist Age Care - \$4500
- Bee hive and chicken supplies – West Pymble - West Pymble Primary school - \$710
- Bushland notice boards of bushcare signage - Wahroonga - Seventh Day Adventist Hospital - \$1700

CI 217(1)(a5) - Contributions/ grants to organisations and individuals

Each year, Council provides financial assistance to community and cultural groups in Ku-ring-gai in accordance with Section 356 of the Act. The grants enhance

the capacity of community groups to provide much needed support services to the community, foster celebrations, promote the development of artistic pursuits in Ku-ring-gai, increase resident participation in community activities and deliver small community based environmental projects at a neighbourhood level.

■ **Environment project grants**
Council's environmental levy funds a small grants scheme, which provides money to community groups or individuals to complete projects that benefit Ku-ring-gai's natural environment. During 2015/2016 Council provided funding to 14 projects totalling \$41,779 for works that included regeneration work, signage, landscape restoration, slope stabilisation and native habitat protection. The following table details the recipients, project and funding:

Environmental Levy Community Small Grants Scheme 2015/16

Recipient organisation or group	Name of project	Amount
Cerebral Palsy Alliance	Project Green	4,500
Macquarie University	Bio-indicators	2,979
WAIF	Wildlife Veterinary clinic	4,950
Abbotsleigh Junior School	Bush tucker Garden	3,188
Adventist Aged Care	Coups Creek Habitat	4,800
FOKE	Signage for Sheldon Forest	1,350
Bushcare's Major Day Out	Bushcare's Major Day Out	3,700
Turramurra Lookout Garden	Rabbit proof fence	3,000
Wildthings	Hollows for Ku-ring-gai	4,000
Rothwell Streetcare	Slope stabilisation	4,390
1st Turramurra Scouts	Our Patch	1,512
Turramurra Public School	Regeneration of woodlands	1,000
West Pymble Primary School	Beehive and chicken supplies	710
STEP	Signage	1,700
Total		\$41,779

Community project grants

Every year Council provides financial assistance to community and cultural groups in Ku-ring-gai with the projects funded under the Community Grants Program 2015/16 covering a diverse range of target groups including, children, young people, older people, people with disabilities and people from culturally and linguistically diverse backgrounds.

The grants awarded to community and cultural groups provide services to the people of Ku-ring-gai. The aim of this program is to provide residents with the opportunity to engage with and develop interests which will benefit the local community.

A total of \$93,744 funding was allocated in 2015/16. The following tables detail the recipients, projects and funding. It is noted that three community groups received grants under two different categories.

Summary - Recipients and funding allocations 2015/16

Group	Purpose	Amount \$
Various	Small Equipment	38,765
Various	Community Development	37,008
Various	Arts/cultural	17,971
TOTAL		\$93,744

Community and Cultural Groups - Details of recipients and funding allocations

1. Category: Small Equipment

Name of organisation or group	Amount \$
1st Cromehurst Scouts	500
1st North Turramurra Scout Group	726
1st Pymble Scouts Group – The Scout Association of Australia, NSW Branch	2,000
Computer Pals for Seniors Turramurra Inc	2,000
Killara Scout Group	2,000
KU Killara Park Preschool	1,100
KU The Chase Preschool	648
KU West Pymble Preschool	2,000
Ku-ring-gai Community Workshop 'The Shed' Inc	1,968
Ku-ring-gai Cubs Rugby League Club	2,000
Lindfield 2nd 3rd Scout Group	1,947
Lindfield Soccer Club Inc	2,000
Lions Club Of St Ives Inc	2,000
North Turramurra Netball Club	2,000
Nth Turramurra Girl Guides	600
Probus Club of Lindfield East Inc	2,000
St Ives Netball Club	2,000
St Ives Preschool Kindergarten	1,938
St Peter's Anglican Church	2,000
Stepping Stones Montessori Long Day Care Centre - campus of Northside Montessori School	1,620
Sydney MTB Riders Inc	1,718
West Lindfield Sport & Recreation Club Co-operative Limited	2,000
West Pymble Scout Group	2,000
Total	\$38,765

2. Category: Community Development

Name of organisation or group	Amount \$
Autism Spectrum Australia (Aspect)	3,819
Cerebral Palsy Alliance, St Ives Community Access Service	4,000
Easy Care Gardening Inc	1,225
Hispanitos Playgroup	3,460
Killara Bowling Club Ltd	600
Ku-ring-gai Community Workshop - The Shed	3,000
Ku-ring-gai Cubs Rugby League Club	2,000
KYDS Youth Development Service Incorporated	5,000
South Turrumurra Teddies Playgroup	1,191
St Lucys School	2,033
St Philips Anglican Church Turrumurra South (for Combined Churches Australia Day Community Breakfast)	1,500
St Vincent de Paul Society NSW	3,000
StreetWork Incorporated	3,000
West Pymble Chamber of Commerce Incorporated	2,180
West Pymble Cricket Club	1,000
Total	\$37,008

3. Category: Arts/Cultural

Name of organisation or group	Amount \$
Jewish Arts Incorporated	3,960
Ku-ring-gai Youth Orchestra	3,000
Northside Montessori School	1,315
Roseville P & C Kids Care Association	2,015
Stepping Stones Montessori Long Day Care Centre - campus of Northside Montessori School	1,031
Sunshine	2,000
The Cathedral Singers	2,000
The Eryldene Trust	1,200
The Mirrabooka Singers	1,450
Total	\$17,971

CI 217(a)(a6) - A statement of all external bodies that exercised functions delegated by Council during the year

- Nil return

CI 217(1)(a7) - A statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which Council (whether alone or in conjunction with other councils) held a controlling interest during the year

- Nil return

CI 217(1)(a8) - A statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which Council participated during the year

- Nil return

CI 217(1)(a9) - A statement of the activities undertaken by Council during the year to implement its equal employment opportunity management plan

Activities to implement EEO Management Plan

Ku-ring-gai Council is an equal opportunity employer dedicated to ensuring that the workplace is free from unlawful discrimination as identified under Federal and NSW State law.

We keep abreast of legislative and industry changes in this area and undertake regular reviews of HR practices and processes to ensure that EEO principles are applied accordingly.

Equity

Within Ku-ring-gai we expect that all employees will

- be treated with respect and fairness
- work in a place free from all forms of harassment and unlawful discrimination
- have access to and compete equitably for recruitment, selection, promotion and transfer opportunities
- choose and pursue their own career path
- have access to relevant training and development opportunities

Diversity

Diversity recognises that employees differ not just on the basis of race, gender and ethnicity but also on other dimensions such as age, lifestyles and geographic origins. Diversity involves not only tolerance of employees regardless of their differences, but acceptance of employees because of their differences and valuing their individual contribution to the workplace.

Our draft Equal Employment Opportunity Management Plan 2016/20 sets out the objectives and strategies to be delivered across the next 4 years. This will enable management and employees to understand Equity and Diversity

principles and their responsibilities in relation to its implementation.

Specific activities and achievements under the EEO Management Plan for 2015/16 included:

- Completion of an Employee Opinion Survey. Survey results showed that staff identified 'equal opportunity' and 'prevention and discouragement of bullying and harassment' as 2 of the top 5 best performance scores.
- Provision of refresher training to all staff for the prevention of bullying and harassment.
- Regular reporting of EEO statistical information to the Senior Management team.

- Ongoing coordination of our EEO Contact Officer network which provides employees opportunities to raise issues and/or concerns with peers.
- Delivery of our comprehensive induction process inclusive of Equal Employment Opportunity and Bullying and Harassment Prevention training which is provided to all new employees upon commencement.
- Development of our new draft EEO Management Plan for 2016 – 2020.

Table - CI 217(1)(b) and (c) - Senior staff remuneration packages

Senior Officers	Gross (Salary Component)	Statutory Superannuation Contributions	Non- Cash Benefits	FBT Payable by Council	Total
General Manager	\$317,419.00	\$16,453.17	\$8,416.10	\$9,878.91	\$352,167.18
Directors	\$1,028,941.00	\$121,855.28	\$28,848.06	\$38,490.33	\$1,218,134.67

CI 217(1)(e) - A statement providing information on the stormwater management services provided by Council during the year, as funded by Council's annual charge for stormwater management services.

The stormwater management charge is used to fund new and upgraded drainage works across the Ku-ring-gai Local Government Area as well as the environmental management of Council's drainage system impacting on watercourses.

During 2015/16 this included:

- drainage upgrades
- water quality analysis and data monitoring.
- regular maintenance of 141 Enviropods and 72 other Gross Pollutant Traps as part of the stormwater pollution control device maintenance contract, funded by the stormwater charge.

This maintenance removed approximately 76.558 tonnes of pollutants (rubbish, leaf litter and sediment) from our waterways.

COMPANION ANIMAL ACT, 1998

Clause 217(1)(f) of the Local Government Act (General)

Regulation requires a detailed statement, prepared in accordance with relevant guidelines, of Council's activities during the year in relation to enforcing, and ensuring compliance with, the provisions of the *Companion Animals Act, 1998*

Companion Animals Management

During 2015/16, Council carried out companion animal management in accordance with Council's adopted Companion Animals Management Plan 2011-2016, together with Council's adopted Compliance Policy.

Highlights for the year included the hosting of a successful specialty community event for dogs, their owners and dog lovers, known as 'Dogs Day Out' and the achievement of local registration rates in excess of 97%.

Council also received two grants from the Office of Local Government for the Responsible Pet Ownership Program. The first grant was a joint collaboration with Pittwater Council and Warringah Council to promote responsible cat ownership through a cat expo, education program, discussion forums and trial desexing project. The second grant was a single grant for Ku-ring-gai and targeted off leash dogs and aggressive dogs. There was additional 'dog themed' signage installed at high volume off-leash parks and reserves as well as dog behavioural classes for dogs who had attacked or had been placed under Nuisance / Menacing / Dangerous Dog Orders. A training course was implemented and conducted and well received by participants.

Companion animal management remained a key operational regulatory program throughout the year, with a steady demand placed on Council's Regulatory Services Unit. Council continued to receive good feedback from members of the community and staff via email, website and social media. This assisted Council in providing

timely community consultation and education on key companion animal matters.

Overall in 2015/16, Council's Companion Animal Unit completed the following:

- managed 760 complaints regarding companion animal issues, a 12% increase on the previous year's figures
- handled 244 complaints in relation to stray, abandoned or roaming dogs, a 20% increase on the previous year's figures
- managed 37 companion animal enquiries which is a 61% increase on the previous year's figures.
- handled 82 dog attacks requests which is a 9% decrease on the previous year's figures.
- handled 285 complaints regarding barking dogs, a 7% increase on the previous year's figures.

Overall requests for management of companion animal matters within Ku-ring-gai local government area resulted in a 12% increase in demand for service. Particular attention was required for stray, abandoned, roaming and barking dog complaints.

Specific statements – Companion Animal Act, 1998

16.2 (a) - Lodgement of pound data collection returns with the Division

Council seized 92 companion animals in 2015/16; 34 of these were returned directly home and the remaining 58 were transferred to Council's impounding facility. This is the third year these figures have been recorded and are similar to previous year's figures. It demonstrates our local veterinary practices and Council are proactively reuniting pets with their owners and reducing the resources required to impound animals. Our high registration rates also assist in the efficient return of animals to their owners.

A total of 176 animals arrived (seized, surrendered, abandoned or

stray) at Council's impounding facility in 2015/16, a 5% decrease from previous years.

A total of 172 animals were released from the facility which included 39% released to their owners, 27% sold from the facility, 10% released to rescue, 24% euthanised, 0.5% died in council facility and 0.5% stolen.

The 40 animals (39 cats and 1 dog) euthanised were the result of the animals being declared as unsuitable for rehoming due to terminal illness, infant status, or feral behaviour. The total percent euthanised has increased by 74% from the previous year.

16.2 (b) - Lodgement of data about dog attacks with the Division

There were 40 reported dog attack incidents in 2015/16, these figures are similar to the previous year's figures.

16.2 (c) - The amount of funding spent on companion animal management and activities

Companion Animal Management expenditure amounted to a total of \$171,832. The largest component of expenditure was attributed to Council's contractual arrangements with our impounding authority, Thornleigh Veterinary Hospital, at \$60,000. Income for the group was \$154,597, mainly attributed to registration fees of \$93,050 and fine income of \$60,775.

16.2 (d) - Companion animal community education programs carried out and strategies the council has in place to promote and assist the desexing of dogs and cats.

Ku-ring-gai Council continued to promote and educate the community regarding Companion Animals Legislation through the website, social media, e-newsletters, information with rates notices, flyers distributed at off leash areas and participation at community events such as Dogs Day Out and Festival on the Green.

Council has a number of strategies in place to promote and assist the desexing of dogs and cats, including

regular unregistered animal notices, promoting the benefits of desexing prior to registration, promotion of National Desexing Network Week as well as promoting discounted desexing through participating Animal Welfare Organisations (Cat Rescue, RSPCA and Animal Welfare League).

16.2 (e) - Council's strategies for complying with the requirement under section 64 of the Act to seek alternatives to euthanasia for unclaimed animals

Thornleigh Veterinary Hospital continues to act as Council's animal impounding service provider. They have a number of strategies in place to comply with the requirement under Section 64 of the Act to seek alternatives to euthanasia of unclaimed animals. Unclaimed animals are advertised for adoption through social media, their on-site veterinary clinic, website, flyers and newspaper articles if needed. In addition, if animals cannot be adopted they will be released to approved not-for-profit organisations that help to rescue and rehome animals within NSW.

16.2 (f) - Off leash areas provided in the council area

There are currently 22 Leash Free Areas and a full list of these areas is available on Council's website: kmc.nsw.gov.au/offleash

ENVIRONMENTAL PLANNING AND ASSESSMENT ACT, 1979

Under section 93G(5) of the Environmental Planning and Assessment Act, 1979 Council must include in its 2015/16 Annual Report the planning agreements entered into during the year and information on the status of current planning agreements.

Status of Voluntary Planning Agreement for the delivery of a future public road at 28-30 and 32 Dumaresq Street, Gordon - DA 501/12 and DA0434/15

In 2012/2013 Council resolved to enter into one Planning Agreement pursuant to Section 93G (5) of the Environmental Planning and Assessment Act, 1979. Australia Wenzhou Group approached Ku-ring-gai Council in mid-2012 to enter into a Voluntary Planning Agreement (VPA) in connection with the redevelopment

of a multi-unit apartment block at 28-30 Dumaresq Street Gordon.

The agreement relates to a proposed road identified in the Ku-ring-gai Local Environmental Plan (Local Centres) 2012, Ku-ring-gai Development Control Plan (Local Centres) 2012, Ku-ring-gai Contributions Plan 2010 and Ku-ring-gai Public Domain Plan 2010. The road is to be partly located on 32 Dumaresq Street Gordon, which Ku-ring-gai Council has acquired for this purpose, and will continue through to Moree Street, Gordon to provide a link road.

Under the VPA the developer is required to pay monetary contributions and deliver that part of the road located on 32 Dumaresq Street Gordon together with earth works required to support the road until it can be continued to Moree Street in the future.

The VPA also includes the sale at agreed market value of a residual amount of land not required for the road reservation. The sale was completed on 14 January 2015.

Development Application 501/12 was determined on 23 May 2014 and the VPA was executed on Monday 25 September 2014. On the 21 November 2014, Australia Wenzhou Group transferred its freehold property to Qun Lun Developments Pty Ltd. The VPA was registered on title of the land and the terms of the original agreement automatically transferred to the new owner. The sale was formally novated to the new owner shortly thereafter. A second development application was approved on 6 April 2016 also related to the current Planning Agreement.

By Acquisition Notice published in the Government Gazette on 5 June 2015, Ku-ring-gai Council compulsory acquired the land fronting Moree Street which will enable the road link to be completed.

Status of Council Voluntary Planning Agreement – Edgelea Development 100 Eton Road Lindfield NSW 2070 (also known as UTS Ku-ring-gai) - DA0677/11

Defence Housing Australia (DHA), in accordance with the terms of Condition B13 of Concept Approval MP06_0130 (issued by the Minister for Planning) approached Ku-ring-gai Council in December 2011

to enter into a Voluntary Planning Agreement (VPA) in connection with the redevelopment of the UTS Ku-ring-gai site, known as 100 Eton Road Lindfield. The agreement is linked to the first stage of development, being the initial subdivision, land dedication and embellishment works.

Council resolved to enter into an agreement with Defence Housing Australia and the VPA was formalised in September 2012.

Under the VPA the developer as required to pay monetary contributions and provide other material public benefits which included:

- a minimum of 9,800m² of land for a soccer field (sports field)
- 300m² of built community space plus associated amenities
- new public access roads and parking, financial contribution for the future maintenance of the public roads in the vicinity of \$200,000
- environmental lands.

During 2012/13 DHA tendered for the construction of the sportsfield and community building, which were completed and opened for use in December 2013. On completion of the sportsfield Council entered into an exclusive licence agreement with DHA for use of the sportsfield at no cost to Council. This agreement will run until registration of the plan of subdivision for the sportsfield and community building, and dedication of the sportsfield to Council.

Council also currently has exclusive use of part of the community building for community groups, under licence and at no cost to Council.

This building and land, and other surrounding environmental lands, will be dedicated to Council following completion of residential sales for the former UTS Ku-ring-gai site.

During 2014/15 two new roads were dedicated to the public upon the registration of the plan of subdivision for Stage 0 of the development.

GOVERNMENT INFORMATION PUBLIC ACCESS ACT, 2009

GIPA Annual Report

In accordance with Section 125 of the *Government Information (Public Access) Act 2009*, Council as an agency under the Act, is required to prepare an annual report of its obligations under the Act. Schedule 2 of the Act outlines the annual reporting requirements for capturing statistical information, and is to be used as the framework for this report.

1. Review of proactive release program – Clause 7(a)

Under section 7 of the Government Information (Public Access) Act 2009 (GIPA), NSW agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

Ku-ring-gai Council's program for the proactive release of information involves a review of what information is already being made available to the public on Council's website and the types of information requested under both informal and formal requests for information. We also look at current matters that council is involved in or that could be considered of interest to the public.

During the reporting period, we reviewed this program by examining the information publicly available on the website. The website continues to provide timely reporting on current matters. The website also includes information on the status of development applications with details about new applications and those that have recently been determined via Council's DA tracking system.

In the reporting period Council did not receive any public Formal Access requests for information resulting in them being recorded in Council's Disclosure Log on the website.

We have also continued to monitor trends in informal requests for information to identify requests for similar information that could otherwise be disclosed proactively

on our website. Despite the high number of informal requests received the same information is rarely sought by a number of different members of the public resulting in no new avenues to proactively disclose information as a result of informal requests.

A public access computer kiosk is located in the foyer area of Council's Administration Building allowing members of the public to enable free public viewing access to electronic information on current development applications. During the year Council has undertaken digitisation of some older files making it easier to locate information.

This review has determined that the proactive release of information to the public by Ku-ring-gai Council is considered appropriate at this time.

2. Number of access applications received – GIPA Regulation 2009 Clause 7(b)

During the reporting period, Ku-ring-gai Council received a total of 43 formal access applications (including withdrawn applications but not including invalid applications).

3. Number of refused applications for Schedule 1 information – GIPA Regulation 2009 - Clause 7(c)

During the reporting period, Ku-ring-gai Council refused two (2) formal access applications.

Schedule 2 – number of Applicants by type of applicant and outcome

Ku-ring-gai Council received a total of 43 formal applications, of which ten (10) were subsequently withdrawn under the Government Information (Public Access) Act 2009 during the reporting year 2015/2016.

DISABILITY INCLUSION ACT 2014

Division 3 Disability Inclusion Action Plans

13. Report on implementation of plans

(1) A public authority that is a government department or local council must, as soon as practicable after preparing its annual report, give the Minister a copy of the part

of the annual report relating to the department's or council's report on the implementation of its disability inclusion action plan.

Access and Disability Inclusion Plan

The Ku-ring-gai Access and Disability Inclusion Plan provides a framework to address access and disability inclusion across Council's services and operations. It supports the development of accessible town centres, shops, parks, playgrounds and sports facilities, housing, public transport and parking, information and employment opportunities.

In 2015/16, Council was successful in obtaining Quality Assurance Accreditation against the Disability Standards and meets funding requirements until June 2018.

Phase one implementation – paving the way

2015/16 was the first year of implementation of the Plan with a range of initiatives being implemented or facilitated by Council to support and promote Council and the community to work together, to embrace the rights and values of all people. These included:

- In a partnership with Lane Cove and North Side Community Services, five local disability organisations were provided the opportunity to participate in All the World's a Stage as part of International Day of People with a Disability.
- To complement the launch of the National Disability Insurance Scheme in July 2016 Council hosted a public information session for Ku-ring-gai residents.
- During Mental Health Month Council delivered Creating Calm within Chaos. This information evening was attended by nearly 100 community members to find out more about anxiety and depression.
- Young people with intellectual disabilities were supported through partnering with the Sydney Northshore Special Olympics to participate in the Ku-ring-gai Chase and Barry Easy Walk.

- The Missed Business Guide, which was developed in partnership with Better Business Partnerships was distributed to local businesses, and provides information to support them to meet the needs of clients with access needs.
- Free door-to-door transport is provided to Library members with a physical disability or limited mobility from their homes to library branches. Where possible, these visits are scheduled to coincide with author events, special displays and other celebratory morning teas held at the various branch libraries.
- In addition to the library's collection of large print and talking books covering the classics, fiction, non-fiction and current popular works, the continuing expansion of electronic resources increases resident's access of e-books, e-audiobooks, e-magazines, e-music and a large range of films from their home.
- Council's local business centre masterplans, under preparation for Lindfield and Turramurra local centres and Gordon Town Centre, feature accessibility as a key objective of the design and development and include requirements for accessible public domain areas, parking facilities and housing.
- The landscape design of parks, playgrounds, picnic facilities and tracks continued to be constructed with inclusive and accessible design elements. Works in East Killara, St Ives, Wahroonga, North Turramurra, Cameron Park, Lapwing Reserve, The Mall, Golden Jubilee Field and Lofberg Road, Bicentennial Park are underway or completed.
- Public information and policy reflecting developments in the disability sector and quality assurance standards including a Guide to Ku-ring-gai Council's Disability Services have been updated.

Meaningful design and development changes

Key amendments were made to the Ku-ring-gai Development Control Plan and Ku-ring-gai Local Centres Development Control Plan to include adaptable and accessible housing requirements in-line with Liveable Housing Design Guidelines around design and parking. These changes recognise the growth in the ageing population within the LGA, and the need for dwellings that allow the population to remain within the locality in appropriate housing, and maintain their networks and familiar environment.

Provisions were also made in the Ku-ring-gai Town Centres Public Domain Plan and Ku-ring-gai Town Centres Parking Management Plan to remove physical barriers to accessible movement through the public domain. This included clear paths of travel along footpaths and public areas for wheelchairs and people with a disability, inclusionary street furniture, footpath design including tactile indicators, kerb ramps and paving design enabling accessible pathways and bus stops.

A focus on training and resources

Along with staff training addressing mental health and dementia support, internal cross-departmental projects included the update of the accessible public toilets map, development of an accessible events factsheet for the Events Risk Management Guide, and engagement of an Inclusion Support specialist to deliver training to Wildflower Garden Rangers who work with children with intellectual and mental health conditions.



FURTHER READING
kmc.nsw.gov.au/disability





Banksia. Photo by Paul Gilmour.

Indexes and Glossary

Global reporting initiative - content index

The Global Reporting Initiative (GRI) is a process that introduces globally applicable guidelines that enable an understanding of an organisation's contribution to sustainable development. The guidelines are designed to ensure GRI based reports:

- provide a balanced and reasonable picture of their economic, environmental and social performance
- facilitate comparability, benchmarking and assessment of performance
- address issues of concern to stakeholders.

Council is not fully compliant with the G4 Sustainability Reporting Guidelines but we are working towards progressive integration of our sustainability reporting against the GRI criteria into our Four Year Delivery Program and Annual Report. The GRI indicators that have been discussed in this report (either wholly or in part) are referenced in the following table.

More information about the GRI is available at globalreporting.org

GRI.4 Section	General Standard Disclosures	Report Section	Comment
Strategy and analysis			
G4-1	CEO Statement	Introduction	
G4-2	Risk and Opportunities	Our community leadership	Theme 6 - Leadership and Governance
Organisational Profile			
G4-3	Name of the organisation	Cover Introduction	
G4-4	Primary brands, products, and/or services	Introduction Our performance 2015/16	Vision Performance highlights
G4-5	Location of operational headquarters	Introduction Inside back cover	Who we are Contact us
G4-6	Jurisdiction or areas in which the council operates	Introduction	
G4-7	Legal form of the council	Our community leadership	
G4-8	The main target customers of the council's activities	Introduction	About this report Ku-ring-gai – at a glance
G4-9	Scale of the council * number of employees * net revenues * total assets	Introduction Our community leadership Our performance 2015/16	Our performance – Financial Information Theme 6 - Leadership and Governance
G4-10	Size and compilation of the workforce	Our performance 2015/16	Ku-ring-gai – our place our people Theme 6 - Leadership and Governance
G4-11	Workforce covered by collective bargaining agreements	Our performance 2015/16	Ku-ring-gai – our place our people Theme 6 - Leadership and Governance
G4-12	Council's supply chain	Statutory information	Contracts awarded
G4-13	Significant changes to the council during the reporting period	Introduction Our community leadership Our performance 2015/16	Performance highlights 2015/16 Our performance - financial Our performance - summary
G4-15	Externally developed voluntary economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses	Introduction Our performance 2015/16	About this report Performance highlights 2015/16 Our performance 2015/16
G4-16	Association memberships and national/international advocacy organisations in which the organisation has positions	Our community leadership Our performance 2015/16	
Identified Material Aspects and Boundaries			
G4-17	Entities included in the Council's financial statements	Financial Information	
G4-20	Aspect boundary and limitations within the organisation	Introduction Financial Information	About this report
G4-21	Aspect boundary and limitations within the organisation	Introduction Financial Information	About this report

GRI.4 Section	General Standard Disclosures	Report Section	Comment
G4-23	Significant changes from previous reporting periods in the scope, boundary or measurement methods applied in the report		No significant changes
Stakeholder Management			
G4-24	List of stakeholder groups engaged by the organisation	Introduction	
G4-25	Basis for identification and selection of stakeholders with whom to engage	Introduction	
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Introduction	
G4-27	Issues and concerns raised through stakeholder engagement and how the organisation has responded	Our performance 2015/16	Theme 6 - Leadership and Governance
Report Profile			
G4-28	Reporting period for information provided	Introduction Our performance 2015/16	About this report
G4-29	Date of most recent previous report		Ku-ring-gai Council's Annual Report 2015/16 was published 30 November 2016 and available at www.kmc.nsw.gov.au/annualreport
G4-30	Reporting cycle	Introduction	Annual Report 1 July 2015 to 30 June 2016
G4-31	Contact point	Inside back cover	Contact us
G4-32	GRI Content Index for Standard disclosures	Indexes and glossary	
G4-33	Policy and current practice with regard to seeking external assurance for the report	Introduction	
Governance			
G4-34	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks	Our community leadership	
G4-36	Appointment of executive-level positions and reporting lines to highest governance body	Our community leadership Our organisational leadership	
G4-37	The process for consultation between stakeholders and highest governance body	Introduction Our community leadership	
G4-38	The composition of the highest governance body and committees	Our community leadership	
G4-39	Indicate whether the chair of the highest governance body is also an executive officer	Our community leadership	
G4-40	The selection process for the highest governance body	Our community leadership	
G4-41	Processes in place for the highest governance body to ensure conflicts of interest are avoided	Our community leadership	
G4-44	Processes for evaluating the highest governance body's own performance particularly with respect to economic, environmental and social performance	Introduction Our performance 2015/16	Our performance - Financial Theme 6 - Leadership and Governance
G4-46	Processes for the highest governing body overseeing identification and management of economic, environmental and social impacts	Our community leadership	
G4-51	Remuneration policies for the highest governance body and senior executives	Statutory information	
G4-52	The process for determining remuneration	Statutory information	
G4-56	The values, principles and code of conduct	Our community leadership	

GRI.4 Section	General Standard Disclosures	Report Section	Comment
Economic Performance Indicators			
G4-EC1	Economic value generated and distributed	Introduction Financial Information	Our financial performance – summary
G4-EC2	Financial Implications and other risks and opportunities for the organisations activities due to climate change	Our performance 2015/16	Theme 2 – Natural Environment
G4-EC4	Financial assistance received from government	Financial Information	
G4-EC7	Development and Impact of Infrastructure Investments and Services supported	Our performance 2015/16 Financial Information	
G4-EC8	Significant Indirect Economic Impacts	Our performance 2015/16 Financial Information	Theme 2 – Natural Environment Theme 4 – Local Economy and Employment
Environmental Performance Indicators			
G4-EN2	Percentage of materials used that are recycled input materials	Statutory information	Theme 2 - Natural Environment
G4-EN3	Energy consumption within the organisation	Our performance 2015/16	Theme 2 - Natural Environment
G4-EN6	Reduction of Energy Consumption	Our performance 2015/16	Theme 2 - Natural Environment
G4-EN13	Habitats protected or restored	Our performance 2015/16	Theme 2 - Natural Environment
G4-EN16/17	Indirect greenhouse gas emissions	Our performance 2015/16	Theme 2 - Natural Environment
G4-EN19	Reduction of greenhouse gas emissions	Our performance 2015/16	Theme 2 - Natural Environment
G4-EN23	Total weight of waste by type and disposal method	Our performance 2015/16	Theme 2 - Natural Environment
Social Performance Indicators			
G4-LA1	Total number and rates of new employee hires and employee turnover	Our people Our performance 2015/16	Theme 6 - Leadership and Governance
G4-LA5	Percentage of workforce represented in health and safety committees	Our people Our performance 2015/16	Theme 6 - Leadership and Governance
G4-LA6	Rates of injury and lost days	Our people Our performance 2015/16	Theme 6 - Leadership and Governance
G4-LA9	Hours of training per year	Our people Our performance 2015/16	Theme 6 - Leadership and Governance
G4-LA11	Employees receiving regular performance and career development reviews	Our people Our performance 2015/16	Theme 6 - Leadership and Governance
Society Performance Indicators			
G4-SO1	Business units with implemented local community engagement, impact assessments, and development programs	Our performance 2015/16	Theme 6 - Leadership and Governance
G4-SO3	Business units assessed for risks related to corruption	Our performance 2015/16	Theme 6 - Leadership and Governance
G4-SO4	Communication and Training on anti-corruption policies and procedures	Our performance 2015/16	Theme 6 - Leadership and Governance
G4-SO5	Confirmed incidents of corruption and actions taken	Our performance 2015/16	Theme 6 - Leadership and Governance
Product Responsibility Performance Indicators			
G4-PR2	Incidents of non-compliance – health and safety	Our performance 2015/16	Theme 6 - Leadership and Governance
G4-PR5	Results of surveys measuring customer satisfaction	The community's role Our performance 2015/16	Engaging with our community Theme 6 – Leadership and Governance

Glossary of terms

ABS

Australian Bureau of Statistics.

AHO

Aboriginal Heritage Office
Ku-ring-gai Council is a member of the Aboriginal Heritage Office, which preserves and protects over 1,000 Aboriginal heritage sites across Sydney's north shore. The eight partnering councils are North Sydney, Willoughby, Lane Cove, Warringah, Ku-ring-gai, Pittwater, Manly and Ryde.

The AHO also studies Aboriginal life before colonisation and runs a series of educational walks and talks for school groups and the general public. The AHO hosts the only Aboriginal Museum, Education Centre and Keeping Place in northern Sydney and supports local Aboriginal people.

APZ

Asset Protection Zone.

ARA

Australasian Reporting Awards.

AR Bluett Memorial Award

The AR Bluett Memorial Award has been awarded annually since 1945 in memory of Albert Robert Bluett. AR Bluett was an outstanding figure in local government, serving as the Secretary and Solicitor to the Local Government and Shires Associations of NSW for 30 years and one of the architects of the Local Government Act of 1919. The A R Bluett Memorial Award is keenly contested each year by councils in NSW who would like to be recognised as being the most progressive in the state in all aspects of their operations and services.

Better Business Partnership

BBP is a joint Council program designed to improve the sustainability of businesses located on Sydney's North Shore. Small to medium sized businesses can join the program for free thanks to the support of the four local government areas (LGAs) of Ku-ring-gai, Lane Cove, North Sydney and Willoughby City. For information visit betterbusinesspartnership.com.au

Best Practice

A best practice is a method or technique that has consistently shown results superior to those

achieved with other means, and that is used as a benchmark.

Biodiversity

The variety of all living things including plants, animals and microorganisms, their genes and the ecosystems of which they are a part.

CALD

Culturally and linguistically diverse.

Catchment

Area of land that drains rainfall into a river or lake.

Community Engagement

Refers to Council's consultative practices that enable communities and individuals to participate in the development of Ku-ring-gai and build community capacity. It supports and informs all Council's decision-making processes.

Community Strategic Plan

The Ku-ring-gai Community Strategic Plan 2030 - Our community Our future identifies the community's main priorities and aspirations for the future and sets out clear strategic directions to achieve them over the long-term. While Council has the main role in progressing the plan on behalf of the community other partners such as government agencies, external organisations and community groups also play an important role in delivering the long-term objectives of the plan.

Councillors

Elected representatives who set strategic direction for the organisation, monitor organisational performance, liaise with stakeholders and ensure operational compliance.

CRC

Corporate Research Centre.

DA

Development Application.

Database

Systematic arrangement of computer data to enable it to be automatically retrieved and manipulated.

Development Control Plan (DCP)

Provides policy statements and more detail beyond the provisions contained in a Local Environmental Plan and serves to further guide development.

Delivery Program

The Delivery Program outlines what Council intends to do towards achieving the Community Strategic Plan's longterm objectives and priorities during the 4 year term of the elected Council. This includes identifying who is responsible for achieving objectives in the Community Strategic Plan. Some will be the responsibility of Council, some will be other levels of government and some will be community groups or individuals.

Demographic Statistics

Demographic statistics in this report are taken from the 2011 Australian Bureau of Statistics Census figures for Ku-ring-gai and Greater Sydney. The statistics can be readily accessed through Council's website.

DLG (NSW)

New South Wales Division of Local Government.

EEO

Equal Employment Opportunity.

EIS

Environmental Impact Statement.

EPA

Environmental Protection Authority.

ERP

This is the estimated resident population and is updated annually by the Australian Bureau of Statistics. The Census count is not the official population of an area. To provide a more accurate population figure which is updated more frequently than every five years, the Australian Bureau of Statistics also produces 'Estimated Resident Population' (ERP) numbers.

ESDAC

Economic Social Development Advisory Committee.

ESL

Environmentally Sensitive Lands.

FAG

Financial Assistance Grants provided by Australian Government.

Financial Year

The financial year that we are reporting on in this annual report is the period from 1st July 2015 to 30 June 2016.

GHG

Greenhouse Gas.

GIPA

The *Government Information (Public Access) Act 2009*, which has replaced Freedom of Information legislation.

Governance

Governance comprises the traditions, institutions and processes that determine how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern.

HCA

Heritage Conservation Area.

Heritage

Refers to the extensive aboriginal, natural, social and built history of the Ku-ring-gai area. It consists of those places and objects, including houses, public and commercial buildings, parks and monuments, that we as a community have inherited from the past and want to hand on to future generations. In a planning context, heritage refers to things in our built and natural environment that we want to preserve for future generations to enjoy.

ICLEI

An international association of local governments and their associations that have made a commitment to sustainable development.

Indigenous

Refers to origination in a particular region or country, native to the area. The original inhabitants of the Ku-ring-gai area were the Guringai people. For thousands of years before the arrival of European settlers, the Guringai people lived in the area from Newcastle down to Sydney, mostly along the foreshores of the harbour. The Guringai people developed a rich and complex culture, including distinctive language, customs, spirituality and law, the heart of which was their connection to the land.

Infrastructure

Roads, buildings, bridges, pavements, cycleways and other constructions.

Integrated Planning and Reporting (IP&R)

In 2009 the NSW Division of Local Government introduced the Integrated Planning and Reporting Framework. The framework introduced a hierarchy of plans which require:

- long-term strategic planning with the community
- long-term resourcing strategies for assets, finances and the workforce
- four year programs aligned to a council's term, detailing key actions, projects and resourcing
- one year plans of actions, projects and budgets
- quarterly, biannual and annual performance reporting schedule.

IPART

Independent Pricing and Regulatory Tribunal of NSW. The tribunal sets the local government rate peg and assesses applications for special rate variations and council contributions plans.

Issue

A key area of concern or priority identified by the community and Council that needs to be addressed.

Key Performance Indicator (KPI)

A measure that assists in the assessment of overall performance towards the community's term achievements and longterm objectives and also tell us whether we are heading in the right direction.

KYDS

Ku-ring-gai Youth Development Services.

Leachate

Water carrying impurities that have percolated through the earth, primarily at rubbish tips.

LGA

Local Government Area.

LIRS

Local Infrastructure Renewal Scheme.

LLK

Loving Living Ku-ring-gai.

Local Environmental Plan (LEP)

An environmental planning instrument that contains legally binding provisions relating to development.

Long-term Objective

Describes the desired future state or outcome for each issue. 'Long-term' implies that it is beyond this Council's term and in some instances beyond a second term as well. It recognises that it may take some time to achieve the objective.

LTFP

Long-term Financial Plan. It sets out Council's 10-20 year financial plan.

MOU

Memorandum of Understanding.

NAIDOC

National Aborigines and Islanders Day Observance Committee Northern Sydney Regional Organisation of Councils (NSROC) Comprising the Councils of Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, North Sydney, Ryde and Willoughby.

NIEIR

National Institute of Economic and Industry Research Pty Ltd, is a private economic research and consulting group. It provides data on economic and social indicators for local government areas.

NPWS

NSW National Parks and Wildlife Service.

NTAG

North Turramurra Action Group.

Objectives

An objective is a specific, measurable condition that must be attained in order to accomplish a particular program goal.

OEH

Office of Environment and Heritage.

Operational Plan

An annual plan that provides details of projects and activities for one year of the Delivery Program with a detailed annual budget.

Partnering

A structured approach to working together with other parties to achieve a mutually beneficial outcome.

Performance Reporting

The introduction of a corporate performance reporting system has allowed us to significantly progress the quality of our reporting in the

past two years and to improve the connectivity of our short, medium and long term objectives and relate these to the performance indicators which have been developed to support the objectives of the Community Strategic Plan 2030. The performance of Council against the delivery of the activities is measured through two levels of indicators. Key performance indicators (KPIs) represent a measure of the standard or outcome of an organisation's services or activities. The KPIs are designed to encapsulate the performance and outcomes of Council and are reported on every six months. Tied to this reporting, Council also receives quarterly budget reports which provide data on the financial position of Council in terms of its income and expenditure as well as the status of its adopted capital works program.

Plan of Management (PoM)

A document which regulates the use and management of community land.

PPIP

Privacy and Personal Information Protection Act, 1998.

Principal Activity

A key area in which Council sets objectives and performance indicators in order to measure performance.

Projected population

Our population is projected to rise to 147,650 by 2031 (an increase of 24% and annual growth rate of 2%).

The largest projected age changes are: < 15 (26.7%); 15 – 64 (24.6%); 65+ (46.3%).

Population projections stated in this report are from the NSW Department of Planning.

Quadruple Bottom Line (QBL)

The framework for measuring and reporting on the achievement of long-term objectives in the Community Strategic Plan against governance, economic, social and environmental parameters.

Resourcing Strategy

The Resourcing Strategy details how the strategic aspirations of Ku-ring-gai can be achieved in terms of time, money, people and assets. The Resourcing Strategy spans ten

years. Its component parts include:

- 10-year Long-term Financial Plan
- 10-year Asset Management Strategy
- Four-year Workforce Strategy

The Resourcing Strategy is the link between the long-term Community Strategic Plan and the medium-term Delivery Plan. It is prepared every four years following each Council election. It is developed concurrently with the other plans in the IP&R framework. The Resourcing Strategy is designed to be a living document to reflect changing financial and asset information. Initiatives within the Resourcing Strategy will be reviewed annually to ensure relevance in the changing environment and to incorporate any community feedback.

RFS

Rural Fire Service.

Riparian

Situated on the bank of a creek or body of water.

Risk Management

Good management which operates to minimise the incidence of injury, damage, or loss to persons or property and to the good reputation of Council.

SES

State Emergency Service

Stakeholder

Any individual or group having a particular interest in a project or action.

State of Environment Report

Mechanism for providing details on the current status of the main environmental issues utilising the pressure, state, response model.

Sustainable Development

Development designed to meet the present needs whilst also taking into account future costs. These include environmental costs and the depletion of natural resources.

Sustainability

Sensitive use of natural resources without harming the ecological balance of the region.

Target

A numerical goal against which performance is measured.

TRIM

Electronic system that registers incoming and outgoing correspondence and documentation and provides ready access to files.

Values

Underlying attitudes that influence decisions and actions to maximise an organisation's performance.

Vision

Statement of direction that articulates the aspirations of the community and serves as a guide to all those who contribute to it. In 2008 the Ku-ring-gai community, with the help of Council, developed a vision and set of values to guide future community planning and directions for Ku-ring-gai, as part of the development of its first 20-year Community Strategic Plan.

The original vision and values, as stated above, were retained in our second Community Strategic Plan Our Community – Our Future 2030, which was endorsed by the community and adopted by Council in June 2013.

VPA

Voluntary Planning Agreement.

WHS

Workplace Health and Safety.

WSUD

Water Sensitive Urban Design.

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Need help?

This document contains important information. If you do not understand it, please call the Translating and Interpreting Service on 131 450. Ask them to phone 9424 0000 on your behalf to contact Ku-ring-gai Council. Business hours: Monday to Friday, 8.30am-5pm.

Simplified Chinese

需要帮助吗？

本文件包含重要信息。如果您不理解本文件，请致电翻译口译服务 131 450。让其代表您致电 9424 0000 联系Ku-ring-gai议会。营业时间：周一至周五，上午8.30—下午5:00。

Traditional Chinese

需要幫助嗎？

本檔包含重要資訊。如果您不理解本檔，請致電翻譯口譯服務 131 450。讓其代表您致電 9424 0000 聯繫Ku-ring-gai議會。營業時間：週一至週五，上午8.30—下午5:00。

Japanese

お困りですか？

この文書には、重要な情報が含まれています。ご不明な点があれば、「翻訳・通訳サービス」(電話 131 450) までお電話いただき、あなたに代わって、クーリングガイ (Ku-ring-gai) 議会に連絡するよう、ご依頼ください。営業時間：月曜日～金曜日 (8.30am-5pm)。

Korean

도움이 필요하십니까?

이 문서에는 중요한 정보가 담겨 있습니다. 여러분이 이해할 수 없다면, TIS (번역 및 통역 서비스)의 131 450번으로 전화하십시오. 9424 0000 번으로 여러분을 대신하여 전화해서 쿨링가이 카운슬을 연락해 달라고 요청하십시오. 영업 시간: 월요일-금요일, 오전 8시30분-오후 5시.

Contact Us

For assistance or information regarding any of Council's services or facilities please contact us.

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Online chat

Go to our online chat - kmc.nsw.gov.au
8.30am - 5pm (AEDST), Monday - Friday

Website

kmc.nsw.gov.au

Telephone interpreter service

Non-English speakers can phone 131 450 and quote ID number C018630.

National Relay Service

If you have a hearing or speech impairment, contact us using the National Relay Service.

TTY users Call 133 677 then dial 02 9424 0000

Speak and Listen users with ordinary handset Call 1300 555 727 then ask for 02 9424 0000.

Internet relay users

Log on to Internet relay and enter 02 9424 0000

ACKNOWLEDGEMENTS

Ku-ring-gai Council would like to acknowledge all staff who contributed to the completion of the 2015/2016 Annual Report.

Photography

Many of the photographs featured throughout this Annual Report were entrants in the *Capture Ku-ring-gai Photo Competition* - thank you to our photographers.



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