



ANNUAL REPORT 2017-2018

Sustaining Sydney's Green Heart

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KU-RING-GAI COUNCIL

818 Pacific Highway, Gordon NSW 2072
P 02 9424 0000 | E kmc@kmc.nsw.gov.au
W kmc.nsw.gov.au

Cover: Banksia cone, Blackbutt Creek.
Photographer: Jamie Derkenne.

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.

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Hanging Around, Echo Point Park, Roseville Chase.
Photographer: Natalie Martinez.



About this report

This is Ku-ring-gai Council's report to the Ku-ring-gai community on Council's performance during the 2017/18 financial year.

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

This report includes Council's 2017/18 activities, achievements, 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 extended five year Delivery Program 2013-2018 and one year Operational Plan 2017-2018. Included is the delivery of projects, programs, tasks and performance measures as well as progress towards term achievements that Council set in June 2013.

The report also includes a summary of Council's progress towards the community's long term objectives contained in the Community Strategic Plan 2030 'Our Community. Our future'.

Theme

The theme of this year's Annual Report - 'Sustaining Sydney's Green Heart' - reflects the high value the Ku-ring-gai community places on the area's unique local environment.

Often referred to as the 'Green Heart' of Sydney, Ku-ring-gai contains bushland, waterways, fauna and nationally significant ecological communities. Its diverse natural habitat is regarded as the last remaining areas of biodiversity significance in the Sydney Metropolitan area.

The community strongly supports caring for the environment and advocating for its preservation, and jointly with Council, seeks to conserve the area's unique features.

This is being achieved through environmental objectives contained in the community's long term Community Strategic Plan, Council's Delivery Program and one year Operational Plan.

At the same time Council and the community are working towards long term social and economic sustainability goals. This includes maintaining and enhancing Ku-ring-gai's liveability through quality services, community and recreational facilities, planning for vibrant local centres as well as supporting business, investment and tourism.

Acknowledgements

Ku-ring-gai Council would like to acknowledge all staff who contributed to the completion of the Annual Report 2017/18.

Photography

Photographs featured in this Annual Report include entrants in the Celebrating our beautiful Ku-ring-gai community and environment photography competition which was open to photographers 18 years and younger. Images from this community supported competition were featured on the playing board and box of the Ku-ring-gai edition of Monopoly. See page 68 for more details.

Other featured photos were entrants in Capture Ku-ring-gai photo competitions.

Thank you to all photographers.

Our community's vision

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.

In 2008, the Ku-ring-gai community and Council together developed the above 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 has formed the basis for Ku-ring-gai's two subsequent community strategic plans.

Guiding corporate values

Corporate values were adopted by Council in 2015 to guide the organisation’s delivery of strategic outcomes, projects and services for the Ku-ring-gai community. They include:



- We act with integrity in everything that we do and say
- We make transparent, ethical and consistent decisions that support the vision of Council
- We are considerate towards others ensuring fairness, dignity and equality
- We practice and encourage transparent communication
- We are accountable for our decisions
- We take responsibility for the outcomes of our choices, behaviours and actions
- We work together as a team to achieve our full potential
- We have the insight and passion to lead Council into the future.

Community consultation and engagement

Council maintains a high level of engagement with the community across all areas of strategic planning and the delivery of services. This commitment includes providing all sectors of the community a range of equitable, accessible and appropriate opportunities to participate in Council consultation activities on matters that may be of specific interest, or have a significant immediate or long-term impact on the community.

This supports Council’s willingness to engage the community of Ku-ring-gai to contribute to accountable and transparent decision-making processes.



FURTHER READING
Ku-ring-gai Council Community Consultation Policy at kmc.nsw.gov.au/consultationpolicy

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The year in review



Bobbin Head Marina at sunset, taken from a drone at 80 metres. This was the winning image of a photography competition that celebrates the Ku-ring-gai community and environment. The image is featured on the playing board and box of the Ku-ring-gai edition of Monopoly. Photographer: Kieran Payne.

Key achievements and challenges 2017/18

THEME 1

Community, people and culture

A healthy, safe, and diverse community that respects our history, and celebrates our differences in a vibrant culture of learning.

Refer to pages 102 to 119.

Key achievements

- Over 35,000 people attended culturally diverse Council organised events and attractions. See p109
- 8,000 participants in Council's youth and aged and disability services and programs. See p116
- Council's Thomas Carlyle Children's Centre and Vacation Care program exceed National Quality Standards. See p104
- Community groups received \$93,667 funding from Council for community based group projects. See p212
- Library services held 700 events targeting different communities and age groups. See p110
- Over 900,000 library loans including e-loans and online resources. See p110
- Renewal of Marian Street Theatre, Killara and East Lindfield Community Centre included in Council's major projects program. See p109
- New Hornsby Ku-ring-gai emergency management plan approved. See p67
- Blackbutt Creek Floodplain Risk Management Study and Plan endorsed following public exhibition. See p113

Challenges

- A major flaw in the latch system on popular swimming pool gates, identified by Council's compliance team, resulted in a voluntary recall.
- Assessment of a suitable site for a new cultural and education centre at the St Ives Precinct, with complex bush fire and environmental factors affecting the location.
- Assessment of properties for combustible cladding in conjunction with the Department of Fair Trading, Fire and Rescue NSW and building owners.
- Unfavourable weather conditions and resourcing availability delayed completion of hazard reduction burning activities.

The year ahead

- Continue to work closely with the Greater Sydney Commission to increase housing diversity, adaptability and affordability for our changing community.
- Develop a concept design for the new cultural and education centre within the St Ives Precinct.
- Review Council's Disability Action Plan.
- Continue fire safety review of apartment building wall cladding materials.
- Deliver Council's annual program of events and cultural activities.
- Support community organisations and volunteers.
- Plan for the 50th celebration of the Ku-ring-gai Wildflower Garden opening.

THEME 2

Natural environment

Working together as a community to protect and enhance our natural environment and resources.

Refer to pages 120 to 137.

Key achievements

- Highly successful outcomes from the \$2.7 million annual Environmental Levy program. See p122
- \$46,700 funding provided to community environmental projects. See p125
- 6,264 residents participated in environmental sustainability initiatives. See p136
- 687 environmental volunteers dedicated 13,610 hours to Bushcare, Streetcare and Parkcare. See p124
- WildThings programs achieve 1,264 distributed native beehives and 75 pool to pond conversions. See p127
- \$275,694 estimated cost savings for water irrigation across the LGA from stormwater harvesting sites. See p128
- 13% reduction in annual energy use across all of Council's buildings and facilities. See p130
- 2,070 tonnes of rubbish diverted from our waterways. See p137
- 150 tonnes of chemicals diverted from waterways and landfill through recycling events. See p132
- New waste processing initiative resulted in a further 3,079 tonnes of landfill waste sorted to remove organics and compost and used for mine site rehabilitation. See p132
- Ku-ring-gai's planning for areas of high bush fire evacuation risk approved by State Government. See p124

Challenges

- Reduced recycling tonnage trend despite an increasing population.
- Addressing illegal dumping of household waste, as well as mulch and vegetation left in local parks and reserves.
- Recording and monitoring data on endangered fauna.
- Development of an Offset Code of Practice to meet requirements of the new Biodiversity Offset Scheme.

The year ahead

- Make application to the Independent Pricing and Regulatory Tribunal (IPART) for the Environmental Levy to become permanent.
- Continue to seek State Government approval for a proposed new 6.25 hectare BioBanking site to offset the environmental impacts of new development.
- Deliver recycling and waste education programs.
- Progress a Biodiversity Offset Code of Practice.

THEME 3

People, places and infrastructure

A range of well planned, clean and safe neighbourhoods and public spaces designed with a strong sense of identity and place.

Refer to pages 138 to 157.

Key achievements

- \$1.6 million spent on design and construction of new/upgraded parks and playgrounds. See p140
- \$456,000 spent on design and construction of new/upgraded sportsfields and facilities. See p140
- Completion of \$28 million North Turramurra Recreational Area which received the NSW Local Government Minister's 2017 Innovation in Engineering Award. See p142
- \$70,000 State government grant funding received towards recreation and sporting facility improvements. See p142
- Upgrades completed at Bicentennial Park Golden Grove Playground, East Lindfield Neighbourhood Centre and The Mall Neighbourhood Centre (phase 3). See p140
- Landscape masterplan adopted for Gordon Recreation Ground. See p141
- Council's playgrounds receive high safety audit rating. See p146
- Average 93% litter reduction across the LGA resulting from litter prevention projects. See p146
- Continued reduction in graffiti assisted by community partnership. See p145
- Progress of Lindfield Village Hub and Lindfield Village Green activation projects. See p140

Challenges

- New Ku-ring-gai Local Planning Panel (KLPP) implemented in accordance with changes to the EPA Act.
- Increasing utilisation of sporting fields and facilities following the NSROC regional strategy for future sports field capacity.
- Delayed completion of NTRA car park works due to wet weather.
- Amendments to the Lindfield Village Green design to provide an additional basement level of parking.
- Detailed submissions made to the Greater Sydney Commission and Department of Planning and Environment plans for a Metropolis of Three Cities - Our Greater Sydney, the North District Plan and Future Transport Plan.
- Delayed construction of the St Ives regional playground due to environmental issues.

The year ahead

- Implement the Greater Sydney and North District Plans.
- Progress planning for the revitalisation of Lindfield and Turramurra local centres.
- Complete the regional playground at St Ives Showground.
- Continue concept design for a joint use indoor sports facility at St Ives High School with the Department of Education.
- Progress transformation of three public tennis courts into multipurpose sports courts.
- Continue administrative support for the Ku-ring-gai Local Planning Panel (KLPP).

THEME 4

Access, traffic and transport

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 158 to 169.

Key achievements

- \$10.2 million spent on the upgrade/reconstruction of existing roads. See p160
- \$1.36 million upgrade to Lady Game Drive between Blackbutt Creek and De Burgh Road grant funded by RMS. See p160
- \$795,000 spent on new/upgraded footpaths with 700 metres of new footpaths constructed. See p160
- Comenarra Parkway sections upgraded with funding shared with RMS. See p160
- Upgrades to six (6) identified bus stops, in accordance with the *Disability Discrimination Act 1992*, with some integrated with new footpaths. See p161
- New Transport Access Guide detailing sustainable transport options to and from schools. See p163
- Two timber pedestrian bridges completed with wheelchair access to replace existing structures at West Pymble's Bicentennial Park. See p161
- Successful National Ride2Work annual cycling event hosted by Council. See p163
- Improvements to pedestrian safety at school locations and high pedestrian movement areas. See p161

Challenges

- Responding to proposed regional infrastructure to improve strategic access, traffic and transport for the Northern Sydney Region.
- Introduction of clearway restrictions on Mona Vale Road from Pymble to St Ives and on the Pacific Highway between Pymble and Wahroonga.
- Working with Transport for NSW & the Roads and Maritime Services to fund the delivery of Council's Bike Plan.

The year ahead

- Advocate and collaborate with others regarding improvements to access, traffic and transport for the Northern Sydney Region.
- Continue to consult with Transport for NSW on key projects to improve public transport access and connections, particularly Council's major projects in Lindfield and Turrumurra.
- Work with Transport for NSW to progress accessibility upgrades at Wahroonga and Roseville railway stations.

THEME 5

Local economy and employment

Creating economic employment opportunities through vital, attractive centres, business innovation and technology.

Refer to pages 170 to 181.

Key achievements

- Destination Management Plan adopted for the sustainable management of tourism in Ku-ring-gai. See p174
- Over 54,350 people visited the Ku-ring-gai Wildflower Garden including the Visitor's Centre, events and programs. See p178
- The fourth St Ives Medieval Faire was held in September - the most successful yet for ticket pre-sales and visitor numbers. See p174
- New outdoor events, including plays and free Sunday concerts, successfully trialled at the Ku-ring-gai Wildflower Garden. See p174
- \$70,000 provided in sponsorship support for popular local events and cultural organisations. See p174
- Council joined the Service NSW Easy To Do Business Program which assists business to establish or expand. See p172
- Comprehensive engagement activities undertaken to actively include local business and related groups in the Lindfield Village Hub and Lindfield Village Green projects. See p172

Challenges

- Facilitating conditions to attract new businesses and employment to the area.
- Ongoing liaison and communication of Council's planning for local and neighbourhood centres.
- Pursuing opportunities for economic growth with local and regional business partners.

The year ahead

- Implement actions in the Destination Management Plan.
- Continue support for local business.
- Build local and regional economic partnerships.
- Continue highly successful event marketing, coordination and support.
- Continue expansion of visitors and tourism opportunities.

THEME 6

Leadership and governance

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 182 to 200.

Key achievements

- The NSW Government announced that all proposed council mergers would not proceed, following Council's successful Appeal against being forcibly merged with Hornsby Shire. See p74
- Comprehensive induction program delivered to Councillors elected in September 2017. See p96
- Revised long, medium and short term strategic and resourcing plans adopted for Ku-ring-gai following in-depth consultation with residents. See p184
- Maintained a sound financial position. See 186
- Significant cost savings and additional revenue opportunities identified over the next 10 years for reinvestment in infrastructure renewal. See p188
- Continued improvements to services efficiency. See p46
- Establishment of new governance and resourcing framework to strengthen Council's capacity to deliver its major development program. See p188
- Independent staff survey provided positive feedback for organisation. See p86
- Comprehensive staff training tailored to organisation's needs. See p80

Challenges

- Completion of organisational service reviews to identify opportunities for savings and additional revenue over the next 10 years.
- Resources needed to implement the Greater Sydney Commission's North District Plan.
- Continued advocacy and responses to policy development affecting Ku-ring-gai at state and regional levels through state and regional representative groups and committees.
- Detailed submissions made to local government reforms, legislative and regulatory changes and new State Government plans.

The year ahead

- Complete structural review to ensure the organisation is well placed to deliver community priorities and respond to state and regional plans over future years.
- Supporting new advisory and reference committees for major projects.
- Continue responses to government policy and reforms.

How we spent your rates

Your annual rates go towards providing services, programs and facilities that respond to the needs and priorities of Ku-ring-gai's diverse and growing population.

Services

The graph below shows the amount of Council expenditure on key service areas in every \$100 of rates and charges.



FURTHER READING

A more detailed list of Council's service areas is provided on page 46.

For further descriptions on service components used in the graph refer to the Notes to the Financial Statements, Note 2(b) on page 247.

Capital works

During 2017/18 Council completed or progressed a range of capital projects and programs that will benefit the Ku-ring-gai community. They include upgrades to roads, footpaths and pedestrian facilities, improvements to parks and sporting facilities, improvements to community buildings and upgraded amenities.

The table below lists key capital projects and programs with expenditure for the 2017/18 year:

ROAD UPGRADES	\$10,247,415
Upgrade and reconstruction of existing roads at various locations across the LGA	
(Includes Lady Game Drive - Blackbutt Creek project which was funded under the Blackspot program by NSW Roads and Maritime Services - \$1,543,235.23)	
PLAYGROUND IMPROVEMENTS	\$1,024,343
Construction - Bicentennial Park Golden Grove, West Pymble - accessible playground; East Roseville Community Centre - playground refurbishment	\$847,381
Master planning/design - St Ives Showground - regional playground and accessible toilet - stage 2; Gordon Recreation Ground - playground upgrade; Morona Avenue Reserve, Wahroonga - playground upgrade; Lindfield Soldiers Memorial Park, East Lindfield - playground upgrade	\$176,962
FOOTPATH IMPROVEMENTS	\$795,441
Creation of new footpaths across the LGA	\$310,000
Reconstruction and renewal of existing footpaths at various locations across the LGA (Includes the upgrade of footpaths at bus stops in various locations across the LGA to meet disability requirements under the <i>Disability Discrimination Act, 2010</i> legislation - \$50,982)	\$485,441
NORTH TURRAMURRA RECREATION AREA	\$693,962
Construction of sportsfield car park at North Turramurra Recreation Area, including landscaping, lighting and concreting works (final stage of \$28 million project)	
COMMUNITY BUILDINGS AND FACILITIES	\$695,622
Renewal of two pedestrian bridges - Bicentennial Park, West Pymble	\$263,321
Accessible toilet and pathway at Princess Anne Pavilion, St Ives Showground	\$187,557
Renewal works at public buildings and community facilities (various locations)	\$158,424
Thomas Carlyle Children's Centre bathroom upgrade	\$67,478
Gordon Library heating, ventilation and air conditioning replacement	\$18,842

LIBRARY RESOURCES
\$665,906

New and replacement resources and collections for Ku-ring-gai's four Council libraries at Gordon, Lindfield, St Ives and Turramurra.

CORPORATE SYSTEMS AND TECHNOLOGY
\$581,051

Software, hardware, equipment replacement and Council system upgrades and enhancements

SUSTAINABLE ENERGY INITIATIVES FOR COUNCIL BUILDINGS AND FACILITIES
\$563,548

This includes:

- Lighting upgrades at various Council facilities including St Ives library
- Solar Photovoltaic (PV) installation at St Ives and Turramurra libraries, East Roseville Community Centre and West Pymble Community Hall
- Solar Photovoltaic (PV) installation, filtration plant upgrade and indoor pool blankets at Ku-ring-gai Fitness and Aquatic Centre
- Sustainable lighting for sportsfields and tennis courts at various locations across the LGA

NEIGHBOURHOOD CENTRE IMPROVEMENTS
\$482,397

This includes streetscape improvements to the Warrimoo Avenue, St Ives shops and the design of improvements to other centres.

PARKS - NEW AND IMPROVED
\$461,976

Construction - Ku-ring-gai Fitness and Aquatic Centre signage; Turramurra Memorial Park, Turramurra - dog off leash area upgrade.

\$90,251

Master planning/design - St Ives Showground landscape masterplan - phase 1; St Ives Village Green masterplan - implementation work; St Johns Avenue, Gordon - new railway square (Annie Forsyth Wyatt Garden); St Ives Village Green - new recreation precinct; new park on corner of Duff Street and Allan Avenue, Turramurra; Robert Pymble Park, Pymble masterplan; Gordon Recreation Ground masterplan; Putarri Reserve, St Ives - park upgrade; Claude Cameron Grove, East Wahroonga - dog off leash area upgrade

\$371,725

PUBLIC AMENITIES
\$484,454

Upgrades to amenities at the following locations across the LGA - Koola Park Oval, East Killara; Turramurra Memorial Park Oval; Bicentennial Park Golden Grove, West Pymble; Howson Oval, South Turramurra; Comenarra Playing Field, South Turramurra; George Christie Oval, Wahroonga; Roseville Chase Oval; Killara Park - accessible toilet block.

SPORTSFIELDS AND FACILITIES	\$491,532
Upgrades of sport court facilities including tennis court resurfacing and upgrade of netball courts at the following locations across the LGA - Loyal Henry Park, Roseville; The Glade, Wahroonga; Morona Avenue, Wahroonga; Lofberg netball courts, West Pymble	\$259,342
Construction - Hassell Park, St Ives - synthetic centre wicket; Kent Oval, North Turramurra - sportsground upgrade	\$88,959
Master planning/design - Norman Griffiths, West Pymble - oval upgrade; Primula Oval, West Pymble - sportsfield upgrade; Warrimoo Oval, St Ives - sportsground upgrade; Koola Park, East Killara upgrade - car parks and surrounds (stage 4)	\$143,231
TRAFFIC/PEDESTRIAN FACILITIES	\$381,826
Construction - Lady Game Drive, Lindfield - pedestrian refuge; Burns Road, Turramurra - pedestrian refuge island; Fox Valley Road, Wahroonga - pedestrian facility; Cowan Road St Ives, - pedestrian refuge island; Old School Car Park No. 49 - clearway*; Brentwood Avenue, Turramurra - pedestrian refuge Island; Kissing Point Road, Turramurra - wombat crossing*; Gordon West Public School, Gordon - (outside) pedestrian improvements*; replacement of street signs across the LGA. * Projects partially funded by RMS	\$361,543
Master planning/design - New roundabout at railway underpass and Henry Street, Gordon	\$20,283
DRAINAGE	\$184,702
New and upgraded drainage works at various locations across the LGA.	

Sustainability

Sustainability principles inform and guide all of Council's planning and activities. These principles include:



- ▶ supporting cohesive, inclusive, diverse and dynamic communities
- ▶ ensuring council's services and programs are provided on the basis of equity and community priorities
- ▶ balancing health, work and personal commitments



- ▶ protecting the natural, social, cultural and built heritage
- ▶ decreasing the consumption of resources



- ▶ maintaining a strong and stable local economy
- ▶ ensuring the delivery of services, facilities and infrastructure is financially sustainable and best value for money within available resources

Council's commitment to sustainability is reflected in strategic Integrated Planning and Reporting Plans, policies, land use plans and the delivery of services, capital works and programs.

Reporting on sustainability

Council's delivery of sustainability outcomes is reported under the six themes contained in the Delivery Program and Operational Plan. Each theme addresses social, environmental, economic and civic leadership considerations, where 'civic leadership' indicates how Council will engage with the community and how community members might become involved in delivering some of the plan's objectives. This approach ensures Council's activities have a holistic balanced view, rather than favouring one particular area.

See *Performance - Delivering the Vision* on pages 99 - 200 for examples of sustainability outcomes achieved under each theme of the Delivery Program 2013-2018 and Operational Plan 2017-2018.

Environmental sustainability initiatives

Ku-ring-gai Council is recognised as a local government leader in environmental sustainability.

Council funds a range of environmental programs and initiatives through a 5% Environmental Levy on rates. The Levy contributes approximately \$2.7 million annually to environmental programs and initiatives in the areas of biodiversity, water, energy, community engagement and environmental education and sustainable transport and recreation.

The following provides a summary of key initiatives Council delivers to achieve environmental sustainability outcomes.

Greenhouse gas emission reduction targets

Council is working towards reducing its Greenhouse Gas (GHG) emissions (from Council's buildings, facilities, fixed assets, street lighting and vehicles) to levels consistent with the international goal of limiting global warming to 2° C above pre-industrial levels, equating to a reduction in GHG emissions of 20% by 2020, 50% by 2030 and 100% by 2045, based on 2000 levels.

Biodiversity and bushland management

Council manages 1,152 hectares of bushland, with 24 vegetation communities (7 listed under *NSW Biodiversity Conservation Act, 2016* and 4 listed

under *Environment Protection and Biodiversity Conservation Act, 1999*), 10 threatened flora species and 23 threatened fauna species. Council's annual bush regeneration program is conducted in 37 priority reserves, covering 60 hectares. Ecological burns are conducted regularly to control weeds, improve native plant diversity and stimulate new growth.

Through the NSW Government's Linking Landscapes program, Council created a 119 hectare BioBanking site at Rofe Park, Sheldon Forest and Comenarra Creek Reserve, with over \$2 million dollars (including a \$1.6 million grant) secured in funding for the management of the three reserves for the purpose of biodiversity conservation.

Bush fire management

Council's bush fire management program involves regular upgrades to major fire trails and updates to the Bush Fire Prone Land Map for the Ku-ring-gai LGA.

Water and catchment management

The urban water management program involves the installation of stormwater harvesting systems, sediment and filter basins, biofilter systems, gross pollutant traps, creek stabilisation works and water quality and macroinvertebrate sampling across the LGA.

Energy management

The energy management program involves the delivery of a range of renewable energy and energy efficiency projects to Council's buildings and facilities.

Loving Living Ku-ring-gai community engagement program

This program includes the following initiatives:

- **Water Smart**, offering water rebates on raingarden and rainwater tanks to all Ku-ring-gai residents
- **Energy Smart Savers**, providing rebates for energy efficient pool pumps and regular information sessions on energy efficiency and solar power

- **Smart Units**, providing Ku-ring-gai unit blocks with energy, water and waste audits and tailored action plans
- **Smart Homes**, online web resources for incorporating sustainability into house renovations, retrofits or rebuilds and a sustainable building design event series
- **Compost Revolution**, offering subsidised compost bin or worm farms and online tutorials
- **Climate Wise Communities**, designed to improve community resilience to the impacts of severe weather events as a result of a changing climate at a personal, property and neighbourhood level
- **Greenstyle**, providing home sustainability and garden advice to Ku-ring-gai residents.

Environmental volunteering program

Council coordinates and supports nearly 700 volunteers dedicating their time across various bush regeneration activities as part of Bushcare, Streetcare and Parkcare programs.

Annual community small grants program

This assists the Ku-ring-gai community to deliver small, community based, environmental projects at a neighbourhood level.

Land use planning, assessment and regulation

Since 2013 Council has put in place a full suite of land use plans and planning controls encompassing urban, biodiversity, heritage and natural areas. These include:

- **Principal LEP and DCP**

The Ku-ring-gai Local Environmental Plan 2015 (KLEP 2015) provides the framework by which local land use planning can be undertaken in a more integrated and strategic manner. It addresses planning issues such as sustainability, physical and social infrastructure, natural and built environment, heritage, housing and employment. It also provides greater environmental protection through the introduction of new environmental zones, as well as map overlays linked to local biodiversity areas and riparian lands.

- **Riparian and biodiversity controls and guidelines**

KLEP also includes planning provisions to protect biodiversity and riparian lands. These seek to protect, maintain and enhance biodiversity in Ku-ring-gai, including the protection and recovery of native flora and fauna, (including species and ecological communities listed as threatened in State or Federal legislation), their habitat and linkages between habitat areas. The riparian provisions seek to protect or enhance waterways and riparian land in Ku-ring-gai and its downstream catchments.

- **Policies**

Over recent years Council has implemented a suite of environmental policies addressing climate change, climate change adaptation, biodiversity, water sensitive cities, unstructured recreation in bushland, bushland dumping and encroachment, fauna management, contaminated lands and sustainable events management. These policies can be found at kmc.nsw.gov.au/policies

Alternative and sustainable modes of transport

Alternative modes of sustainable transport are promoted by Council through events such as Ride2Work Day and Festival on the Green. Council has an adopted Bike Plan that is being progressively implemented in addition to upgrades and construction of new bike paths and footpaths within the LGA. Master planning for major projects includes provision for bicycle parking, additional cycleway networks, car share parking and school education programs.

Partnerships

Council participates in research partnerships, such as the Cooperative Research Centre (CRC) for Water Sensitive Cities and the University of Technology (UTS) on water management research projects, including investigations into the quality of Council's harvested stormwater.

Better Business Partnership

Council's Better Business Partnership program provides sustainability advice service to small and medium businesses in Ku-ring-gai. Sustainability advice is provided to over 200 active Better Business Partnership (BBP) members. This advice has included waste, energy and water audits and has led to the diversion of waste from landfill, annual electricity savings and water savings.

Planning for sustainable tourism opportunities

Council has commenced implementing a Destination Management Plan for Ku-ring-gai focused on five themes for developing sustainable tourism opportunities in Ku-ring-gai. These are nature-based tourism, major events, Aboriginal heritage, cultural and recreational experiences and architectural heritage.

Sustainable Event Management Policy

Council adopted a policy for Council events which promotes and encourages sustainable practices, such as reusable or biodegradable cups and crockery, promotional material made from recycled products, responsible waste disposal and recycling and public transport options to and from events.

Corporate sustainability initiatives

Council's Corporate Sustainability Action Plan continues to drive corporate sustainability initiatives across Council's organisation. Examples include installation of waste recycling stations, in Council's staff work areas, that include organic waste and soft plastic recycling as well as the replacement of old printers and copiers with paper and energy saving devices.





From the Mayor

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I am delighted to present the Ku-ring-gai Annual Report for 2017/18, which highlights our achievements and challenges throughout the previous financial year.

I'd also like to acknowledge and thank outgoing councillors from the previous term for their exceptional contributions to Ku-ring-gai between 2012 and 2017.

On 27 July 2017 the NSW Premier announced that all proposed council mergers would no longer proceed. The decision ended a long period of uncertainty for Ku-ring-gai following its court victory appealing a proposed forced merger with Hornsby Shire and vindicated our stance to remain as a standalone Council. It also lifted limitations imposed by the State Government on the progression of our major centre revitalisation projects.

Election of a new team of councillors in September 2017 brought renewed vigour to complete vital strategic long term projects and address any challenges. This is particularly important given that this Council, like a number of others across NSW, will serve a shorter three year term ending in September 2020, due to the extension of the previous Council's term and abandoned local government mergers.

One of the first priorities for the newly elected council was the preparation of a revised Community Strategic Plan for Ku-ring-gai.

The interest and enthusiasm of residents at our community planning workshops, held in October and November 2017, and extensive consultation with residents, businesses and other stakeholders, greatly assisted our review of community needs and priorities. This consultation directly informed preparation of a revised Community Strategic Plan 'Our Ku-ring-gai 2038'. It also guided the preparation of a new Resourcing Strategy and Delivery Program and Operational Plan that set out how Council will deliver projects, programs and services to progress the community's vision contained in the Community Strategic Plan. You can find the revised plans on our website at kmc.nsw.gov.au/integratedplanning

Our vision - that Ku-ring-gai will be 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 - continues to underpin everything we

strive for at Ku-ring-gai Council. This will continue to be addressed by Council directly, by advocating on behalf of our residents and in partnership with other stakeholders.

Our analysis of the 2016 Census results, released during the year, clearly shows that Ku-ring-gai's population is changing. Our current population of 122,472 (2016 ABS Census) is expected to reach over 144,000 by 2038 with the largest increases in both school aged children and seniors over 65 years, particularly those aged over 85.

Other challenges this year were further changes to planning legislation that directly affect the way we consult with the community and prepare future land use planning documents.

In particular, the Greater Sydney Commission's new North District Plan was finalised. This plan requires Council and the community to plan for additional housing in Ku-ring-gai and will necessitate a review of all of Council's land use plans over the next few years.

Council's role in the assessment and determination of development applications was further reduced with the introduction by the State Government of the Ku-ring-gai Local Planning Panel, an independent hearing and assessment panel for development applications. This means that Councillors no longer play a role in determining development applications for our local area.

The issue of sustainability has taken on an even greater significance for our local area this year, as reflected in the theme for the 2017/18 report, with the challenges presented by the Greater Sydney and North District Plans' requirement for more housing development to cater for the expected population growth.

Our commitment to a sustainable local environment currently includes a wide range of programs which have a positive impact for our community. These award winning environmental programs, activities and educational events help raise awareness and educate residents in ways we all can contribute to the health of our local area's environment. Our efforts are helped enormously by over 680 volunteers who contributed over 13,000 hours each year in supporting Ku-ring-gai's biodiversity goals.

Council reaffirmed its decision to seek approval for the Ku-ring-gai environmental levy to become permanent at its current rate of 5%. This will enable the continuation of many programs vital to the conservation and enhancement of Ku-ring-gai's natural bushland, biodiversity and tree canopy. Extensive community engagement on this important proposal will be completed during 2018/19.

Council is also focused on social and economic sustainability, with the objective of ensuring Ku-ring-gai residents' existing quality of life is maintained and enhanced. To this end Council continued its focus on providing services to meet community needs, creating new and exciting community facilities and spaces through its centre revitalisation programs, parks and sporting facilities programs and community facilities renewals as well as protecting our heritage legacy and continuing initiatives to support local business, encourage investment and expand tourism opportunities.

To meet these challenges Council must be financially sustainable. During 2017/18 councillors and the organisation have been ensuring that the delivery of services, programs and projects to Ku-ring-gai can be achieved in a sustainable way over the long term.

Council initiated the establishment of an independent Major Projects Advisory Committee with a renewed focus on revitalising Ku-ring-gai's major urban centres of Lindfield and Turramurra. The Advisory Committee consists of independent members of the public with expertise in finance, construction, commercial and residential property development and large scale public infrastructure. The committee will provide support to Council decision making for major projects and to oversee governance of project delivery.

An extensive community engagement program to keep residents and businesses and other stakeholders informed on the progress of the major projects has also been initiated. Regular updates can be found on Council's website.

In addition to the local centres projects at Lindfield and Turramurra, Council included the renewal of the East Lindfield Community Centre and the much-loved Marian Street Theatre as major projects. In particular the Marian Street Theatre project is set

to renew and expand the theatre facilities for future generations. Other highlights in 2017/18 included:

- Delivering a \$31 million capital works program for infrastructure and around \$123 million for wide-ranging services to the community.
- Completion of the North Turramurra Recreation Area and Koola Park sportsfields upgrade.
- Completion of improvements to The Mall Shops, St Ives and East Lindfield Shops landscaping and paving, East Lindfield.
- Upgrades to Golden Grove Playground at Bicentennial Park, West Pymble and the Roseville Chase Community Centre playground.
- Delivery of initiatives funded by the Environmental Levy program to reduce our carbon emissions by installing solar panels, pool covers and a pool filtration upgrade at the Ku-ring-gai Fitness and Aquatic Centre, solar panels at Turramurra Library, St Ives Library and the East Roseville Community Centre as well as LED lighting at St Ives Library, the Bridge Street administrative building and Suakin Street Depot.
- Implementing the Destination Management Plan for the sustainable management of tourism and visitation in the local area.

As Mayor, and on behalf of my fellow councillors, I thank Ku-ring-gai Council's hard-working and dedicated staff and the many volunteers who share our vision to deliver the best possible future for the local area.

This report provides an overview of the past year and I hope you enjoy reading about some of the accomplishments achieved in our local community and for our local community.



Jennifer Anderson

MAYOR



General Manager's report

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It is my pleasure to present Ku-ring-gai Council's Annual Report 2017/18. This Annual Report outlines the achievements and challenges of the organisation throughout the year.

In September 2017, the Ku-ring-gai community elected a new Council. One of the first tasks of the incoming Council was to develop a new Community Strategic Plan, in close consultation with ratepayers and residents.

Since 2013 the NSW Government has put in place a number of reforms and changes to local government. These have been wide ranging, affecting councils' responsibilities and operations.

I am pleased to report that despite these challenges, Ku-ring-gai Council has continued to build momentum in the delivery of a large number of exciting and transformational initiatives across our area.

During 2017/18, we focused on budget fundamentals. That is, providing value for money, reducing expenditure and broadening income as key objectives to achieving long term financial sustainability.

This work has been complemented by the development of new internal structure making Council a more streamlined and efficient organisation. Importantly, these improvements to processes will ultimately make it easier for our community to interact and engage with Council.

We continue to build upon our successes to deliver services and facilities for the community in the most efficient and cost effective manner possible. This approach is a sound basis for the continued reform of local government. To this end, Council's 2017/18 budget incorporated prudent fiscal decisions that ensure stability.

Ku-ring-gai Council's ongoing commitment to financial sustainability is demonstrated by:

- Delivering twelve consecutive years of operating surpluses after allowing for depreciation of Council assets. These funds are being reinvested in new and existing assets such as parks, buildings, roads and footpaths.

- A new governance structure to strengthen the transparency and delivery of the major urban revitalisation projects at Lindfield and Turramurra.
- Participating in the NSW Audit Office new local government mandate to develop a whole-of-sector report on NSW Councils' financial performance.
- Development of Council's new integrated planning and reporting strategies including the 10 year Long Term Financial Plan and Asset Management Strategy which underpins the Delivery Program and Operational Plan.

Ku-ring-gai Council was the recipient of numerous awards during the year. The North Turramurra Recreation Area won the prestigious NSW Minister for Local Government's award for Innovation in Engineering as well as a Local Government Excellence Award for Asset Management and Infrastructure.

The Activate Ku-ring-gai Program won a Parks and Leisure Australia Open Space Planning Award, the WildThings and Biodiversity programs won a LGNSW Excellence Award for communication, education and empowerment while the WildThings and Climate Wise Communities programs won a commendation from Greater Sydney Planning for a Great Sustainability Initiative. The Climate Wise Communities program was also recognised in the United Nations Public Service Awards and the WildThings program received a third Highly Commended Local Government Excellence Award for Environmental Leadership and Sustainability.

The importance of Ku-ring-gai's Environmental Levy which is the sole mechanism to deliver our award winning environmental programs cannot be understated.

The revenue Council receives from rates is not enough to cover the investment required to adequately manage and protect our natural environment in the future. It is the levy that funds the environmental programs and works that secure the long term protection of the unique Ku-ring-gai environment.

The levy currently funds the annual delivery of approximately \$2.7 million of environmental programs and works, to ensure Ku-ring-gai's unique bushland, waterways and urban environment are conserved and maintained.

Due to the pending expiration of the levy Council has resolved to apply to the NSW Independent Pricing and Regulatory Tribunal (IPART) for the permanent continuation of the Environmental Levy at the amount currently paid by Ku-ring-gai ratepayers.

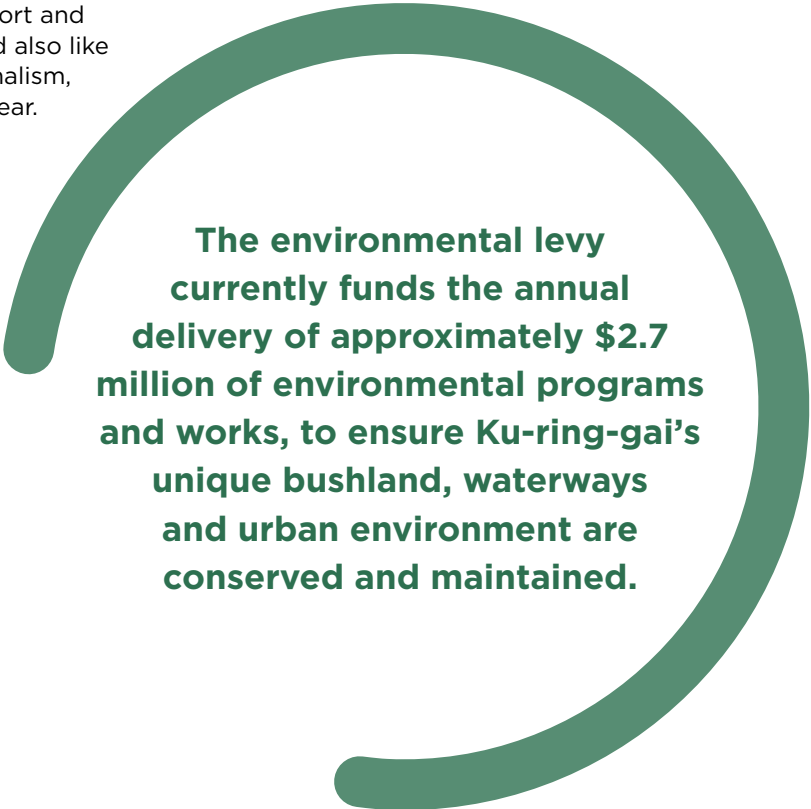
Overall, and in keeping with goals and priorities outlined in the Community Strategic Plan and Delivery Program, our Councillors and staff have progressed a large number of projects and initiatives of benefit to the wider Ku-ring-gai community.

The Annual Report is an account of the services, projects and major programs delivered in 2017/18, and other initiatives delivering environmental, social and economic benefits for our community.

All of these outcomes and initiatives would not, of course, be possible without the active support and strong leadership of our Councillors. I would also like to thank all Council staff for their professionalism, hard work and dedication during the past year.



John McKee
GENERAL MANAGER



The environmental levy currently funds the annual delivery of approximately \$2.7 million of environmental programs and works, to ensure Ku-ring-gai's unique bushland, waterways and urban environment are conserved and maintained.

Often referred to as the 'Green Heart' of Sydney, Ku-ring-gai's diverse natural habitat is regarded as the last remaining areas of biodiversity significance in the Sydney Metropolitan area.



A significant ecological community in Ku-ring-gai is the unspoilt Blue Gum High Forest, Dalrymple-Hay Nature Reserve, St Ives. Photographer: David Wilks.

Snapshot of Ku-ring-gai



An aerial photo of Pymble, on the
North Shore Line, north of Sydney.
Photographer: Mark Merton Photography

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Green Heart



Ku-ring-gai is an established local government area (LGA), 85 square kilometres in size, located 16 kilometres north of the centre of Sydney CBD.

Our name 'Ku-ring-gai' is a derivation of the name of the Guringai people, the traditional Aboriginal owners of the land of which the Ku-ring-gai local government area is a part.





our place, our people

Our landscape

The area's unique natural landscape is due to its elevated position in Sydney's north, high rainfall, alluvial soils, deep gullies, 177kms of waterways and creeks and three major water sub-catchments feeding into Sydney Harbour and the Hawkesbury River Estuary.

The area adjoins three National Parks (Ku-ring-gai Chase, Garigal and Lane Cove) and contains significant urban forests and tracts of local bushland as well as a visually significant tree canopy across both natural and urban areas. These landscape features give the area distinctive natural beauty and differentiates Ku-ring-gai from other parts of Sydney.

Our unique biodiversity

Known as the 'Green Heart' of Sydney, Ku-ring-gai contains a diverse natural habitat regarded as the last remaining areas of biodiversity significance in the Sydney metropolitan area. This includes:

- more than 150 bushland reserves covering 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
- a 99 hectare bio-banking site comprising three reserves at Rofe Park, Sheldon Forest and Comenarra Creek Reserve.

Our connected urban villages

Historically, Ku-ring-gai's urban areas developed as a series of villages along the main ridgelines, each with their own identity, and always bounded by, or close to, large tracts of natural bushland, creek systems and national parks. While subdivision and residential development have connected the villages into larger suburbs over time, their distinct characteristics still largely remain intact. Today Ku-ring-gai includes 17 suburbs, most with neighbourhood centres and 7 larger local centres (Roseville, Lindfield, Gordon, Pymble, St Ives, Wahroonga, and Turrumurra). Each suburb has its own unique character reflecting the local natural bushland, heritage conservation areas or more recent post war development.

The physical appearance of Ku-ring-gai, the connectedness of green leafy areas encompassing both public and private lands and the physical location of urban areas within a well-defined geographic boundary, have been critical contributory factors to a sense of place.



Ku-ring-gai is located just 16 kilometres north from the Sydney CBD, and is bound by three national parks.

Our cultural history and diversity

► Aboriginal heritage

The Guringai people were the original inhabitants of the land now encompassed by Ku-ring-gai LGA. The Guringai people used sustainable practices to preserve the area's natural diversity. They have left behind many traces of their habitation including middens, petroglyphs (rock drawings or carvings) and remains of shelters. Up to 650 Aboriginal heritage sites may have existed within the Ku-ring-gai LGA. While 101 recorded sites exist in the LGA, over double that number are believed to remain.

► Our bushland legacy

European settlement in Ku-ring-gai began in the early 1800's. Early settlers also recognised the significance of the natural bushland, its important place in communities and its health benefits for a growing Sydney. They advocated strongly for the retention of bushland reserves, and set aside land for the reserves, parklands and recreation areas that Ku-ring-gai is renowned for today.

► European heritage

Ku-ring-gai is the birthplace of the National Trust of Australia (NSW) and has traditionally valued its significant built heritage with over 987 heritage items and 52 heritage conservation areas within a well-defined compact urban area. In addition, over 3,939 properties are within Ku-ring-gai's Heritage Conservation Areas, or approximately 10% of all properties.

► Our community diversity

Many residents who have made Ku-ring-gai their home, were born or have recent ancestry in over 100 overseas countries. This is a clear indication of the cultural history and diversity of our present community. (*Census, ABS, 2016*)

Our strong resident participation and advocacy

The village nature of our suburbs created close knit and self-sufficient communities with a strong connection to the area. Over time this has evolved into strong resident participation in local organisations, cultural pursuits, sport and leisure activities, volunteering and events as well as a willingness to advocate for, and preserve, the area's unique natural and historical assets.

Our diverse local economy

Ku-ring-gai has a diverse and vibrant local economy comprising:

- seven local centres providing mixed food, retail and professional services
- a business park accommodating commercial and service activities
- a large education sector focused on early learning, primary and high schools
- a large medical and health care sector including two hospitals
- a highly educated workforce mostly in professional, scientific and technical service industries
- a thriving small and medium size business sector.



*TOP: Pymble: East side ca.1910
Shows a view from Grandview Street, opposite the railway overbridge looking towards King Edward Street on the right with houses on Church Street in the distance.
BOTTOM: Road construction, Ku-ring-gai ca.1928
Series: Ku-ring-gai Shire: Engineering Programmes, 1928.
Shows council workmen operating road construction machinery.*



It is often said, that in Ku-ring-gai, we live 'under the canopy' because of our beautiful tree-lined streetscapes and bushland.

Our logo prominently features five Sydney Blue Gums, a native tree prominent in Ku-ring-gai, especially within Blue Gum High Forest. The five trees also represent the five wards of Ku-ring-gai - Gordon, St Ives, Comenarra, Roseville and Wahroonga.

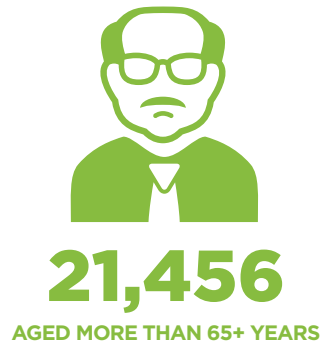
The green represents our natural environment and the blue depicts a bright, sunlit sky visible through swaying tree canopies.

The light brown graphic element below the trees, in the logo, acknowledges our Aboriginal history. It includes indigenous symbols for a camp site, mountains, kangaroo, boomerang and emu drawn by Aboriginal artist Nikki McCarthy. It also includes a pair of stingrays found in an Aboriginal rock carving in Ku-ring-gai Chase National Park. The stingrays represent the Guringai people, who are sometimes known as the 'stingray people'.

The black area represents our land, as well as the Aboriginal people who first lived on the land, we now call Ku-ring-gai.

Ku-ring-gai - our place, our people

Population 2016 ¹



Age Groups²

Demographic	Age	Ku-ring-gai 2016	Greater Sydney 2016
Children 	0-11 yrs	18,231 or 15.4%	15.2%
Young people 	12-17 yrs	11,627 or 9.8%	6.9%
	18-24 yrs	9,934 or 8.4%	9.6%
Older people 	65-74 yrs	10,515 or 8.9%	7.7%
	75+ yrs	10,941 or 9.2%	6.2%

Household Type²

Demographic	Ku-ring-gai 2016	Greater Sydney 2016
Families 	21,774 or 54.9%	45.7%
Couples without children 	9,589 or 24.2%	22.4%
Lone person 	6,155 or 15.5%	20.4%

Cultural Diversity² (2016)

27.7%
SPEAK A LANGUAGE
OTHER THAN ENGLISH
AT HOME



38.9%
RESIDENTS BORN
OVERSEAS

Residents Requiring Assistance Due To A Disability²



3.6%
DAY TO DAY
assistance due
to disability

Housing Choice²



19%
HIGH RISE
DWELLINGS



8.4% MEDIUM DENSITY
DWELLINGS

72.4%
DETACHED DWELLINGS



A Diverse Economy (2017)



35,490
LOCAL JOBS⁴



14,436
LOCAL BUSINESSES³



**\$5.83
BILLION**
CONTRIBUTED TO GRP⁴

A Prosperous Area²



46%
TOTAL
HOUSEHOLDS
WITH A HIGH
INCOME



47.9%
WORKING POPULATION
UNIVERSITY EDUCATED

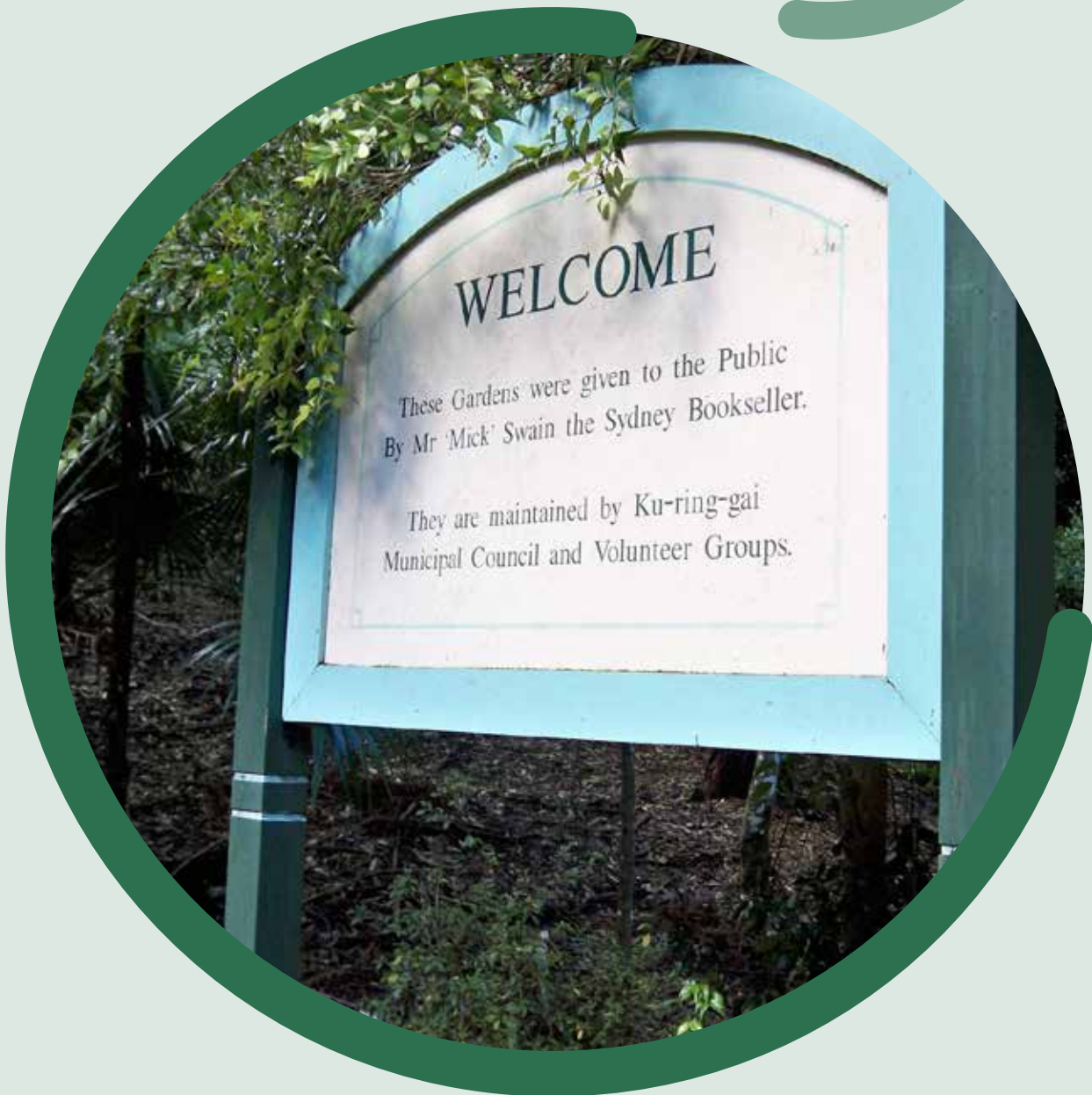
61.5%
OF THE POPULATION
IS EMPLOYED OR
LOOKING FOR WORK



Sources:

1. Australian Bureau of Statistics, Estimated Resident Population, 2016
2. Australian Bureau of Statistics, Census of Population and Housing, 2016
3. Australian Bureau of Statistics 2017
4. National Institute of Economic and Industry Research (NIEIR) ©2017

**\$23 million
identified savings
over the next 10 years
for allocation to asset
infrastructure
renewal.**



The Swain Gardens was bequeathed by Mr Arthur (Mick) Newling Swain to the National Trust in 1973 as he hoped his beloved gardens would benefit the community. It was then given to Ku-ring-gai Council in 1982 and managed as community land by Council and supported by the Friends of Swain Gardens, a group of dedicated volunteers.



Performance summary

Overview

Council’s continued objective for 2017/18 was to maintain a strong and sustainable financial position, underpinned by a sound income base and commitment to financial control.

This objective ensures Council’s continued focus on effective and efficient delivery of services, facilities and infrastructure required by the community.

At the end of the 2017/18 financial year, Council remained in a financially sound position with an operating surplus of \$32.5 million, including capital grants and contributions, and \$5.6 million excluding capital grants and contributions. The available

working capital stood at \$4.8 million, which is in line with the target identified in Council’s Annual Budget.

During 2017/18, we spent \$123 million (\$117m in 2016/17) on services and operations and \$31.2 million (\$26m in 2016/17) on capital and operational projects to provide a diverse range of services to the community and to ensure the long term sustainability of our assets.

We currently manage \$1.1 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, and 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.

Key achievements

- Operating surpluses in all five years of the extended five year Delivery Program 2013-2018.
- \$23 million identified savings over the next 10 years for allocation to asset infrastructure renewal.
- A strong return of 2.94% on Council’s total investment portfolio, which outperformed the industry benchmark by 1.16%.
- Continued to meet all of the financial criteria for being Fit for the Future.

Challenges

- Completing two organisation service reviews as part of the adopted ‘Road to Sustainability’ funding strategy for infrastructure asset renewal.
- Maintaining rigorous financial controls across services and operations.
- Completing capital projects which were delayed in 2017/18.



FURTHER READING

Full details of Council’s Audited Financial Statements for 2017/18 can be found on pages 229 – 353. See page 313 for Council’s independent Audit Report, issued by the NSW Auditor General.

How did we perform?

Achieved a strong operating result

For the financial year ended 30 June 2018, Council had an operating surplus, excluding revenue from capital grants and contributions, of \$5.6 million compared to \$18.8 million in 2016/17. This decrease is mainly due to the variation in the fair value increment of Council's investment property, from property valuation, and other increases in materials and contractors.

The operating result after capital grants and contributions was \$32.5 million, with no major variation noted in comparison to the previous financial year (\$33.13m in 2016/17).

The operating surplus means that Council's revenue exceeds 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. This surplus is available to be spent on capital works.

A comparison of our Operating Result for 2017/18 to original budget and the four previous years is provided in the adjacent graphs.

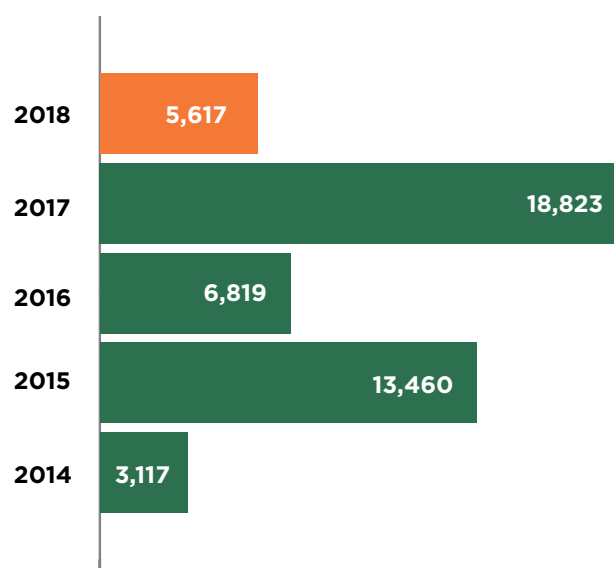
Major variations in expenditure and income compared to Council's original budget for 2017/18 are disclosed in Note 20 of the Audited Financial Statements on pages 284-285. The Operating Result includes depreciation of assets and excludes capital expenditure (expenditure on assets).

Achieved performance measures and benchmarks

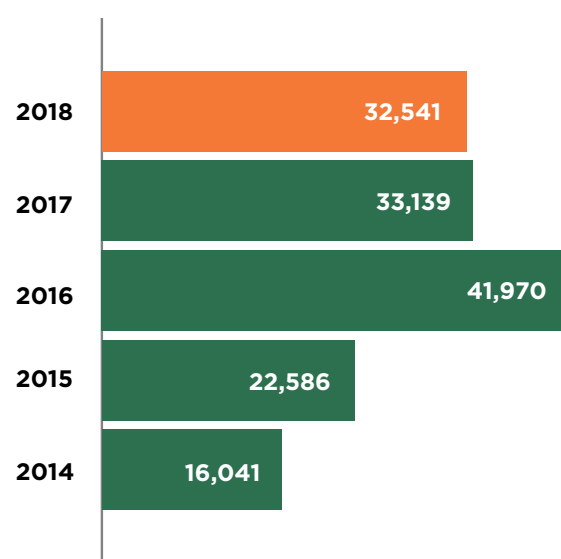
We achieved or outperformed all of Council's performance measures and benchmarks in 2017/18, with the exception of two infrastructure assets ratios - the Asset Renewals Ratio and Backlog Ratio.

See pages 230-233 for details of the above ratios and Council's achievement of other financial indicators and benchmarks.

Net operating result \$'000 (excluding capital income)



Net operating result \$'000 (including capital income)



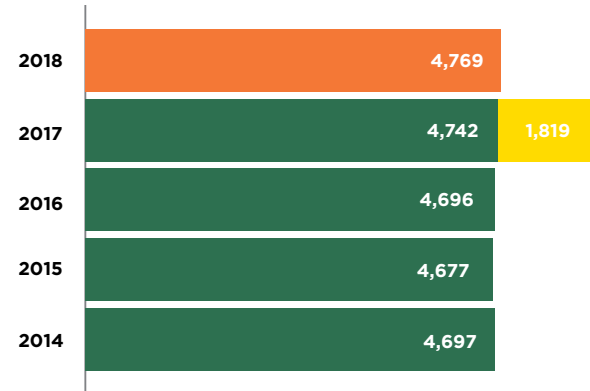
Achieved sound working capital

Working capital is a measure of Council's liquidity and ability to meet its 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. Working capital represents Council's net current assets, after deducting internal and external restrictions.

Available working capital of \$4.8 million at the end of the financial year highlights an adequate liquidity position with Council being able to meet its short term liabilities when they fall due.

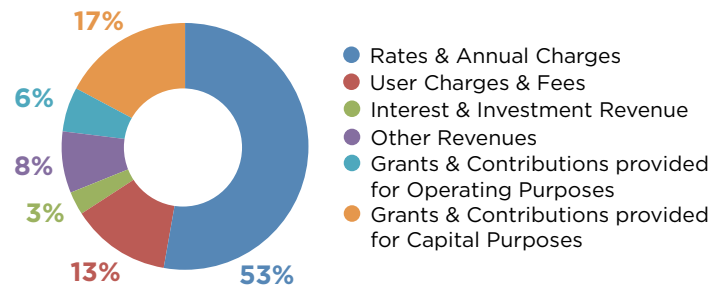
The graph adjacent provides a comparison of Council's working capital for the last five financial years under the Delivery Program 2013-2018. The main decrease from the previous 2016/17 financial year is attributable to the number of financial assistance grant (FAG) instalments received in 2016/17 compared to 2017/18. In 2016/17, Council received six instalments, with two instalments received in advance (\$1.819m) being for the 2017/18 year.

Working Capital \$'000



Where did our funds come from?

Total Income by category 2017/18



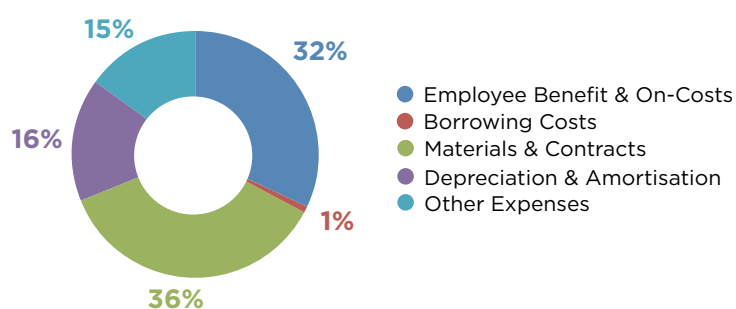
2017/18 Total income: \$155.6 million

Our main sources of income in 2017/18, other than rates and annual charges, were from:

	2017/18	2016/17
Rates and annual charges	Contributed \$82.60 million or 53%	\$80.4 million
Capital grants and contributions	\$26.92 million or 17%	\$14.3 million
User charges and fees	\$20.53 million or 13%	\$19 million
This includes mainly community facilities hire and regulatory/ statutory fees.		
Other revenues	\$11.75 million or 8%	\$21.7 million
Operating grants and contributions	Contributed \$8.80 million or 6%	\$10.5 million
Interest and investment revenue	\$5 million or 3%	\$4.6 million

Where were our funds spent?

Total Expenditure by category 2017/18



2017/18 Total operating expenses: \$123.1 million

The main expenditure items for the year were:

	2017/18	2016/17
Materials & contracts	\$44.17 million or 36%	\$40.11 million
Employee costs	\$39.89 million or 32%	\$38.2 million
Depreciation	\$20.10 million or 16%	\$19.67 million
Other expenses	\$18.20 million or 15%	\$16.65 million
Borrowing costs	\$0.68 million or 1%	\$0.78 million
Net losses from disposal of assets	\$0.06 (\$63,000) or 0%	\$2.17 million



FURTHER READING

Further details of our financial position can be found in the Financial Information – Overview section to the Financial Statements on pages 230-233. Full details of Council's Financial Statements are available in the Financial Section of this Report on pages 229-353.

Strategic objectives

Delivery Program and Operational Plan

Activities in the Operational Plan 2017-2018 contributed to the achievement of Council's five year Delivery Program 2013-2018 and long term objectives contained in the Community Strategic Plan 2030.

How we performed

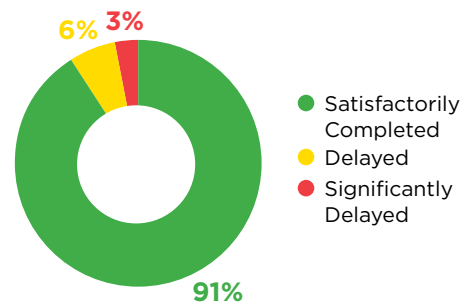
During 2017/18 Council successfully completed or progressed a substantial program of capital works and operational projects which addressed a range of social, economic and environmental objectives contained in the Delivery Program and Community Strategic Plan.

Council also maintained or enhanced its level of service delivery across operational areas and maintained its sound financial position. This confirms Council's ongoing capacity to deliver services and facilities in response to changing community needs and priorities.

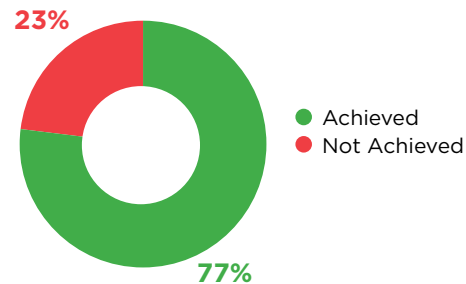
Performance in 2017/18 is indicated below for one year tasks and performance indicators and five year critical actions and term achievements. These are compared to results for the previous year.

Performance measure	Result 2017/18	Result 2016/17
1 year tasks completed * (Total 252)	91%	89%
1 year performance indicators achieved ** (Total 85)	77%	80%
5 year critical actions completed *** (Total 124)	90%	84%
5 year term achievements completed **** (Total 69)	87%	83%

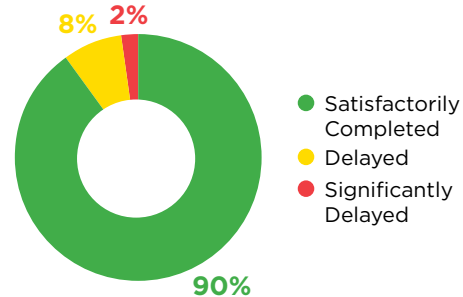
Operational Plan Tasks 2017/18*



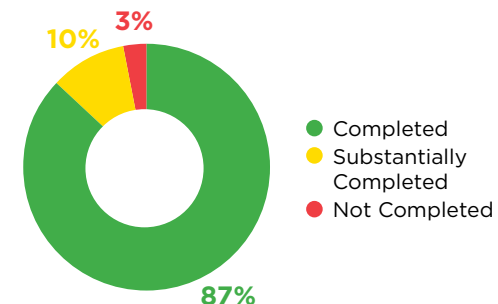
Performance Indicators 2017/18 **



Critical Actions 2013/18 ***



Term Achievements 2013/18 ****



Explanation

Operational Plan tasks (1 year) *

Five tasks were placed on hold or deferred by Council resolution and could not be progressed during 2017/18. These included two tasks in the 'Natural Environment' theme (N1.1.2.5 and N1.1.2.1.3) relating to Council's Environmental Levy Special Rate Variation application, which were deferred by Council to the Operational Plan 2018/19. The task relating to the Natural Areas Plan of Management (N2.1.1.1.2) could not be progressed during 2017/18 due to resourcing limitations and has been included in the Operational Plan 2018/19. Tasks in the 'Places, Spaces and Infrastructure' theme relating to the St Ives Shopping Village and Gordon Civic Cultural Hub could not proceed due to the 'on hold' critical actions discussed adjacent.

Performance indicators (1 year) **

Six performance indicators could not be assessed at the end of the period due to insufficient data available. These included three Indicators (N2.1.1.B/C/D) in the 'Natural Environment' theme relating to different bushland condition ratings and three indicators (E2.1.1.B/C/D) in the 'Local Economy and Employment' theme which are no longer required due to changes to Council's business engagement program.

Critical actions (5 year) ***

Two critical actions were not progressed during 2017/18 in the 'Places, Spaces and Infrastructure' theme. This included master planning for the St Ives Centre and surrounding precincts, which remained on hold by previous Council Resolution, subject to a formal planning proposal being received from the owners of the St Ives Shopping Village. Preparation of a master plan for Gordon Town Centre was also placed on hold by Council Resolution in April 2018 to enable establishment of a Gordon Public Realm Reference Committee.

Term achievements (5 year) ****

87% of the 69 term achievements were completed, 10% substantially completed and 3% not completed. All term achievements were reviewed as part of Council's preparation of its new Delivery Program 2018-2021, adopted in June 2018.

Council undertook a detailed review of all term achievements and performance indicators contained in the Delivery Program 2013-2018 and Operational Plan 2017-2018 as part of our End of Term Report, which was presented to the previous Council in August 2017. Council's 2013-2017 End of Term Report can be accessed here kmc.nsw.gov.au/integratedplanning



FURTHER READING

Information regarding Council's performance during 2017/18 can be accessed at kmc.nsw.gov.au/paststrategicplans

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 the Delivery Program and Community Strategic Plan objectives against social, economic, environmental and governance parameters.

How we performed

The following table indicates our performance for key corporate performance indicators for the 2017/18 year compared to the previous four years. Variations above or below the overall performance trend are explained in the notations to the table.

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Gov	DA median processing time	days	52	54	74	78	78	Stable
Gov	Fulltime employee turnover rate	%	9.3	12	9.53	11.34	16	Increased ¹
Gov	Policies reviewed	no.	11	4	7	5	12	Stable
Soc	Major events attendance	no.	51,121	24,000	35,000	45,000	35,904	Stable ²
Soc	Library visitors	no.	456,287	533,106	492,475	521,650	492,536	Decreased ³
Soc	Customer service requests received	no.	22,375	25,769	28,551	27,122	28,985	Stable
Env	Hazard reduction burns	ha	33.94	53.36	74	36.5	4	Decreased ⁴
Env	Bushland regeneration (area)	ha	58	59	61	60	60	Stable
Env	Water consumption (Council)	kL	96,550	101,481	102,555	183,573	141,721	Decreased ⁵
Env	Electricity consumption (Council) buildings	kWh	3,767,000	4,887,000	5,581,000	5,124,000	4,837,000	Decreased ⁶
Env	Waste kg/resident	kg	205.78	206	205.63	208.19	179.07	Decreased
Env	Recycling kg/resident	kg	110.78	107.86	104.36	101.15	96.32	Decreased ⁷
Env	Green Waste kg/resident	kg	152.7	163.57	170.12	157.13	139.68	Decreased ⁸
Eco	Roads upgraded	\$	8,160,787	8,031,854	9,671,674	9,808,948	\$10,247,415	Increased ⁹
Eco	Development related legal costs	\$	502,525	1,153,612	1,256,887	1,054,747	1,267,706	Increased ¹⁰
Eco	Debt service ratio	%	4.4	16.42	2.7	1.19	1.49	Increased ¹¹
Eco	Rate income	\$	56,144,000	57,773,000	58,246,000	59,653,000	61,298,000	Stable
Eco	Return on investment	%	4.27	3.87	3.25	3.05	3.07	Stable
Eco	Number of ratepayers	no.	41,418	41,975	42,336	42,906	44,006	Increased
Eco	Source of revenue from rates and annual charges	%	62.4	57	50	53	53	Stable
Eco	Available funds balance (Working Capital)	\$	4.7	4.7	4.7	6.5	4.8	Decreased ¹²

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Footnotes:

1. The increase in turnover during the year is attributed to an increase in the number of older workers retiring, in addition to the organisational change process.
2. The higher attendance number for 2016/17 was due to reporting methodology errors, which has since been addressed. The 2017/18 figure is consistent with the attendance trend over previous years.
3. While library visits are reducing 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 contemporary community needs. Council's other three branch libraries at Lindfield, Turramurra and St Ives currently have limited opportunities to provide these expanding uses and visits to these libraries have reduced.
4. Hazard reduction burns were completed at Sheldon Forest, Bicentennial Park and St Ives Showground. Unfavourable weather conditions and resourcing availability from Council, NSW Fire and Rescue and the Rural Fire Service significantly reduced the ability to complete hazard reduction burning activities. These are being rescheduled.
5. Water consumption decreased by 23% between 2016/17 and 2017/18. While a positive result the total kL remains higher than 2015/16 and earlier years due to new irrigation systems and turf required at Koola Park and Howson Oval, and North Turramurra Golf Course requiring new gardens and turf mounds.
6. Total Council electricity consumption has decreased by 13% since it peaked in 2015/16, due to improved energy efficiency within Council buildings. The peak was due to new assets and their electricity accounts being transferred from contractors to Council. (Ku-ring-gai Fitness and Aquatic Centre, West Pymble; North Turramurra Sewer Treatment Plant; Gordon Golf Course Sewer Treatment Plant; 828 Pacific Highway, Gordon).
7. Paper usage continued to decrease due to the down turn in the print media industry. Mixed recycling also decreased from last year's tonnage. Factors affecting this decrease and ways to address are being investigated.
8. The reduction in green waste can be attributed to a dry summer.
9. This includes State and Federal grants.
10. The increase is due to a high number of appeals being lodged. Council's overall success rate in appeals has remained high; however commencement of appeals does not lie within the control of Council. In relation to costs recovered, the amount of \$135,290 had been recovered at the end of the quarter to 30 June 2018.
11. The increase is due to reduced revenue from continuing operations, with no major variations in debt service cost.
12. The decrease is due to reduced instalments received for the Financial Assistance Grant.

**FURTHER READING**

For a full listing of QBL indicator performance see themes on pages 114, 134, 152, 166, 178, 194.



Major projects

Activate Ku-ring-gai projects

Ku-ring-gai Council is leading the revitalisation of the area's local centres through a series of targeted urban renewal initiatives which form part of the award-winning Activate Ku-ring-gai development program.

Activate Ku-ring-gai aims to revitalise our local centres in a staged program of urban renewal and redevelopment which represents years of conscientious work and close involvement with our community.

Ku-ring-gai's local centres include Turramurra, St Ives, Gordon, Pymble, Lindfield and Roseville. Revitalising these centres has been identified as long term goals in the Community Strategic Plan and included in the Delivery Program 2013-2018 and Resourcing Strategy.

During 2017/18, Council established a new governance and resourcing framework for major projects to strengthen Council's capacity to deliver its property development program, enhance oversight, and bring greater expertise to decision making for the major projects. See page 63 for more information.

A new Property Development and Investment Policy was also prepared to provide a formal structure for decision making and due diligence when undertaking major projects. Additional resourcing is also being allocated to the newly created Major Projects section of Council to accelerate the progress of these important projects.

Lindfield Village (Community) Hub

Council is committed to creating a liveable and connected local centre for residents and visitors of Lindfield. Over the past five years, Council has led a program of community and stakeholder engagement to ensure the development delivers social, economic and environmental dividends for generations to come.

The master planning process for Lindfield Village Hub identified a unique solution for the steeply sloping site, located on Council owned land on the western side of the Lindfield Local Centre. It is positioned behind the row of main street style shopfronts that have defined much of the Pacific Highway corridor for many years.

The adopted concept masterplan, contained within the 1.3 hectare site boundary, will deliver a mixed use precinct with community buildings that will provide library and community spaces. A new urban plaza and park will provide new open space, surrounded by a supermarket, boutique shops and eateries. New apartments will provide homes for young families and our ageing population. The development will be underpinned by a basement car park providing short term and commuter parking.

Progress in 2017/18 includes:

- Investigation to identify the most appropriate procurement and delivery methods to enable the success of the project.
- Council decision to deliver the project under Section 55 of the *Local Government Act, 1993*.
- Development of a business case that will ensure the project is financially viable and operationally self-sustaining throughout the life of the project, therefore protecting Council's long term financial sustainably.
- Establishment of a Lindfield Village Hub Reference Committee as a platform for the community, government agency stakeholders and Council to collaborate on specific aspects of the project. See 64 for more information.
- The committee's functions will include community engagement, planning and design, placemaking, environmental sustainability, social procurement and service delivery. Seven community representatives were appointed as members, alongside Mayor Anderson, Councillors Ngai, Citer and Kelly with representatives from Transport for NSW and Roads and Maritime Services also participating in the Committee. The Committee will meet quarterly.

Throughout 2018/19 Council will continue important negotiations with Roads and Maritime Services in relation to traffic, transport and pedestrian movement around the Lindfield Local Centre, and Transport for NSW for the funding of 140 commuter car parking spaces currently proposed to be located within the basement level of the new development.

Lindfield Village Hub site, Lindfield.



Lindfield Village Green

Lindfield Village Green is a project developed out of Council's award winning Open Space Acquisition Program. The aim of the program is to deliver new local parks and public plazas in areas where residential densities and population are increasing.

In the Ku-ring-gai LGA these open space opportunities are in short supply and Council's options were to acquire existing residential land or to develop its own land to create new open space.

The project will transform the existing Council owned car park on Tryon Road into a contemporary village green by relocating the existing public car parking underground.

This will free up the surface and create a new public plaza and park. Also included is a pavilion incorporating a café or restaurant, public toilets, an elevator and stair access to the basement car park in order to activate the space for longer periods during the evenings.

The Tryon Road car park was built at a time when not all developments were required to supply their own parking. Such an allocation of real estate solely for car parking is no longer appropriate in contemporary Sydney. Rather, Council advocates a more progressive approach to planning, actively encouraging healthy lifestyles with visitors to the Village Green able to use alternative means of transport. In the same spirit, the opportunity exists for one of the levels of car parking to be funded by the NSW Government and dedicated for commuter car parking.

The Village Green has been designed for social gatherings and easy pedestrian and bicycle movement through the plaza with connections to the train station.

The space will play a central role in community life for Lindfield residents, business people, commuters, shoppers and visitors. The project is striving for high environmental ratings by showcasing water sensitive urban design, water capture, storage and reuse, and water conservation systems.

Planned as an economic driver for the revitalisation of the eastern side of the Lindfield local centre the project aims to generate a range of property investment and business development opportunities for properties adjoining the new Village Green.

A Development Application (DA) for the construction of the Village Green was approved by the Sydney North Planning Panel in October 2017. At its meeting of 14 November 2017, Council resolved to increase the number of car parking spaces to include an additional level of basement parking. As a result a revised DA was lodged in February 2018 and subsequently placed on public exhibition. No significant design changes were made to the public domain area at ground level as the design amendment is largely underground with little impact to the surface. It is expected that the revised DA will be approved mid to late 2018.

Turrumurra Community Hub

Turrumurra Community Hub is a vision to revitalise the Turrumurra Local Centre and provide economic and social benefits to the community.

The Hub will be a mix of community facilities, open space, residential and retail uses, all designed to breathe new life into the Turrumurra Local Centre and promote the wellbeing of current and future generations of Ku-ring-gai residents. The Hub comprises the precinct between the railway line, Ray Street and the Pacific Highway.

Following extensive community consultation, Council has adopted a preferred masterplan incorporating:

- a new local library
- a new multi-purpose community centre
- a new park
- a new town square
- improved streetscapes, pavements and road infrastructure
- new housing
- new supermarket and speciality shops
- new parking amenity.

During 2017/18, Council, along with expert advisors, have undertaken activities to develop a business case for the project which seeks to balance community outcomes and commercial returns to Council. This business case will be finalised during the remainder of 2018.

Gordon Cultural and Civic Hub

Planning for a civic and cultural hub in Gordon commenced in early 2015 when a series of background studies were prepared including a Cultural Needs Analysis for the local government area.

In February 2016, the background studies were reported to Council with a recommendation to commence the masterplan phase. At that stage, Council resolved to defer the project due to the uncertainty surrounding Council amalgamations.

Continued interest from the development sector in Gordon, particularly the retail market, prompted Council to reconsider its position and on 22 November 2016, Council resolved to recommence the masterplan process for a cultural and civic hub in Gordon.

In April 2018, Council resolved, to establish a Reference Committee comprising Councillors, residents and staff to review the current masterplans with the aim of providing input into a civic and cultural hub development for Gordon.

Marian Street Theatre

At its Ordinary Meeting of 8 May 2018, Council resolved to exhibit the draft Delivery Program 2018-2021 and draft Operational Plan 2018-2019 with the inclusion of the renewal of Marian Street Theatre, Killara. These draft documents were adopted by Council on 26 June 2018 with the inclusion of this community project which is due for completion by 2021.

The theatre was built in early 1900's and converted to a 280 seat theatre in the mid 1960's which operated as a theatre until 2013. In 2013 the building was closed due to non-compliance with BCA standards at which time Council commissioned studies in relation to the future of the theatre. These included assessing cultural facility needs in Kuring-gai and for the theatre, the condition of the building's structural and theatrical infrastructure and extensive community consultation.

The renewal of the theatre is estimated at \$10 million and will see the redevelopment of the theatre to include multipurpose performing spaces, a state of the art rigging system, new studios and reception area with an additional lift for car park access.

East Lindfield Community Centre

The renewal of the East Lindfield Community Centre, including community consultation regarding renewal options (restoration or rebuilding) was resolved to be included in Council's draft Delivery Program 2018-2021 and draft Operational Plan 2018-2019 at the Ordinary Meeting of 8 May 2018. These draft documents were adopted by Council on 26 June 2018 with the inclusion of this community project.

The centre is a large community hall on the corner of Wellington Road and Crana Avenue, East Lindfield. Built in 1961, the centre is well utilised by local community, recreational and sporting groups, markets and private functions.

With an estimated project cost of \$3-6 million, the project has two options for consideration. The first is an estimated \$3 million upgrade to the centre which includes a hall expansion, amenities upgrade and new roof. The second option with an estimated cost of \$5-6 million is a complete rebuild of the centre. This option would see the project completed by 2020.

Community consultation will commence in early 2018/19 with both options being presented for consideration.



FURTHER READING

For more information on Council's major projects see kmc.nsw.gov.au/majorprojects



Service improvements

46

Ku-ring-gai Council employees deliver over 130 services to the community through the annual Operational Plan's six themes. Services delivered by the organisation are listed under each theme in the section 'Performance - Delivering the vision' on pages 99 - 200.

The following provides a snapshot of some of the service improvements and efficiencies both planned and achieved during 2017/18.



Optimised service delivery

Organisational structural review streamlined services to optimise their delivery



Cost savings and additional revenue

\$23 million identified over the next 10 years of the Long Term Financial Plan from an organisational service review



More online services

- New public mapping portal
- App for outdoor dining permits
- App for new footpath and maintenance requests
- Online booking system for Gordon Golf Course
- New online catalogue - Gordon Library

Smart devices and systems

- Tablets now used for onsite health and compliance inspections
- Digital application now used to record threatened flora and fauna

Energy savings

- 13% reduction in annual energy use – across Council buildings and facilities
- 70% reduction in energy consumption – Gordon Library
- 100kW solar PV system installed at Ku-ring-gai Fitness and Aquatic Centre
- Energy efficient LED lighting installed at St Ives Library and Bridge Street Depot

Reduced paper usage

- 58% reduction (\$44,924) in new smart printer and copier charges
 - 6% reduction in paper usage
 - Over 95% recycled paper now used in Council operations

Graffiti removal

Use of improved anti-graffiti coatings reduces treatment times

More efficient LED residential street lighting

- Assessed accelerated upgrade of Council's residential street lights
- Will achieve significant energy and operational savings



FURTHER READING

Further information on these service improvements can be found under each theme in the section 'Performance – Delivering the Vision' on pages 99 – 200.



Awards and recognition



LGNSW Excellence in the Environment Awards
From left to right: Mamie Kikken, Peter Clarke and Liz Gibson accepting the LGNSW Excellence in the Environment Award for the WildThings bees and biodiversity program.



NSW Minister for Local Government's 2017 Innovation in Engineering Award
Left to right: Scot MacDonald, Deborah Silva, Andrew Watson and Parissa Ghanem accepting the award for the North Turrumurra Recreation Area.

Organisational awards and recognition

2017 LGNSW Excellence in the Environment Awards

Communication, Education and Empowerment category

Winner Division C and Overall Category - WildThings Bees and Biodiversity Program

Council received both awards for its WildThings native bee hive placement program. The program has increased bee populations leading to enhanced urban biodiversity within Ku-ring-gai and the Sydney metropolitan area, the pollination of local plants and food crops and an increase in positive relationships between the community and environment.

NSW Minister for Local Government's 2017 Innovation in Engineering Award

Winner - North Turrumurra Recreation Area

Council received the Minister for Local Government's Award for Innovation in Local Government Engineering for the \$28 million project at Bobbin Head Road, North Turrumurra. The 60.5 hectare multipurpose facility was developed over 10 years in response to increasing demand for sporting facilities in the LGA on an old landfill site and an outdated golf course. It includes a new golf course, three multi-use sportsfields, netball practice courts, walking paths and recreation facilities.

2017 Parks & Leisure Australia Awards

Leisure and/or Open Space Planning category

Winner - Activate Ku-ring-gai Program

Ku-ring-gai received the award for the Activate Ku-ring-gai Program which is an ambitious strategy of urban renewal and transformation created and spearheaded by Council. The program includes the biggest urban development projects in Council's history. The aim is to revitalise the local centres of Turrumurra, St Ives, Gordon, Pymble, Lindfield and Roseville. Activation of these centres has been identified as a long-term goal in the Council's Community Strategic Plan which sets out the community's vision.



2017 Parks & Leisure Australia Awards
Left to right: Les Munn, Lino Querin and Mark Taylor accepting the award for the Activate Ku-ring-gai Program.



2018 Australasian Reporting Awards
From left to right: Deborah Silva, John McKee, Kim Thomas, Deputy Mayor Callum Clarke, Mayor Jennifer Anderson, Andrew Watson, Helen Lowndes, Mamie Kikken, Glenda Hutchings and Cindy Venables accepting a Gold Award at the 68th Australasian Reporting Awards.

2018 Australasian Reporting Awards

Gold Award - Annual Report 2016/17

Council's 2016/17 Annual Report received a Gold Award for overall excellence in annual reporting from the Australasian Reporting Awards 2018 in the category of Public Administration - Local Government.

2018 Greater Sydney Planning Awards

Award 5 - Great sustainability initiative

Commendation - WildThings and Climate Wise Communities programs

Ku-ring-gai Council was commended for its ongoing commitment to environmental sustainability. The WildThings and Climate Wise Communities programs were excellent examples of Council's innovative, collaborative and engaging work in this area; as well as leading practice for other Councils in greater Sydney.

2018 NSW Local Government Excellence Awards

Asset Management and Infrastructure category

Winner - North Turrumurra Recreation Area

The \$28 million North Turrumurra Recreation Area was the winner in the Asset Management and Infrastructure Initiatives Projects category which recognise initiatives that maximise benefits to the community and showcase projects that develop and manage community assets.

Environmental Leadership & Sustainability category

Highly commended - The WildThings Program

The urban biodiversity program was awarded a high commendation in the Environmental Leadership and Sustainability category. WildThings draws interest from across Australia and overseas and boosts Ku-ring-gai's biodiversity by delivering various environmental programs to benefit the community.



2018 Greater Sydney Planning Awards
From left to right: Lucy Maguire, Liz Gibson, Marnie Kikken and Jenny Scott accepting the award for the WildThings and Climate Wise Communities programs.



2018 NSW Local Government Excellence Awards
Left to right: John Lac, Deborah Silva, Deputy Mayor Callum Clarke and Marnie Kikken accept the award for the North Turrumurra Recreation Area.

2018 United Nations Public Service Awards

Recognised - Climate Wise Communities program

Ku-ring-gai Council was among international organisations from 79 countries shortlisted for the 2018 United Nations Public Service Awards. Council was recognised for its Climate Wise Communities program, which helps the community build resilience to the effects of climate change.

2017 3M-ACRS Diamond Road Safety Award

Road Safety Calendar - The Courtesy Edition

Finalist: Maria Leotta, Road Safety Officer, Ku-ring-gai Council

This award was presented in recognition of Maria's contribution to improving road safety in the Ku-ring-gai local government area.

2017 LGNSW Planning Awards

Division A: Outstanding individual contribution - Metropolitan Council

Winner - Excellence in Leadership: Andrew Watson, Director Strategy & Environment, Ku-ring-gai Council

Andrew was recognised for his contribution to Ku-ring-gai's overall planning direction since becoming Director in 2008.



2018 Australia Day Awards 2018

Left to right: Mayor Jennifer Anderson, Young Citizen of the Year - Hannah Burn (Hannah not present – her father John Burn pictured), Citizen of the Year - Peter Kirkwood, Outstanding Service to the Community (Individual) - Jo-Anne Perry, Outstanding Service to the Community (Group) - Ku-ring-gai Neighbourhood Centre, Outstanding Service to the Community (Individual) - Richard Babb



2018 Mayoral Awards - Seniors Week 2018

Seniors Group, Turramurra Uniting Church and Computer Pals for Seniors, Turramurra receiving Mayoral Awards for outstanding contribution to the community by a group.

Community awards and recognition

The following members of the community were presented with awards or recognised for their contributions during 2017/18:

2018 Australia Day Awards

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

Citizen of the Year:

Peter Kirkwood

Young Citizen of the Year:

Hannah Burn

Outstanding Service to the Community (Individual):

Jo-Anne Perry and Richard Babb

Outstanding Service to the Community (Group): Ku-ring-gai Neighbourhood Centre

2018 Mayoral Awards - Senior's Week

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

Outstanding individual award:

Jan Kirkland from Ku-ring-gai Neighbourhood Centre

Outstanding group award:

Turramurra Uniting Church Seniors Group and Computer Pals for Seniors at Turramurra

An additional special award was given out in 2018, to former volunteer Arthur Dreverman "who is one of the exalted ranks of local centenarians. At the age of nearly 102, Arthur is a great testament to living life to the full for as long as one can."



2018 Mayoral Awards - Seniors Week 2018
Jan Kirkland, Ku-ring-gai Neighbourhood Centre, receiving a Mayoral Award for outstanding contribution to the community by an individual.



2018 Mayoral Awards - Seniors Week 2018
Arthur Dreverman receives a special award from the Mayor for his outstanding contribution to the community.

Events program

52

Council's strong events program plays an important role in bringing communities together, teaching new things, strengthening relationships and instilling a sense of community pride. Economic benefits are also easy to see with many of the events attracting visitors to the area which stimulates tourism and other businesses. Over 80%¹ of the Ku-ring-gai community feel that events and a variety of cultural experiences and performing arts is important.

**During 2017/18
Ku-ring-gai Council
presented over
2,000 events:**

¹ Ku-ring-gai Council Community Satisfaction Research, March 2017.

5 major events

With over **35,000** people

- highlights
- ▶ Australia Day celebrations
 - ▶ Festival on the Green
 - ▶ Wildflower Art and Garden Festival
 - ▶ St Ives Medieval Faire
 - ▶ Twilight Concert

Over 30 seniors events Plus 4 weekly exercise and falls classes

With over **3,600** people

- highlights
- ▶ Exercise and falls programs and classes
 - ▶ Seminars
 - ▶ Excursions
 - ▶ Cooking demonstrations
 - ▶ Movie screenings
 - ▶ Christmas celebrations
 - ▶ Lunches and dinners





Over 25 events for youth and disability groups

With over **2,400** people

- highlights**
- ▶ Refugee Week celebration
 - ▶ International women's day celebrations
 - ▶ Public art project - Howson Oval
 - ▶ Skills development and workshops
 - ▶ Transition to high school programs
 - ▶ Health and wellbeing events
 - ▶ HSC Lock In - Stress free zone
 - ▶ Shoreshocked
 - ▶ Provoke Woke (young leadership group)
 - ▶ Discobility
 - ▶ Holiday programs



Over 800 art, cultural and library events averaging 58 events/month

With over **13,400** people

- highlights**
- ▶ Author encounters
 - ▶ Library exhibitions and displays
 - ▶ Art classes, art exhibitions and openings
 - ▶ Workshops
 - ▶ Clubs and groups - children's story time and craft, book club, knitting, mah-jong, beamafilm, crossword, recipe and scrabble.
 - ▶ Tell your story - intergenerational project recording local oral history
 - ▶ School holiday programs

Over 50 environment and sustainability events

With over **3,000** people

- highlights**
- ▶ Workshops
 - ▶ National Tree Planting Day
 - ▶ Turrumurra Spring Community Garden Open Day
 - ▶ Ride2Work Day
 - ▶ Sustainable Food and Wine Night
 - ▶ Weed awareness and native plant displays and advice
 - ▶ GreenStyle talks
 - ▶ Earth hour
 - ▶ Welcome Bus Tour
 - ▶ True Cost movie screening (joint event with Willoughby City Council)
 - ▶ Guided walks and talks

22 weekly Active Ku-ring-gai programs

With over **900** registrations

highlights

- ▶ Gym Without Walls
- ▶ Mums and Bubs Fitness Class
- ▶ Pilates
- ▶ Tai-Chi
- ▶ Yoga and Yoga for Men
- ▶ Social Tennis
- ▶ Walking Groups
- ▶ Stepping On (falls prevention)



Over 12 civic and mayoral events

With over **1,400** people

highlights

- ▶ Citizenship ceremonies
- ▶ Moonlight movie
- ▶ National Volunteer Week - Thank you morning tea
- ▶ The Mayor's Easter Egg Hunt
- ▶ The Mayor's Volunteer's Christmas celebration

8 business community events

With over **250** people

highlights

- ▶ Networking masterclass
- ▶ Why your customers should buy from you
- ▶ Strategic alliances
- ▶ Audit your marketing
- ▶ Cost savings
- ▶ Digital tools
- ▶ Online accounting
- ▶ 7 ways to promote your business that cost nothing

Over 310 St Ives precinct events and programs

With over **7,900** people

highlights

- ▶ Bush Kids School Holiday Program
- ▶ Bush Birthday Parties
- ▶ School Excursions
- ▶ Seniors Activities
- ▶ Toddlers and Tadpoles programs
- ▶ Vacation care programs



FURTHER READING

Further details regarding the broad range of events is available in Performance – delivering the vision on pages 99-200.



Community democracy



Community democracy

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 guiding principles

The *Local Government Act 1993* as amended, sets out a number of principles for councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous. Key principles address:

- strong and effective representation, leadership, planning and decision-making
- planning strategically using the Integrated Planning and Reporting Framework
- sound financial management
- actively engaging with communities

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

Acknowledging former councillor contributions

Following the local government elections held in September 2017, Ku-ring-gai Council would like to acknowledge the contributions to Ku-ring-gai of former Councillors during their terms of office.



Cr David Armstrong

Represented Roseville Ward from 2012-2017



Cr Elaine Malicki

Represented Comenarra Ward from 1991 to 2017. Mayor 2006-2007, 2008-2009, 2012-2013. Deputy Mayor 2011-2012



Cr David Ossip

Represented St Ives Ward from 2012-2017. Deputy Mayor 2015-2016, 2016-2017



Cr Christiane Berlioz

Represented St Ives Ward from 2012-2017



Cr Duncan McDonald

Represented Wahroonga Ward from 2009-2017



Cr Chantelle Fornari-Orsmond

Represented Wahroonga Ward from 2012-2017. Deputy Mayor 2014-2015

Council elections

The NSW Government deferred 2016 local government elections to 9 September 2017 for those councils previously subject to merger proposals, including Ku-ring-gai Council. As a result the current Council's term will be a shorter three years with the next council elections to be held in September 2020. Under amendments to the *Local Government Act, 1993* the Mayor was elected in September 2017 for a two year term. The Mayor is elected by Councillors.

Councillors

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The Ku-ring-gai Council local government area is divided into five wards – Roseville, Comenarra, Gordon, St Ives and Wahroonga with each represented by two councillors.



 FURTHER READING
www.kmc.nsw.gov.au/wards

Roseville ward



Mayor Jennifer Anderson

M 0437 037 452
F 9424 0203
E janderson@kmc.nsw.gov.au

Councillor Anderson has a professional background in library and information science in public libraries and universities in Sydney and London, and public policy advocacy in youth, education and heritage sectors.

Her special interests are economic growth through sustainable tourism, heritage conservation, support for youth and women and sound local government decision-making.

Committee representation

Heritage Reference Committee (Chair)
Finance Committee (Chair)

External representative/member

Ku-ring-gai Meals on Wheels Inc. (Delegate)
Northern Sydney Regional Organisation of Councils (NSROC) Hornsby Ku-ring-gai Women's Shelter Patron

Councillor terms

2006-2008, 2008-2012, 2012-2017, 2017+
Mayor 2011-2012, 2013-2014, 2014-2015, 2016-17, 2017-18
Deputy Mayor 2008-2009, 2009-2010, 2010-2011

Read more about Mayor Anderson



Cr Sam Ngai

M 0436 655 543
F 9424 0202
E sngai@kmc.nsw.gov.au

Councillor Ngai has a professional background in technology, finance, risk management, policy and governance.

His special interests are in enabling young people to achieve independence and promoting greater awareness and support for issues such as domestic violence, mental health, loneliness and our impact on the environment.

Committee representation

Audit and Risk Committee (Member)
Flood Risk Management Reference Committee (Deputy Chair)

External representative/member

Northern Sydney Regional Organisation of Councils (NSROC) (Delegate)
Ku-ring-gai Youth Development Service Inc. Management Committee (KYDS) (Secretary)
Sydney North Planning Panel (Member)

Councillor terms

2017+

Read more about Cr Ngai

Comenarra ward



Deputy Mayor Callum Clarke

M 0436 663 375
F 9424 0202
E cclarke@kmc.nsw.gov.au

Councillor Clarke has an academic background in chemistry, pharmaceutical medicine and medicinal chemistry.

His special interests are in protecting the unique character and charm of Ku-ring-gai, particularly those characteristics that have attracted residents to the area for generations.

Committee representation

Flood Risk Management Reference Committee (Chair)

Finance Committee (Deputy Chair)

External representative/member

Ku-ring-gai Youth Development Service Inc. Management Committee (KYDS) (Alternate delegate)

Councillor terms

2017+

Read more about Cr Clarke



Cr Jeff Pettett

M 0478 489 430
F 9487 1506
E jpettett@kmc.nsw.gov.au

Councillor Pettett has a professional background in accountancy, taxation and financial advice.

His special interests include community sporting organisations, youth development, improvements to Council facilities, financial analysis and responsible spending.

Councillor terms

2012-2017, 2017+

Read more about Cr Pettett

Gordon ward



Cr Cheryl Szatow

M 0434 317 328
F 9424 0202
E cszatow@kmc.nsw.gov.au

Councillor Szatow has a professional background in education, health, research, marketing and communication.

Her special interests are in the areas of heritage, education, sustainability and support for the arts in Ku-ring-gai.

External representative/member

Eryldene Trust (Delegate)

Councillor terms

2008-2012, 2012-2017, 2017+

Mayor 2015-2016

Deputy Mayor 2012-2013

Read more about Cr Szatow



Cr Peter Kelly

M 0436 654 499
F 9424 0202
E pkelly@kmc.nsw.gov.au

Councillor Kelly has a professional background in the public and private sector and defence force in Australia and overseas.

His special interests are in practical solutions to urban issues.

Committee representation

Ku-ring-gai Traffic Committee (Deputy Chair)

Finance Committee (Member)

External representative/member

Metropolitan Public Libraries Association (Delegate)

Councillor terms

2017+

Read more about Cr Kelly

St Ives ward



Cr David Citer

Cr Citer resigned from Council in August 2018.

Councillor Citer has a professional background in youth development, child and adolescent mental health.

His special interests are in programs for children, youth development and family support.

Committee representation

Finance Committee (Member)

External representative/member

North Shore LAC Community Safety Precinct Committee - Lindfield to North Sydney (Delegate)

Ku-ring-gai LAC Community Safety Precinct Committee - Lindfield to Brooklyn (Delegate)

Hornsby/Ku-ring-gai Bushfire Management Committee (Delegate)

Rural Fire Service District Liaison Committee (Delegate)

(LAC - Local Area Command)

Councillor terms

2012-2017, 2017-2018

Cr Martin Smith



M 0436 663 376

F 9424 0202

E martinsmith@kmc.nsw.gov.au

Councillor Smith has a professional background serving for 10 years as a firefighter in the NSW Fire Brigade and now manages his own security integration company which operates nationally. His special interests are in bush fire risk management, heritage protection, preserving the integrity of Ku-ring-gai's village atmosphere and improving sporting, cultural and community facilities.

Committee representation

Heritage Reference Committee (Deputy Chair)

Audit and Risk Committee (Member)

Councillor terms

2017+

Read more about Cr Smith

Wahroonga ward



Cr Donna Greenfield

M 0436 655 544

F 9424 0202

E dgreenfield@kmc.nsw.gov.au

Councillor Greenfield has a professional background in information technology and management.

Her special interests are advocating in support of the local community, protecting the natural environment and protecting native fauna.

External representative/member

Ku-ring-gai Meals on Wheels Inc.

(Alternate delegate)

Hornsby/Ku-ring-gai Bushfire Management Committee (Alternate delegate)

Councillor terms

2017+

Read more about Cr Greenfield

Cr Cedric Spencer



M 0436 661 911

F 9424 0202

E cspencer@kmc.nsw.gov.au

Councillor Spencer is a solicitor and an academic who runs his law firm in Gordon. He comes from a heritage of English, Portuguese and Chinese mix and lives in Pymble with his wife and young son.

Cedric's qualifications include a Juris Doctor, a Doctor of Business Administration, a Master of Business, a Graduate Diploma in Laws and a Graduate Diploma in Transport and Distribution Management.

His interest is in delivering services to ratepayers and residents and achieving customer satisfaction in the services that Council provide.

Committee representation

Ku-ring-gai Traffic Committee (Chair)

Finance Committee (Member)

External representative/member

Sydney North Planning Panel (Member)

Northern Sydney Regional Organisation of Councils (NSROC) (Alternate delegate)

Councillor terms

2017+

Read more about Cr Spencer



Decision making

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.

Council meetings

Ordinary Council meetings are held twice a month. Residents are welcome to attend these meetings. The dates of the meetings are available on Council's 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 Council's website and in the local newspaper (if timeframes permit).

Council meetings deal with reports prepared by staff on strategic policy, finance, land use planning, results of public exhibitions and consultation, legal matters and other matters of interest to the community.

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 ensuring our decision making processes are transparent.

Council meeting business papers are available to the public on Council's website, at the 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 the website.

Councillor attendance at Ordinary Council and Advisory/Reference committee meetings

September 2017 - June 2018

Councillor	Ordinary council meetings attended		Council advisory/reference committee meetings attended	
	Number	%	Number	%
Cr Jennifer Anderson (Mayor)	15/15	100	5/5	100
Cr Callum Clarke (Deputy Mayor)	15/15	100	2/2	100
Cr David Citer	14/15	93	1/1	100
Cr Donna Greenfield	15/15	100	-	
Cr Peter Kelly	13/15	87	3/3	100
Cr Sam Ngai	14/15	93	4/4	100
Cr Jeff Pettett	14/15	93	-	
Cr Martin Smith	15/15	100	6/7	86
Cr Cedric Spencer	14/15	93	3/3	100
Cr Cheryl Szatow	14/15	93	-	

Explanatory Notes:

- All Councillors who were unable to attend Ordinary Council Meetings tendered their apologies and were granted leave of absence for that meeting.
- Attendance at Council's advisory and reference committees relates only to Councillors appointed by Council Resolution to a committee. Other councillors may attend these committee meetings as observers.

Advisory and reference committees

To assist in the decision making process and the operation of Council, advisory and reference committees are 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 Advisory and Reference Committees operated or were established during 2017/18:

Audit and risk committee

Council's Audit and Risk Committee 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 Committee meets on a quarterly basis and its membership includes:

- two (2) external independent members - John Gordon (Chairperson) and John Bartrop.
- two (2) Councillor members (excluding the Mayor) - These members have voting rights.
- other members, who do not have voting rights - General Manager, Director Corporate, Head of the Shared Service Internal Audit, Manager Finance, Manager People & Culture and Team Leader Corporate Risk & Assurance.
- other members (invitees) who are representatives of the External Auditor, the Mayor and other appropriate Council staff as required.

Other councillors are invited to attend as observers.

See page 93 for further information on the Audit and Risk Committee.

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 and Environment, 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.



FURTHER READING
kmc.nsw.gov.au/floodriskmanagement

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.



FURTHER READING
kmc.nsw.gov.au/heritagereferencecommittee

Major projects advisory committee

The Major Projects Advisory Committee was established in 2018 to strengthen governance and decision-making concerning major projects and provide independent advice to Council in relation to property development, land acquisition and disposal activities.

Major projects are defined as those projects undertaken by Council with a value of \$5 million or more. Currently, these major projects include, but are not limited to, the renewal of the Lindfield, Gordon and Turramurra local centres as well as the renewal of Marian Street Theatre and East Lindfield Community Centre.

The committee consists of four members of the public with expertise in finance, construction, commercial and residential property development and large scale public infrastructure. They were appointed by Council through a public recruitment process conducted in June/July 2018.

The committee will report directly to Council. Their main role will be to provide support to Council decision making for major projects and to oversee governance of project delivery.

The first meeting of the Major Projects Advisory Committee will be held in 2018/19.



FURTHER READING
kmc.nsw.gov.au/majorprojectscommittee

Lindfield village hub reference committee

The Lindfield Village Hub Reference Committee was established in 2018 to provide advice to Council on community related development outcomes for the Lindfield Village Hub project, specifically related to communication and engagement, place-making, environmental sustainability, planning and design outcomes, service delivery and social procurement.

The committee is composed of seven community representatives, the Mayor, two councillors, one representative from Roads and Maritime Services and one from Transport for NSW.

Around 20 applications were received for community membership of the committee under a three month selection process.

The Committee will not deliberate on any matters considered as commercial in confidence, which includes but is not limited to financial and economic viability, tender and procurement methodology or evaluation matters.

The first meeting of the Lindfield Village Hub Reference Committee will be held in 2018/19.



FURTHER READING
kmc.nsw.gov.au/lindfieldvillagehubcommittee

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.

Gordon public realm reference committee

Council resolved in 2018 to establish a Gordon Public Realm Reference Committee to advise Council on community space issues related to Gordon.

Ku-ring-gai local planning panel (KLPP) meetings

From 1 March 2018, the NSW Minister for Planning made it mandatory for Local Planning Panels to operate in the Greater Sydney Region. The Minister for Planning has set out the types of development applications to be determined by the KLPP. Councillors no longer determine development applications, which will be determined by either the KLPP, council staff or the relevant regional planning panel (Sydney North Planning Panel). Membership of the panel includes an external chairperson, two expert panel members and four community members.



FURTHER READING
kmc.nsw.gov.au/kuringgailocalplanningpanel




Engagement and consultation

Stakeholder roles

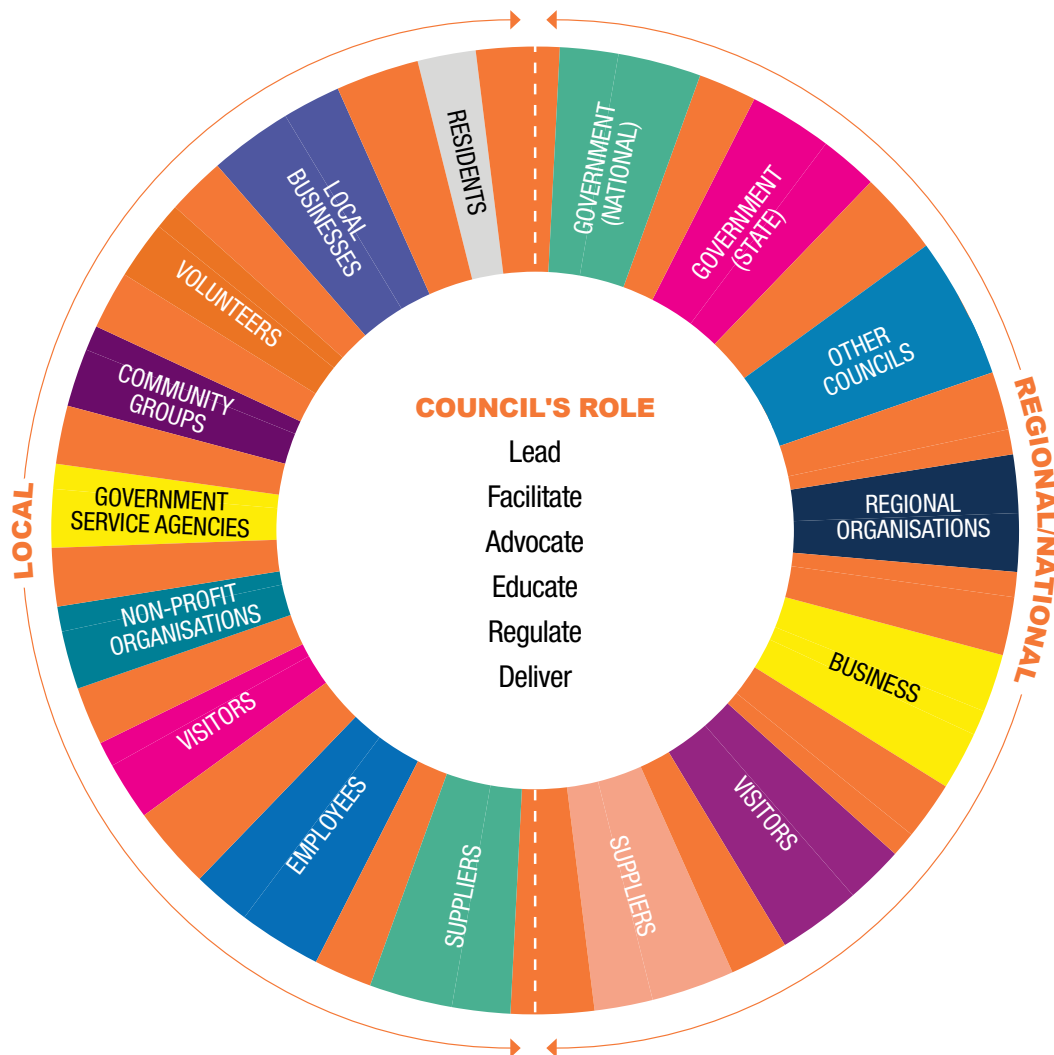
While Council has a number of roles in progressing the long term objectives of the Ku-ring-gai community it does not have full responsibility for implementing or resourcing all of the community aspirations identified in the Community Strategic Plan.

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.

 FURTHER READING
Community Strategic Plan 2030 at kmc.nsw.gov.au/integratedplanning

The important relationship between Council and our stakeholders is illustrated below.



Consultation

Council employs best practice methods to proactively connect with its local stakeholders as well as regional organisations and government. This includes 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 multimodal 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.

Consultation achievements in 2017/18 included:

Preparation of revised integrated planning and reporting plans

The *NSW Local Government Act 1993* requires councils and communities to review their Community Strategic Plans following election of a new council.

Extensive engagement and consultation was undertaken with the community, business and government as part of the review of Ku-ring-gai's Community Strategic Plan 2030 and preparation of a new Resourcing Strategy, Delivery Program and Operational Plan.

This included representative ward summits, targeted stakeholder workshops and forums and online engagement portals to capture participant views on the main issues and priorities for the Ku-ring-gai local government area into the future and to test current strategic directions and priorities.

Council then exhibited and sought feedback from the community and other stakeholders on draft plans prepared following the phase one consultation and engagement. The plans included a revised Community Strategic Plan and Resourcing Strategy with minimum ten year timeframes, a draft three year Delivery Program and a one year Operational Plan for 2018–2019.

Community engagement and consultation for the review of the Community Strategic Plan was guided by a Community Engagement Strategy (CES)

based on social justice principles of equity, access, participation and rights and informed by industry best practice.

Seniors surveys

Two senior surveys were completed during 2017/18. This included a Wellbeing Survey seeking feedback from older residents over 65 years on factors affecting their health and wellbeing. The results of this survey informed preparation of the revised Community Strategic Plan.

Ku-ring-gai Council also took a lead role in the development of a survey to measure the effectiveness of the Seniors Festival programs in addressing social isolation, based on a framework agreed by all Northern Sydney councils. The survey designed by Council was used by these Councils to evaluate the 'social inclusion' value of their Seniors Festival events. Responses to the survey showed the important role of planned activities for seniors in reducing social isolation and increasing social inclusion.

Youth workshops

Two youth workshops were conducted in late 2017 at a local high school to obtain young people's perspectives on issues of significance for the future of Ku-ring-gai.

Environmental and sustainability policy and 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.

Activate Lindfield and Turramurra local centre programs

Significant engagement was undertaken during 2017/18 with community, business and government representatives for the Activate Lindfield and Activate Turramurra projects.

Heritage

Consultation and communication was completed with the community and stakeholders on proposed heritage conservation areas and heritage items during the year.

Ku-ring-gai sports forum

A successful sports forum was held in May 2018 with 40 representatives attending from local sporting organisations, clubs and schools.

Neighbourhood centre improvements

Stakeholder consultation informed designs for neighbourhood centre upgrades including the East Lindfield Shopping Centre landscape improvements and The Mall Shops upgrade at Warrimoo Avenue, St Ives. Construction of both these projects reached practical completion. In accordance with the adopted program, concept development is now underway for the Babbage Road shops upgrade at Roseville Chase.

Parks and sports grounds/facilities

Community consultation was undertaken as part of the master planning process for projects at Gordon Recreation Ground, Putarri Reserve, Annie Forsyth Wyatt Garden, a new park at Allan Avenue Turramurra, Morona Avenue Reserve, Lindfield Soldiers Memorial Park, Robert Pymble Park, the Canoon Road Recreation Area and for potential netball satellite sites at The Glade, Kent Oval and Queen Elizabeth Reserve.

Local Business

Council staff presented a range of engagement activities during 2017/18 to actively include local business and related groups in the development of economic development projects. A focus was on the Lindfield Hub and Village Green projects with communication to businesses via e-newsletters. A full review of related Council web pages has been undertaken to include easily understandable information, FAQs, and project timelines.

Significant engagement also took place with the local business community through Council's annual business engagement program. A survey of businesses operating in the day and night-time economies was completed in conjunction with Macquarie University students.

Community feedback on programs

During 2017/18 a series of surveys of user groups were conducted 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.

Communication

During 2017/18 a comprehensive communications strategy ensured 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.

Communication campaigns were particularly focused on ensuring that information on legislative and policy changes and changes to council policies was disseminated to the community. This included:

- changes to the lodgement of development applications with the introduction of a NSW compliance levy and online lodgement capability
- consultation period for the review of integrated planning and reporting plans
- changing selected public tennis courts into multi-sports courts
- proposed changes 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 bush fire management plan.

Partnerships and collaboration

Ku-ring-gai Council proactively pursues community partnerships and collaboration for the benefit of the local community. Key achievements in 2017/18 included:

Local

Graffiti removal partnership

Council developed a Memorandum of Understanding with Turramurra Rotary to assist in the removal of graffiti with Council providing funding towards materials and equipment. The graffiti removal project is being progressively implemented with regular reporting by the Rotary Club of Turramurra. Other Rotary Clubs involved in the project include Wahroonga, Turramurra, Lindfield, St Ives and Roseville.

Removal is undertaken by volunteers coordinated by the Rotary Clubs. Results of the project have been very positive with a noticeable reduction of graffiti incidents and areas affected. During 2017/18 volunteers put in 506 hours of work with 1156 m² of graffiti cleaned.

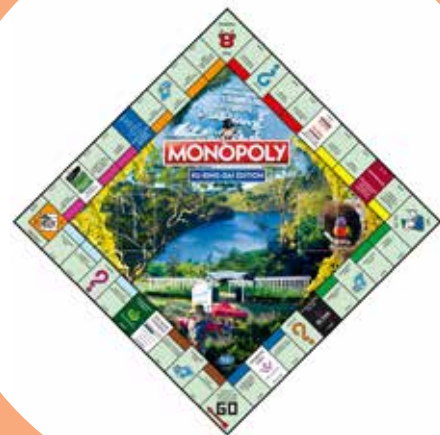
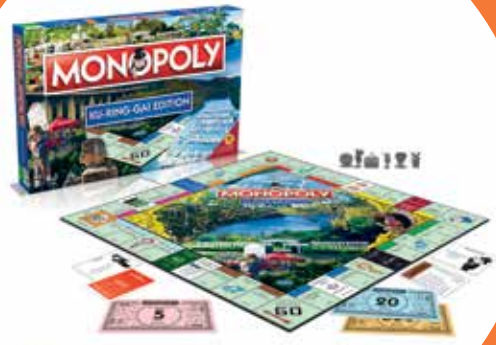
Ku-ring-gai Monopoly project

Council provided support to a unique local project – the Ku-ring-gai edition of Monopoly – through major sponsorship in conjunction with other community partners.

The project, which was developed and coordinated by Bendigo Bank, features places of interest from within Ku-ring-gai in the place of the streets on the original game and the Chance and Community Chest cards reflect the Ku-ring-gai community.

The game features images from a photo competition held as part of the project, entitled ‘Celebrating our beautiful Ku-ring-gai community and environment’ which was open to budding photographers 18 years and younger. A selection of images from the competition are included in this Annual Report.

100% of the profits from the sale of the Ku-ring-gai edition of Monopoly games will be donated to local charities with major beneficiaries including KYDS Youth Development Service, Hornsby Ku-ring-gai Women’s Shelter, Lifeline Harbour to Hawkesbury and St Lucy’s School.



The Ku-ring-gai edition of Monopoly features places of interest from within Ku-ring-gai and will raise funds for local charities.

Sporting organisations

Programs were co-ordinated with Council's partners during 2017/18 to deliver and encourage healthy and active lifestyles. These included:

- co-ordinating programming with the YMCA at the Ku-ring-gai Fitness and Aquatic Centre to ensure a range of services and programs are provided for identified target groups to meet consumer demands.
- delivery of projects with the Northside Riding Club, Lindfield District Cricket Club and Roseville Junior Cricket Club. Consultation with the local mountain bike community also occurred as part of investigations into the Warrimoo downhill mountain bike trail network in Ku-ring-gai Creek Reserve.

Regional

Council is a pivotal member of a number of regional partnerships delivering programs and services on behalf of government and the wider community.

North Shore Regional Organisation of Councils (NSROC)

During the reporting period, North District regional forums, including NSROC provided opportunities to advocate for and present Ku-ring-gai's policy objectives. This included discussion in the NSROC forum on a framework to manage the presence of dockless share bikes, as well as the development of a NSROC wide Transport Fact Base, to identify priorities and to develop an approach to working with the Greater Sydney Commission through a Growth Infrastructure Compact. At this stage, the Transport Fact Base is being developed by NSROC with input from member councils.

Council has also joined the NSROC Communications and Media Group to keep updated on regional media issues affecting northern Sydney councils.

Business

Council continued to collaborate with economic partners, to promote Ku-ring-gai as a place to invest in business and employment generating activities. This included programs with the Office of the NSW Small Business Commissioner, NSW Business Chamber, local Chambers of Commerce, surrounding councils and the CSIRO.

Volunteering

28.2% of the Ku-ring-gai population reported doing some form of voluntary work in 2016 compared to 16.7% for Greater Sydney (ABS Census).

Council is privileged to have a community that contributes to a broad range of programs and services on a regular basis. Volunteers are supported and valued for the contributions with the numbers of volunteers continuing to grow.

Whilst volunteering within the Ku-ring-gai population is high compared to Greater Sydney, it is considered a conservative estimate as many people in Ku-ring-gai do not identify their support for various community activities as volunteering.

Environmental volunteering

Council coordinates an extensive community environmental volunteering program. There are currently 687 community environmental volunteers that have dedicated more than 13,000 hours across the 152 Bushcare, Streetcare and Parkcare sites during 2017/18. Ten volunteers donated approximately 450 hours of their time to Councils native bee hive program during this period.

Council continued to work with volunteers to monitor 30 nest boxes to understand the distribution of Eastern Pygmy Possums across Ku-ring-gai. During 2017/18, these boxes were generally monitored on a monthly basis by a group including 12 volunteers. With the monthly monitoring and uploading of data, volunteers provided approximately 144 hours of their time.

Council continued to conduct monthly fly-out counts for the Gordon camp of the Grey-Headed Flying-Fox. Counts are completed with the help of volunteers and provide important data into the seasonal and long term population trends within the camp. Volunteers donated up to 36 hours for the fly-out counts. This data is shared with government agencies including the Office of Environment and Heritage and the CSIRO.



The mayor joins volunteers at the Turramurra Community Garden Open Day.



Prue Lygo receives a Mayoral Award, during Seniors Week 2018 for services to the environment. Prue has been a Bushcare and Garden Shed volunteer for over 20 years.

Community volunteering

The Ku-ring-gai Hornsby Volunteer Service provides volunteering information to interested residents, determines which volunteering opportunity would best fit and then refers to the appropriate organisation. Approximately 75% of enquiries are referred to aged care volunteering opportunities.

Opportunities available for programs for elderly residents include:

- Meals on Wheels – drivers to deliver meals.
- Easy Care Gardening – providing gardening services with an aim to create low maintenance gardens.
- Neighbourhood Aid – assisting the community to transport residents to appointments and shopping as well as social visits to homes.
- Day Centre – provide assistance with activities and to socialise with participants in aged care centres some of whom are living with dementia.

Council also provides support to young people (students under 18 years) who are seeking volunteering opportunities in Ku-ring-gai. Volunteering tips for students are also made available from Council's website.

The Mens Shed Ku-ring-gai, located within the St Ives Showground at St Ives, is a facility for the community to participate in a range of activities and projects to bring people together, create a sense of belonging within the community and provide access to information regarding mental health for men. Over the years, the volunteers have completed a range of projects including containers for Council's native bee program for residents and the assembling and installation of racking for Meals on Wheels, Turramurra.

Council offers a Justice of the Peace (JP) service to the community at Gordon, Turramurra and Lindfield libraries as well as at Council's Administration building in Gordon. JPs volunteer their time and are authorised to witness a person making a statutory declaration, affidavit or certify copies of original documents.

Facilitating new volunteering opportunities

Volunteering opportunities in Ku-ring-gai are promoted through electronic media, printed material, surveys and at volunteering expos and Council run events. Over 260 enquiries regarding volunteering opportunities were received by the Ku-ring-gai Hornsby Volunteer Service during 2017/18.

Two volunteering expos were held during the year with 95% of participants rating the expos as 'successful in informing the community of the volunteer opportunities' in their organisations. The 'Well-being of Seniors in Ku-ring-gai' survey and the 'Seniors Out and About' brochure both emphasised the importance of volunteering in maintaining wellbeing and social engagement amongst the community. 80% of respondents to the survey appreciated the opportunity to volunteer and contribute to local community organisations/ activities.

Council supports the Commonwealth Home Support Program and National Disability Insurance Scheme service providers along with local community organisations with volunteering requirements.

Council also belongs to the Northern Sydney Volunteer Network, a group of four Volunteer Referral Services that work collaboratively in Northern Sydney to develop and support community volunteering. More information can be accessed at kmc.nsw.gov.au/volunteer including a booklet with case studies, examples of volunteering services and the benefits of being an active volunteer in the community.

Volunteers from Boomerang Bags making and printing free cloth bags to reduce single-use plastic in local supermarkets. Hosted monthly by Council at Pymble Town Hall.



Volunteer training and support

Council provides essential training and support to volunteer coordinators, volunteers and volunteer organisations in a variety of ways:

- Implementing Wellness and Reablement training that was provided to volunteers and Volunteer Coordinators of local Commonwealth Home Support (CHSP) service providers.
- A 'Train the Trainer' workshop was also offered to local CHSP Volunteer Coordinators, with all of the 35 participants reporting that the workshop was 'easily understood, interesting and memorable'.
- Training DVDs covering manual handling, food handling, understanding ageing, dealing with behaviours of concern and boundaries for volunteers were provided to local CHSP organisations to use in their volunteer training programs.
- CHSP funded organisations were assisted to respond comprehensively to a Commonwealth Department of Health discussion paper on the future reforms of the aged home support program and to gain an understanding of other aspects of the changing aged care system.



Volunteers from LifeHealthcare working on bush regeneration at the Wahroonga Waterways Bushcare site. Council's corporate volunteering program continues to grow and contributed 236 volunteer hours in 2017/18.

Volunteer recognition

Council continued to recognise the important contributions of volunteers through a series of special events and programs.

- Free movie and supper evenings for volunteers and their friends, to show appreciation for their contribution to our community and to encourage others to try volunteering.
- NSW Volunteer of the Year Awards, with local organisations encouraged to nominate their volunteers in the various categories.
- Many local volunteers were recognised at awards ceremonies in August and September 2017.
- Pens, calendars and tea towels promoting volunteering and volunteer opportunities were distributed through local organisations as appreciation gifts to local organisations.
- Council's Mayoral Christmas Party was held on 7 December 2017 at Caley's Pavilion at the Ku-ring-gai Wildflower Garden with 90 guests in attendance. The annual event is an opportunity for all Ku-ring-gai volunteers to come together and celebrate. Mayor Jennifer Anderson hosted the event in recognition of contributions made by volunteers and community groups.
- Council annual awards in recognition of outstanding contributions to the Ku-ring-gai community, including Citizen of the Year, Young Citizen of the Year and Outstanding Service to the Community for an individual and group.
- Council's Mayor also presents awards as part of the Seniors week celebrations. These awards recognise senior individuals and groups in Ku-ring-gai who have made an outstanding contribution to the community. More information on these awards is available on page 51.

Council welcomes new volunteers to Council programs. Further information regarding Councils volunteering programs is available at kmc.nsw.gov.au/volunteer



Local government reforms

During 2017/18, Council continued to provide responses to proposed local government reforms, legislative and regulatory changes and new State Government plans. Council's responses were comprehensively researched and consistent with the long term objectives in the Community Strategic Plan 2030.

NSW Government's merger proposal

In July 2017, the NSW Government announced that all proposed council mergers would not proceed further. As a result there is no proposed change to Council's stand-alone status. Background information on the 'Fit for the Future' proposal, including Council's previous resolutions and submissions on this matter and the March 2017 Judgement by the NSW Court of Appeal in favour of Council, can be found on Council's website.

Metropolitan plans

Council made detailed submissions on State Government policies relating to housing and draft plans for a Metropolis of Three Cities-Our Great Sydney 2056, The North District Plan 2056 and the Future Transport Plan 2056. These plans provide the future planning framework for the identification and delivery for increased housing choice and infrastructure.

Following finalisation of the plans in 2018, Council is now planning implementation of the North District Plan with housing diversity, adaptability and affordability to be increased to support the future needs of our community.

Commencement of the *Biodiversity Conservation Act* in August 2017 required staff to update Council's environmental assessment processes to meet the requirements of the new Biodiversity Offset Scheme (triggered through the new Act), and on the creation of a Ku-ring-gai Offset Code of Practice, which will provide a standardised and transparent framework for offsetting biodiversity impacts from Council works in accordance with the new Act, including on-going monitoring and management.

State government planning legislation and initiatives

Amendments to the *NSW Environmental Planning and Assessment Act, 1979* commenced on 1 March 2018. With most of the changes coming into effect from this date, changes have been required to many of Council's forms and Section 149 zoning certificates to reflect the new numbering of sections in the Act. Others will take longer to come into effect and will require further implementation actions down the track.

The new Low Rise Medium Density Housing Code was made in April 2018, to come into effect on 5 July 2018. A detailed submission, which raised a number of concerns with this policy, had previously been prepared and submitted to the State Government.

Other legislation

Council continued to respond to other government policy and changes and provided submissions in regards to consultation drafts of the Model Code of Conduct and Procedures for the Administration Model Code, Code of Meeting Practice and the Guidelines for Councillor Induction and Professional Development. Council also implemented the new Local Planning Panel (KLLP) in accordance with changes to the *Environmental Planning and Assessment Act, 1979* and ensured implementation of the required governance framework for these meetings, including the development of a compliant code of meeting practice and procedures.

During 2017/18, Councillors and Council officers continued to participate in, advocate for and respond to policy development affecting Ku-ring-gai at state and regional levels through state and regional representative groups and committees.

Our organisation



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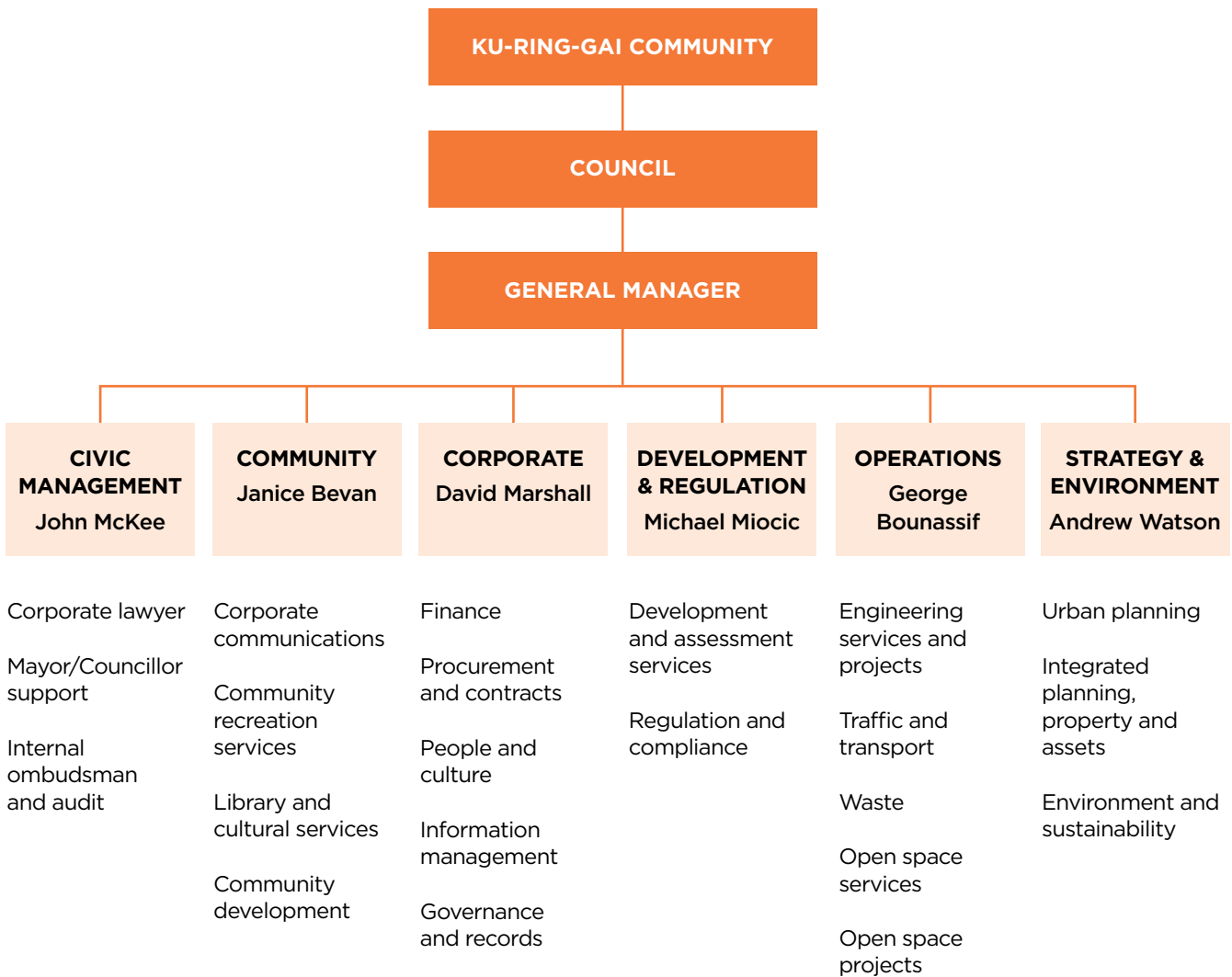
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*Ku-ring-gai Council mechanic.
Photographer: Molly Moloney.*



Organisational structure

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



Leadership team

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The General Manager and the Directors of the six Council departments, make up our executive management team. The General Manager is responsible for the day to day management of the departments, overall operation of the organisation and for ensuring the implementation of decisions of Council. The Directors assist the General Manager in the development of long term strategic plans and their delivery, whilst ensuring the organisation is meeting its obligations.

Michael Miocic

Director, Development and Regulation

Bachelor of Town Planning

Michael was appointed Director Development and Regulation in 2003. Prior to this, he was Manager Development Control at Woollahra Council and a town planner with the City of Sydney. Michael also has extensive experience in the private sector as a planning consultant with over 30 years of experience in development assessment, regulatory services, strategic planning and environmental law.



George Bounassif

Director, Operations

Bachelor Engineering (Civil), Masters Business Administration (MBA), Australia Institute of Company Directors (GAICD), Member Institute of Public Works Engineering Australasia

George commenced at Ku-ring-gai in 2017 after previously holding the position of Manager Infrastructure Services at Randwick City Council.

With over 14 years of local government experience, George has utilised an innovative approach to lead and inspire a diverse workforce to deliver high level customer service to the local communities. His approach to leadership and passion for customer service was recognised with the 2015 IPWEA Local Government Leader of the Year Award. George has also been instrumental with more than 30 accolades for services, programs and facilities to the community.



FURTHER READING
kmc.nsw.gov/organisationalstructure

John McKee

General Manager

Bachelor of Business, Member Local Government Managers Association

John was appointed General Manager in March 2006 after holding the position of Director Finance and Business for five years at Council.

John has over 25 years of local government experience and his current responsibilities include overall organisational leadership, financial, governance, operational and service performance and organisational support for the elected 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, Member of the Institute of Managers and Leaders Australia, Member of the Australian Institute of Company Directors

Andrew joined Ku-ring-gai as Director Strategy and Environment in 2008 after holding the position of Regional Director for Planning in South and Western Sydney and the Central Coast for five years with the Department of Planning and Environment.

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.



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 this Janice held senior community services positions in Hunter region councils.

Janice has worked in local government for more than 20 years with extensive experience in library management, cultural planning, communications and marketing. Janice has held positions on regional organisations of councils representing libraries and cultural development.

David Marshall

Director, Corporate

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

David was appointed Director Corporate in 2013. Before joining Ku-ring-gai, 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.

Council can only achieve the outcomes it seeks for the community with the aid of a skilled and motivated organisation focused 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.

The following table provides a snapshot of our employee profile at 30 June 2018.

Employee profile	2017/18
Number employees (full and part-time)	426
Median age range (years)	45 - 54 years
Retention rate	83%
Percentage of females	45%
Percentage of males	55%
Females in Band 6 and above	10.8%
Males in Band 6 and above	16.9%

Key achievements 2017/18

- Continued a diverse learning and development program with support for over 740 training or conference attendances, induction and code of conduct training, and compliance training.
- Delivered our leadership development program, 7 Habits of Highly Effective People workshops to over 370 employees supporting leadership development at all levels of Council's workforce.
- Successfully achieved internal accreditation and capacity in order to support delivery of the next phase of our leadership development program, 7 Habits for Managers.
- Increased our e-learning capacity with the addition of 19 new e-learning modules to our online e-learning system for a total of 59 eLearning courses.
- Completed our annual health and wellbeing, skin cancer screening and influenza vaccination programs that aim to create positive employee morale, reduce absenteeism and sick leave, reduce employee turnover, reduce workplace accidents and improve safety and staff productivity.

Employee profile

As at 30 June 2018, Ku-ring-gai Council employed 426 full and part-time people and 179 casual employees in a diverse range of service areas including engineering and open space operations, traffic and transport, waste operations, customer service, finance, people and culture, 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 2018

	Full time	Part time	Total full and part time	Plus casuals
Ku-ring-gai Council 2018	361	65	426	179

The median age of our workforce was 47 years with 51% of our employees aged between 45 and 65 years, and 43.4% per cent of employees aged less than 44 years.

There was a small increase in staff in the 45 - 54 age bracket and a decrease in the 25 -34 age bracket from 2016/17, with slight increases in the 55 - 64 and 35 - 44 age brackets reflecting an ageing workforce and minor staff movements.

The gender profile of our workforce is 45 per cent female and 55 per cent male with employee positions spread across employment bands.

Workforce % by age and gender as at 30 June 2018

Age	Male	Female	Total	%
15 - 24	6	4	10	2.35%
25 - 34	37	45	82	19.25%
35 - 44	52	41	93	21.6%
45 - 54	63	53	116	27.23%
55 - 64	64	40	104	24.65%
65 over	12	9	21	4.63%
Total (rounded)	234	192	426	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 an increase of 0.53% in the number of women in senior roles (Technical Band 6 and above), with women comprising of 10.8% (up from 10.27% in 2016/17) compared to men at 16.9% (down from 17.12% in 2016/17) in this category. The table below shows the trends for the period 2009/10 to 2017/18.

Total % of women in senior positions (band 6 and above) from 30 June 2010 to 30 June 2018

Financial year end	Total workforce	Band 6 and above -women as a % of total workforce	Band 6 and above - men as a % of total workforce
2010	446	7.4%	15.0%
2011	454	8.2%	15.8%
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	11.86%	16.74%
2017	438	10.27%	17.12%
2018	426	10.8%	16.9%

Council's retention rate decreased to 83% (turnover rate of 16.6%), down from 88% in previous years. This movement of staff was mainly due to career progression and advancement opportunities outside Council as well as some older workers retiring.

The average years of service per staff member is nine years indicating that Council remains an attractive employer for prospective applicants. See the table below for a comparison of average service years between departments.

Workforce total headcount by years of service as at 30 June 2018

Department	Average years of service	Number of people in department
Civic Management	17.2	5
Community	6.4	112
Corporate	8.4	54
Development and Regulation	8.6	69
Operations	12.2	141
Strategy and Environment	5.8	45
Total Council	9	426

Number of full time, part time and casual staff - by department and gender as at 30 June 2018.

Gender	Community		Civic		Corporate		Development and Regulation		Operations		Strategy and Environment	
	M	F	M	F	M	F	M	F	M	F	M	F
Full time	18	52	2	2	29	22	39	25	126	11	16	19
Part time	4	38		1	-	3	-	5	-	4	-	10
Totals	22	90	2	3	29	25	39	30	126	15	16	29
Casual	47	108	-	-	1	1	-	-	-	2	11	9

Recruitment

Council continues to use a process of merit based selection to determine the most suitable applicant for a position as an equal opportunity employer in accordance with the provisions of the *Local Government Act 1993* (s349) and Council's EEO Management Plan 2016-2020.

Council employed 138 new employees during 2017/18 (including casuals). Of these of employees, 70% were females, and 23% were from culturally and linguistically diverse backgrounds (CALD).

Council also successfully placed five work experience placements.

Continuous improvement to streamline processes was undertaken including updates to eRecruitment systems and utilisation of LinkedIn to attract active and passive candidates.

Learning and development

Council's recruitment processes identify and employ for the required knowledge, skills and experience required to deliver Council's Delivery Program and Operational Plan.

As Council's workforce is highly technically competent, Council's learning and development program focuses on three main areas.

1. The maintenance and development of individual skills and knowledge for either current positions or future career paths

Each year, and as an integral part of the performance management process, individual staff identify personal training objectives to complete in the coming year. These objectives focus on personal and career development as well as the necessity of maintaining currency in their area of speciality. In achieving some of these objectives staff may apply for study assistance to provide financial and other support in completing external qualifications. Managers provide input to the process to enable them to support and encourage skills and knowledge development within their teams and to facilitate on-the-job learning and secondment experiences.

In 2017/18, 14 staff received study assistance in a range of disciplines from Certificate III to Diplomas.

Throughout the year staff also attend ad hoc industry seminars and conferences to remain current in their area of speciality.

2. Compliance training

Each year compliance training is provided to ensure Council's ongoing compliance with a range of legal requirements in completing work activities. Training is delivered in house whenever possible to ensure cost effective training delivery for Council and minimum disruption to teams and work delivery.

Compliance training includes

- RMS Traffic Controller
- RMS Implement Traffic Control Plans
- RMS Prepare a Work Zone Traffic Management Plan
- Chemicals Handling
- First Aid
- Safe Work Under Power Lines
- Rail Industry Safety Induction (RISI)
- Manual Handling
- Confined Spaces
- Chainsaw - basic/intermediate/advanced

3. SafeStart - Human Error Reduction Program

Since 2012, Council has trained staff in the Operations directorate in the SafeStart Human Error Reduction Program. By reducing human error, dealing with deliberate misadventure and building robust compliance systems and processes, Council has significantly reduced both the human and financial costs of injury in the workplace.

4. Leadership development

The leadership development program's first focus is on the development of each individual to enable them to continue to grow and develop skills, competencies and values that will enrich their working and personal lives.

Council recognises that leadership does not reside only with the managerial positions but that all employees contribute to achieving Council's objectives by striving for excellence and contributing their skills and knowledge to their team's successes.

- **7 Habits Of Highly Effective People**

All new staff complete the 7 Habits of Highly Effective People program during their probation period.

7 Habits of Highly Effective People is a foundational program that provides a range of skills, behaviours and attitudes that assist staff to develop their full potential.

The program aligns with Council's organisational values of 'Accountability' for personal actions and decisions, demonstrating 'Respect', 'Doing the Right Thing' and in 'Striving for Excellence' through continuous improvement and innovation.

The 7 Habits of Highly Effective People program closely aligns with Daniel Goleman's work on emotional intelligence in recognising the importance of an individual developing their emotional intelligence to achieve significant career and personal goals.

This year over 370 staff participated in this program which was delivered in house by an accredited council facilitator.

- **Continuing development**

Managers participate in the ongoing Leadership Development Program with specific program content delivered each year that contributes to their personal and professional development.

Additional programs will be delivered over the coming years drawing from a variety of sources that contribute to the development of individual, team and organisational emotional intelligence.

**747
attendances
at training
courses**

**326 online
courses**

**Over 5,600
training
hours**

**Over 50 diverse topic
areas were covered
including business skills
development, leadership,
communication,
compliance, aboriginal
heritage and threatened
species awareness, safety
and wellbeing.**

Organisational restructure

Council can only achieve the outcomes it seeks for the community with the aid of a well-managed organisation focused 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. It is imperative that the organisation has both the capacity and capability to deliver positive outcomes for the organisation and ultimately the community. Key challenges being addressed by the organisation include the implications of an ageing workforce, skills shortages across a number of professional areas and training that keeps pace with changing technology, new work practices and policies and the need for increased leadership skills.

Following Council elections in September 2017, a review of the organisational structure was completed by senior management with input from staff. The overall purpose of the review was to ensure that:

- The organisation is well placed to deliver those outcomes that the community and Council seek over the long term.
- The organisation is capable of achieving service delivery excellence while maximising resource effectiveness and efficiency.
- Services can continue to be streamlined and delivered in smarter ways to ensure optimal delivery.
- The delivery of services and infrastructure by Council continues to be financially sustainable.

A robust and comprehensive change management plan was implemented including an extensive consultation process with staff and senior management. This was followed by a review period to allow staff to provide feedback. Staff were also invited to discuss their thoughts with their managers and directors, and share their feedback via an online survey. A total of 115 online survey responses were received, along with six separate responses. Feedback was reviewed during an adjustment period followed by further consultation and commencement of the implementation process. Between April and June 2018, all significantly affected staff were informed of the proposed changes and were

provided with a high level overview of the proposed structure as part of the initial consultation period. A final structure was then established and presented to all staff, the Unions, Joint Consultative Committee, to then be referred to Council for adoption. Implementation of the revised organisational structure will be completed during 2018/19.

Employee opinion survey

An independent employee opinion survey was completed in December 2017. The results of the survey showed Council scored well in a number of areas including safety, teamwork, job satisfaction, and role clarity, with the majority of categories rating above the industry average. However, there were opportunities for improvement identified in specific workplace areas. Action planning for key improvement areas is being completed for implementation in 2018/19.

Wellbeing programs and initiatives

To support staff health and wellbeing Council promotes a number of key events and initiatives throughout the year. Staff are invited to join group activities which are coordinated by People & Culture and the Wellness Working Group. In addition, Council offers:

• Financial benefits

Council has an ongoing commitment to its employees' wellbeing at work which is supported by the Wellbeing Program Benefit Policy. In addition to the many events and in house programs, and external services available to support and encourage employee wellbeing, Council also provides a financial benefit for a wide range of activities that contribute to individual wellbeing.

On production of a receipt(s) evidencing enrolment into a health and wellbeing program or activity, Council will contribute up to a maximum value of \$100 per annum for eligible employees.

• Employee assistance program

Council's Employee Assistance Program (EAP) ensures that all employees are able to seek independent, confidential support and advice regarding issues in their work, personal and family lives through the EAP. The following assistance is offered through our EAP.

Work	Personal	Family
Managing conflicts	Dealing with traumatic events	Work-life balance
Adjusting to change	Anxiety or depression	Concerns about children
Relationship between co-workers	Stress management	Relationship issues
Coaching	Grief and loss	Domestic violence
Career transition	Mid-life issues	Financial or legal issues
Handling work stress	Emotional or physical abuse	Substance abuse (incl. tobacco)
Making career choices	Low self-esteem	

- **Purchased leave**

This policy provides staff with an opportunity to purchase additional leave to use for family commitments, travel, study or other personal reasons.

An employee may purchase an additional one or two weeks (five or ten days) annual leave by choosing to receive fifty one (for five days of self-funded leave) or fifty weeks (for 10 days of self-funded leave) of pay spread over the full fifty two weeks of the calendar year.

- **Biennial health fairs**

Health fairs are delivered once every two years and encourage staff to spend more time focusing on their personal health and wellbeing. The fair offers information about exercise, nutrition and personal biometrics including measurement of body mass, glucose levels and blood pressure – all key to understanding your body's mental and physical changes.

- **Flex time**

To assist employees in balancing the competing demands of their work, life and family obligations and to promote increased wellbeing and effectiveness at work, Ku-ring-gai Council offers flexible working arrangements for eligible staff, one of which is flex time/leave. Flex leave may be taken when sufficient flex leave credit has been accrued to cover the period of the intended leave absence. A maximum of one (1) flex leave day may be granted each fortnight.

- **Flu vaccinations**

Influenza is a highly contagious disease that can be serious, debilitating and affect the whole body. Council offers all employees the opportunity to receive the Influenza (Flu) vaccination each year.

This initiative was introduced to reduce the impact of seasonal flu in the workplace.

- **Skin screening**

As part of Council's Wellness Program, skin cancer screenings are available to staff once a year. A thorough assessment is conducted by a qualified professional who examines any signs of skin cancer and offers preventative measures to reduce the risk of skin cancer.

- **Study allowance**

Council assists permanent part-time and permanent full-time employees who wish to undertake a course of study which will enhance work related knowledge and skills, improve job performance and ensure employees are trained for specific workforce requirements both now and in the future. As well as Council providing support and assistance for study, employees have a joint responsibility in not only ensuring the success of their study program, but in sharing the 'investment' in terms of time and cost.

- **Audiometric testing (for identified operational roles)**

Council has an audiometric testing program in place in order to monitor the hearing capabilities of staff in operational positions where exposure to noise is an identified risk.

Celebrating achievements

- **Perform**

Council's annual performance assessment process, Perform, aims to recognise staff performance, achievements and contribution each year. A key objective of Perform is to encourage high performance from all staff whilst driving a more collaborative and inclusive culture through the assessment of staff behaviours.

In addition to informal feedback provided by supervisors, there are two formal review periods during the year that are in place to ensure key achievements, wins and effort are celebrated and recognised.

- **Recognition of service**

Council values the ongoing commitment and dedication of staff. In an effort to recognise significant and long staff tenure, Council celebrates key staff milestones to thank them for their loyalty and the length of service dedicated to the organisation.

Equal employment opportunity

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 human resources practices and processes to ensure that Equal Employment Opportunity (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.

Activities to implement EEO management plan

Our Equal Employment Opportunity Management Plan 2016-2020 sets out the objectives and strategies to be delivered across the period. This will enable management and employees to understand equity and diversity principles and their responsibilities in relation to its implementation.

The four main objectives of the plan are recruitment and selection, learning and development, promotions and transfers, and conditions of service. Each objective includes a list of initiatives that aim to address EEO issues and drive awareness by actively promoting diversity and respect within the workplace.

Specific activities and achievements under the EEO Management Plan for 2017/18 included:

- Reviewing position descriptions to ensure inclusion of EEO responsibilities for all staff, and that the essential and desirable criteria are non-discriminatory.
- Identifying Council as an EEO employer in all external advertisements.
- Ensuring equitable access to permanent vacancies within Council.
- Development of a communication plan to launch the new EEO Management Plan, ensuring relevant guides and resources are placed on the internal/external website and ensure printed materials are provided to the union delegates and outdoor staff.
- Including Council's EEO Policy and the EEO Management Plan in Council's induction/onboarding program.
- Ensuring all staff complete a mandatory EEO e-learning module biennially.
- Monitoring and ensuring offensive material is not displayed in the workplace.
- Reviewing all existing in-house and 'to be purchased' course material to ensure compliance with EEO principles.
- Ensuring all training and training facilities are accessible to staff with special needs.
- Continuing to notify staff of positions vacant within Council.
- Conducting a review of people and culture policies and procedures to ensure compliance with EEO legislation.
- Undertaking a review of Grievance Handling Policy and procedures and actively promoting to all staff.
- Ongoing development of Council's Ageing Workforce Strategy.
- Development of a Bullying and Harassment Policy.
- Continuing to provide assistance to supervisors when considering requests for part-time, job share and phased retirement employment to ensure equity.
- Assigning EEO Contact Officers and providing them with training. Ensuring the Contact Officers meet with staff on an annual basis to provide support and advice on EEO matters and are actively promoting EEO.

The completed initiatives account for almost 70% of initiatives identified to be delivered in the four year management plan, and work is underway to ensure the effective delivery of all other remaining items.

Work, health and safety

Ku-ring-gai is dedicated to continuous improvement of our work health and safety performance.

Council has developed and implemented a work, health and safety management system that is based on the *Work Health and Safety Act, 2011* and regulations, Australian standards, codes of practice and best practice initiatives.

Council has adopted a risk based approach, such that in the system, work, health and safety (WHS) risks are identified and controlled in accordance with the Hierarchy of Controls from the WHS Regulations.

- **Safe working environment**

Following a restructure in 2018, a new Work Health and Safety Strategic Committee framework has been developed and is currently being implemented. This structure will provide staff with better avenues and access to health and safety information from a strategic level and enhanced consultation and communication with management.

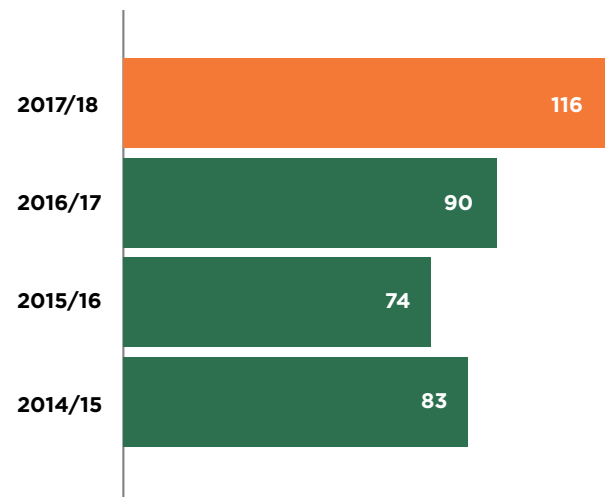
In 2018/19, a review of our WHS management system will be undertaken to transition from 'compliance' to a 'performance' system. It is envisaged this will reduce the administrative activities and be information rather than procedural driven, placing greater emphasis on risk mitigation.

- **Reducing workplace injury**

In 2018, Council reviewed its injury and incident reporting and management processes. Reports are provided to senior management and the Audit & Risk Committee, related to workers compensation, injury management, accident and insurance claims processes. We also identify loss time injury frequency, incidence and severity rates and report these to senior management on a quarterly basis and as a regular agenda item on the Audit & Risk Committee meetings. Council has also reviewed emergency response and provision of first aid across the organisation.

As part of Council's commitment to the welfare of our staff, in 2018 we offered and provided flu vaccinations, hearing assessments, skin cancer checks and provided access to our Employee Assistance Program to all staff.

Total number of incident reports in 2017/18



Incidents reported have increased in 2017/18. In previous years a reporting culture was strong within the Operations department but minimal in other departments in Council. There has been a strong focus on ensuring all incidents are reported across Council and the statistics are reflective of this drive.

Types of incidents

In 2018, Council aligned its incident classifications to the categories detailed in 'Type of Occurrence Classification System, National Occupational Health and Safety Commission' provided by Safe Work Australia. Using this classification system allows council to ensure consistent classifications and bench mark against industry.

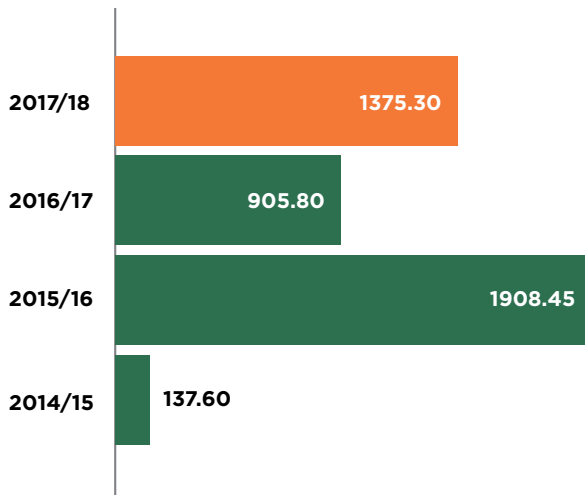
Types and number of incidents recorded

Types of incidents	2017/2018	2016/2017	2015/2016	2014/2015	Total
Falls, trips and slips of a person	14	13	12	15	54
Hitting objects with a part of the body	2	4	3	6	15
Being hit by moving objects	14	13	18	15	60
Sound and pressure	0	0	0	1	1
Body stressing	17	22	31	14	84
Heat, electricity and other environmental factors	1	1	0	2	4
Chemicals and other substances	14	12	7	6	39
Biological factors	0	0	0	0	0
Mental stress	2	4	1	11	18
Other and unspecified mechanisms of incident	52	21	2	13	88
Total	116	90	74	83	363

There has been a significant increase in the classification 'Other and Unspecified Mechanisms of Incident'. This classification includes; slide or cave-in, vehicle incident, other and multiple mechanisms of incident and unspecified mechanisms of incident.

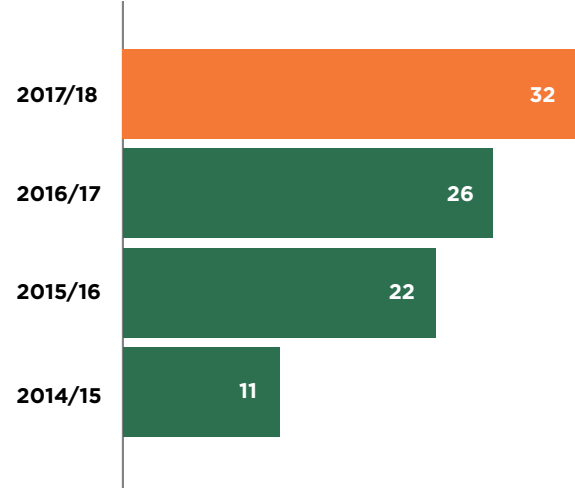
In previous years vehicle incidents had not been reported as a WHS incident. These types of incidents are now captured as WHS incidents regardless of fault or if the incident was on personal time. This has significantly increased the number of incidents reported.

Lost time (hours) due to workplace injury



2017/18 resulted in a 52% increase in lost time hours compared to 2016/17. This was due to an increase of claims and also a small number of claims with significant time lost (eg 1 claim had approximately 4.5 months lost time). The majority of significant lost time claims were musculoskeletal in nature.

Number of WorkCover claims by year



The upward trend of claims from 2017/18 may be accounted for by effective data collection and greater staff awareness.

WorkCover premium and performance rating comparison

Financial year	Worker's compensation premium	Ku-ring-gai Council's average rate	WIC rate/ industry rate	StateCover average	OLG average
2014/15	\$ 455,915.51	1.19	2.594	2.97	2.91
2015/16	\$ 500,797.26	1.27	2.594	2.91	2.69
2016/17	\$ 567,739.50	1.43	2.594	2.94	2.46
2017/18	\$ 583,569.00	1.32	2.594	2.45	2.14

Council's worker's compensation premiums have increased over the last four years primarily due to:

- Volatility in the insurance market which has seen a number of reinsurers removed from the marketplace.
- A number of long term claims that have required ongoing medical expenses and lost time.

- Improvements in the claims management process which led to more accurate reporting.

It should be noted that whilst premiums increased for 2017/18 we did see an overall reduction in the total number of claims as reflected by our reduced 'average rate'.

Governance

During 2017/18 Council maintained a strong governance framework underpinned by policies and procedures, and transparent decision-making based on publically available reports. Council is a member of an internal audit service shared with other northern Sydney councils. In addition, governance is overseen by Council's Audit and Risk Committee which has two independent members, one of whom is the Chair.

Audit and risk committee

The overall objective of Council's Audit and Risk Committee is to provide independent assurance and assistance to Council on risk management, control, governance, and external accountability responsibilities.

In addition, the Committee 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. This ensures an adequate and effective system of internal control throughout Council and assists in the operation and implementation of internal and external audit plans.

The Committee is an Advisory Committee that meets on a quarterly basis. Its membership includes:

- two (2) external independent members - John Gordon (Chairperson) and John Bartrop
- two (2) Councillor members (excluding the Mayor) - Councillors Ngai and Smith (Sept 2017 - June 2018). These members have voting rights.
- other members, who do not have voting rights - General Manager, Director Corporate, Head of the Shared Service Internal Audit, Manager Finance, Manager People & Culture and Team Leader Corporate Risk & Assurance
- other members (invitees) are representatives of the External Auditor, the Mayor and other appropriate Council staff as required
- other councillors are invited to attend as observers.

Each year, the external auditor makes a presentation to the Audit and Risk Committee on the audit plan for the forthcoming external audit and the Audit and Risk Committee monitors progress in implementing any action plans arising from this advice. Council's external auditor is the NSW Audit Office.

Reports are provided by the organisation to the Audit and Risk Committee each quarter to monitor compliance and assist the committee in reviewing Council's performance in relation to external accountability and legislative compliance obligations.

A key component of reporting has been the establishment of standing agenda items. Reports are provided to the committee on the following matters:

- Council's investment and financial status.
- internal audit recommendations/implementation and Council's risk management.
- internal audit reporting in the period - this includes reports regarding complaints and investigations. All requests from external agencies are responded to in accordance with required time frames.
- Complaints and compliments.
- Office of Local Government legislative updates.
- Matters relating to workers compensation, injury management, accident and insurance claim processes as well as loss time injury frequency, incidence and severity rates.
- Compliance and reporting requirements - summary of relevant circulars, legislative updates and matters arising and includes a summary of actions taken in the reporting period in response to those that impact the local government sector.

The committee receives these reports and provides feedback/advice on continuous improvement initiatives for Council.

Shared service internal audit

Responsibilities for hosting a shared northern Sydney internal audit function were transferred from Willoughby City Council to Ku-ring-gai Council on 13 July 2018. Ku-ring-gai now hosts the shared service on behalf of North Sydney, Mosman, Lane Cove, Strathfield and Hunters Hill Councils. Advantages of a shared service are efficiencies to be gained in sharing the costs amongst councils, shared learnings and better practices gained from internal audits conducted at all six councils which are reported on regularly.

The internal audit function is governed by an internal audit charter that has been endorsed by the Audit and Risk Committee. The Internal Audit Charter is a formal statement of purpose, authority and responsibility that recognises its importance for providing an objective and independent service to Council. An annual internal audit plan has been developed that takes a risk based approach and incorporates financial, operational, and compliance processes across Council in order to meet the following objectives:


- determine whether processes or systems have been designed to ensure that assets are safeguarded to prevent misuse or fraud occurring.
- suggests improvements to increase efficiency or to lower operating costs.
- encourages continuous improvement.
- assess adequacy of processes to ensure compliance with applicable laws, regulations, contracts, policies and procedures.
- preserve the accuracy and reliability of data controls for the safeguarding of assets.

Examples of internal audits that have been conducted in the past year comprise of asset management, purchasing and records management. Internal audit reports and reporting upon the status of the implementation of recommendations are provided to every meeting of the Audit and Risk Committee.

Risk management

Risk management continues to be recognised and promoted as an essential element of good corporate governance and is used to support the achievement of strategic and operational objectives within Council. Council has implemented an enterprise wide model for risk management. Enterprise Risk Management expands the process to include not just risks associated with accidental losses, but also opportunity. This means that Council will not only address work, health and safety risks, but will also identify, assess and address internal and external risks presented to Council, seeking to minimise threats and maximise opportunities.

Risk management helps Council make better business decisions. When we practice risk management, we are trying to reduce things that may have a negative impact on Council business, however we are also looking for opportunities that can have a positive impact.



**Council is a member
of an internal audit
service shared with
other northern
Sydney councils.**

Council's risk management process is designed to ensure that risk management decisions are based on a considered approach, assessments are conducted in a consistent manner, and a common language is used and understood across Council. Risk management has been integrated and linked to key business processes across the organisation.

To achieve this, Council continued to implement a number of initiatives, including:

- Council policies that provide a key mechanism to enable staff to manage risks.
- Business continuity management and emergency response planning, focusing on the risk of failure to deliver critical services in the event of disaster or crisis.
- Council's Fraud and Corruption Control Policy that incorporates best practice guidelines for fraud and corrupt conduct identification and action. These factors underpin our zero tolerance approach, with the desired outcome being the prevention of fraud related incidents within Council. The fraud and corruption strategy ensures the protection of property, information, revenue and expenditure.
- Information security management so that information is protected to ensure its availability, confidentiality and integrity. All staff are responsible for ensuring the safety of our information and electronic systems.

Council's Enterprise Risk Management system identifies our risks as operational, strategic or project. An operational risk is an event that could be internal or external to Council that will actually impact our ability to achieve our current objectives. A strategic risk is a risk that is external to Council that if it occurs could force a change in strategic direction of Council.

During 2017/18, the organisation completed reviews of all of our risks to ensure they are correctly identified, appropriate controls have been implemented and the risk rating correctly addresses the risk. Council's senior management (General Manager and Directors) also attended a number of workshops to identify, rate and control our strategic risks. These have been allocated to 'responsible

officers' who will monitor and review the control of these risks. Formal risk reviews are conducted every quarter and reported to senior management and the Audit and Risk Committee.

Council's Enterprise Risk Management system is continually improved. Council's current system is being reviewed against the ISO 31000; 2018 'Risk Management - Principles and Guidelines' Draft International Standard. We have also been subject to an external review of our risk maturity, conducted by our insurer and are currently reviewing our risk processes.

Local government elections 2017

The local government elections were held in September 2017 with no major issues. Extensive feedback regarding opportunities for process improvements was provided to the NSW Electoral Commission following the elections.

Training and professional development for Councillors

Following Council elections in September 2017 an induction program, including ethics and code of conduct training, was provided to all Ku-ring-gai Councillors in four key parts:

1. Provision of a Councillor Resource Kit, containing key organisational documents, information and resource

Councillor Resource Kits were delivered to all Councillors on the first business day following the announcement of the election results.

2. Training/briefing sessions provided by staff and external experts

The following training/briefing sessions were provided to Councillors:

- Meetings Procedure Overview
- Roles and Responsibilities Overview
- Code of Conduct Training Part 1
- General Meeting Protocol briefing
- Heritage, Operations and Trees
- Development and Regulation Matters
- Meetings Procedure Training

- Roles and Responsibilities Training
- Community Profile and Public Engagements Briefing
- Local Government Area Bus Tour: Places of Interest
- Code of Conduct Training Part 2.

3. Two day induction workshop

Councillors were provided with the following information during the workshop:

- Overviews of the responsibilities of each department
- Introductions from each Councillor
- Strategic Planning – Integrated Planning and Reporting briefing
- Financial Planning briefing
- Environmental Levy briefing
- A facilitated visioning session
- A presentation from guest speaker Sandy Blackburn-Wright
- Opportunities and Challenges for Urban Renewal in Ku-ring-gai briefing
- Activate Ku-ring-gai briefing
- Gordon Civic Hub briefing
- Activate Turramurra briefing
- Activate Lindfield briefing
- Lindfield Village Hub briefing.

4. Individual training and development plans (IPDP's)

Discussions were held with individual Councillors to develop individual training and development plans (IPDP) to be undertaken over the remainder of the financial year.

The purpose of the IPDP is to both assist Councillors in fulfilling their responsibilities under Section 232 of the *Local Government Act, 1993* and to ensure that any additional information and training/activities not covered by the induction program can be identified and delivered. Induction sessions have been well attended and participation in the IPDP process has been positive.

Councillors were also encouraged to attend the Hit the Ground Running sessions provided by the Office of Local Government.

Staff have prepared and distributed to all Councillors a survey to evaluate and receive feedback on the Councillor Induction Program.

Governance responsibilities and obligations for staff

Individual obligations and responsibilities under the *Local Government Act, 1993* and other relevant Acts are included in the induction training and programs for all new staff.



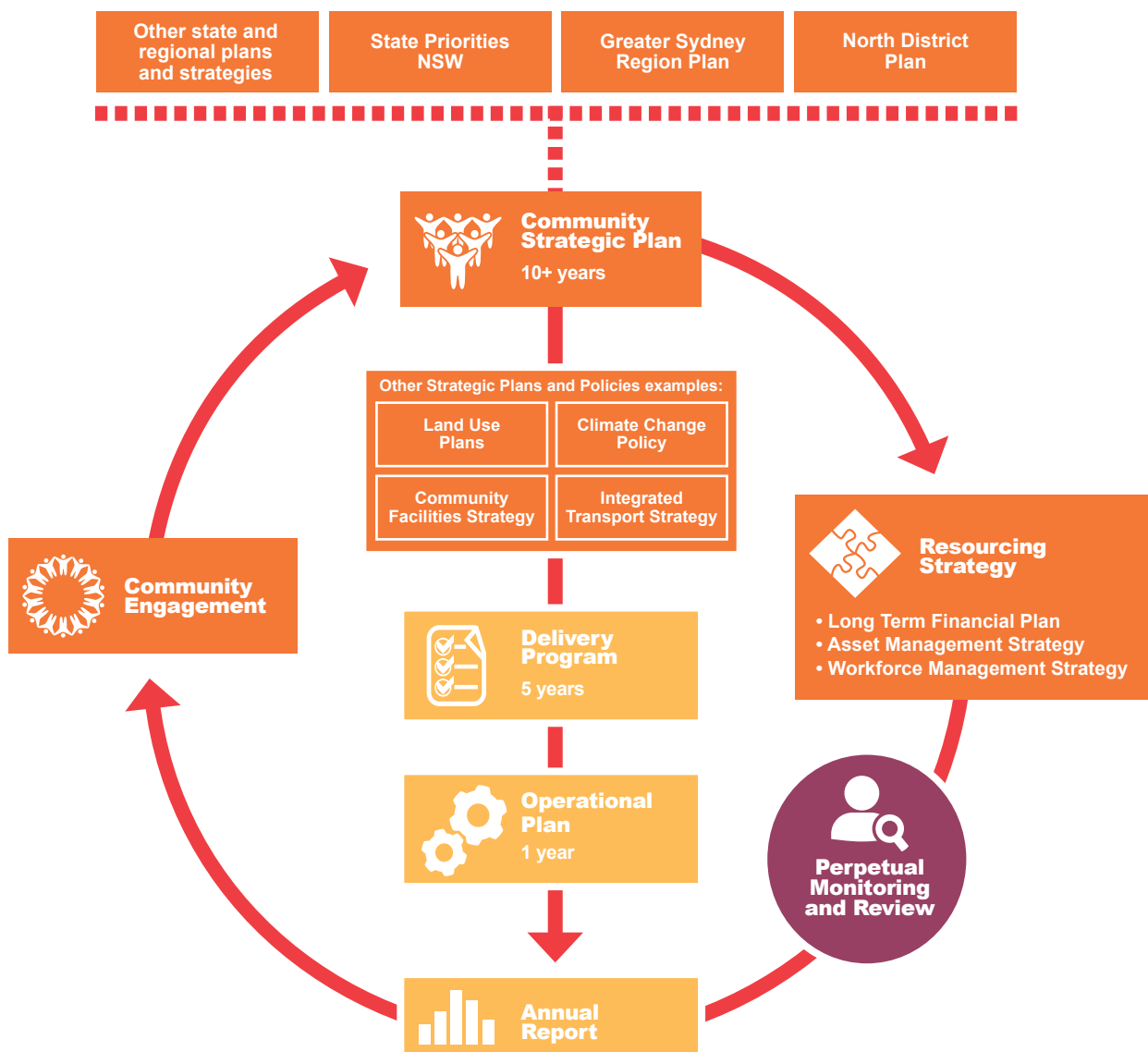
Integrated planning and reporting framework

Integrated planning and reporting

The NSW Government introduced the Integrated Planning and Reporting framework in 2009 to assist councils in delivering their community vision and long term objectives through long, medium and short term plans and reporting. The purpose of the framework was to formalise best practice strategic planning across NSW councils to ensure a more sustainable local government sector.

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 the first plan and formed the basis for subsequent Community Strategic Plans.



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

Performance
– delivering
the vision





Performance - delivering the vision

100

Our performance against Council's extended five year Delivery Program 2013-2018 and Operational Plan 2017-2018

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 2017-2018 and extended five year Delivery Program 2013-2018

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 extended five year Delivery Program and aligns with the long term objectives identified in the Community Strategic Plan.

Summary of performance

During 2017/18, Council successfully completed or progressed the majority of capital works, operational projects and actions in the annual Operational Plan. The outcomes from these activities 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 and maintained its sound financial position.

This supports Council's ongoing financial sustainability and capacity 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 2017/18 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 tasks 2017/18

Our overall performance in achieving 2017/18 tasks is presented. This provides a measure of how effective we were in achieving our planned activities for the financial year.

Achievement of performance indicators 2017/18

Our achievement for each performance indicator is presented by theme for the 2017/18 year. These provide measures of our effectiveness in the delivery of particular services and activities.

Completion of critical actions 2013-2018

The completion of the critical actions as outlined in the Delivery Program 2013-2018 is included in this Annual Report.

Completion of Term Achievements 2013-2018

The completion of Council's term achievements as outlined in the Delivery Program 2013-2018 is included in this Annual Report. Council also provided a detailed review as part of its End of Term Report 2013-2017 which was presented to the previous Council in August 2017.



FURTHER READING
End of Term Report kmc.nsw.gov.au/endoftermreport

Performance monitoring and reporting

Integrated Planning and Reporting places a strong emphasis on the community being regularly informed on Council's progress in achieving the community's vision and long term objectives. This includes delivering efficient and effective services, major strategic projects, programs and actions. The following summarises Council's reports for the 2017/18 year.

Quarterly reporting

Quarterly progress reports were presented every three months to Council on the annual budget including progress and expenditure on capital and operating projects and all Council services. Progress reports were also prepared for quarterly internal review for all one year tasks (includes achievements, challenges and remedial actions).

Bi-annual reporting

Bi-annual reports were presented every six months to Council on our progress against annual tasks, and extended five year critical actions. The June Bi-annual review also included Council's term achievements and performance indicators for services.

Annual reporting

At the end of the financial year Council presents to the Ku-ring-gai community a set of audited financial statements and a summary of the work completed during the year, assessed against what Council said it would do. This includes reporting on service delivery through key achievements, challenges and performance indicators.

Healthy

Safe

Diverse

The Communal Plot!

Turrumulla Lookout Community Garden. This was one of the entries in a photography competition celebrating the Ku-ring-gai community and environment for the Ku-ring-gai edition of the game of Monopoly. Photographer: Tom Roulan



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.

Services provided under this theme

- Children's services
- Youth services
- Aged services
- Disability services
- Cultural development
- Community events
- Libraries and art centre
- Community health, safety and wellbeing programs
- Community facilities and halls management
- Sports grounds and parks bookings
- Emergency management support



Key Achievements

Addressed generational needs

Children

Children are our community's future and need high quality care services. To this end Council seeks to provide best practice children's services that respond to community needs and priorities.

Thomas Carlyle Children's Centre - national accreditation ranking

Council's long day care centre at East Lindfield was rated as 'Exceeding the National Quality Standards' in 2017/18. The Centre provides child care for up to 55 children during weekdays.

The centre was reviewed as part of a nationwide assessment process which examined seven key accreditation areas. The report noted that 'the teaching staff of Thomas Carlyle Children's Centre are committed to providing quality care, particularly in the areas of planning and collaboration with families and other community organisations to enhance children's learning and wellbeing'.

Several locations from the Ku-ring-gai Vacation Care program were also rated as 'Exceeding the National Quality Standard', placing them in the top percentile across Australia.

Children's events

As part of our delivery of children's services Council also ensures that events are tailored to the specific needs of children. During 2017/18 this included:

- Celebration of Ku-ring-gai's increasingly diverse community at Thomas Carlyle Children's Centre with events and activities for Chinese New Year, Harmony Day, Australia Day, World Poetry Day and the Hindu Festival of Diwali.
- Council's Family Day Care Scheme included visits from petting zoos and an excursion to the Wildflower Garden in St Ives. To celebrate

Grandparents Day, grandparents were invited to playgroup to help encourage meaningful connections across generations.

- Local libraries at Lindfield, St Ives, Gordon and Turramurra provided science experiments, games and movie entertainment during the April school holidays.
- The annual Mayor's Easter Egg Hunt was held at Gordon Library's Secret Garden for children aged four to eight years.
- The annual Festival on the Green at St Ives included a HeroFest theme with superheroes roaming St Ives Village Green throughout the day.
- The Ku-ring-gai Art Centre at Roseville continued its exciting and stimulating program of weekend and after-school classes.

Youth

Council's Youth Services strive to support young people in the community with activities designed to help them prepare for life beyond school, as well as fun ways to de-stress and make new friends.

During 2017/18, Youth Services delivered a range of recreational, vocational and support based programs to nearly 5,500 participants. Highlights included:

- During the Higher School Certificate, Gordon's AWOL Youth Hub became a chill-out zone where Year 12 students could snack, play video games or table tennis. Staff from StreetWork were also invited to teach students helpful relaxation techniques.
- Council's Recreation Services teamed up with Youth Services to run a table tennis tournament at the AWOL Youth Hub. The tournament was a casual drop-in afternoon affair, with young people competing to win gift vouchers.
- A parent forum was held during November, with police representatives from the Ku-ring-gai Local Area Command and the Hornsby Ku-ring-gai PCYC on hand to answer questions about risky behaviour and how police can assist families.

- Students from Pymble Ladies College and a local artist transformed a drab water tank into a beautiful work of art. The newly colourful water tank at Howson Oval drew the attention of several local newspapers, as well as praise from the community on social media. As a result, more murals are being planned for 2018/19.
- Council's International Women's Day Celebrations, with over 115 people in attendance, focused on celebrating young women and providing them an opportunity to engage in dialogue about matters related to leadership, innovation and entrepreneurship.
- A 'spooky' themed dance party for young people with special needs was held on Friday 13 April with around 30 young people and their families and carers attending.

Intergenerational initiative

A photo competition aimed at bringing the generations together was held during March and April to coincide with the Seniors Festival. The competition asked entrants to take a photo portrait of an older person in the community that describes 'a moment in their life'. Entrants or their subjects had to be residents of Ku-ring-gai and photographers aged between 12 and 21 years.

Seniors

A range of interesting seminars and excursions are run for local seniors throughout the year, with the popular Seniors in Action program designed to educate, engage, and entertain. More than 2,000 local seniors participated in Seniors in Action seminars, excursions and workshops throughout 2017/18.

Highlights included:

- Seminars on cyber safety, the NBN, dementia risk reduction and accessing home support through My Aged Care.
- Visits to the Titanic exhibition, Vaucluse House, the Blue Mountains, 'Seniors Moments' Revue and free movies.
- Exercise classes including falls prevention, back recovery and Qi Gong helped participants to maintain their fitness, balance and general well-being.

These activities are very much appreciated by the seniors in our local community, with average satisfaction ratings of 97% recorded across all activities. Feedback from participants highlights the role of this diverse program in keeping local seniors socially connected, engaged and informed, as well as healthy, happy and active.



Students from Pymble Ladies College and a local artist transform a drab water tank into a beautiful work of art, Howson Oval, Turramurra.

“I am eternally grateful to Ku-ring-gai Council for providing transport and kindness, patience and care, protection. I love this community!!! Thank you so much.”

“Your seniors program is a standout. Well done Ku-ring-gai Council for offering this to us seniors. The ladies are lovely and cannot do enough. Kind and caring. Thank you.”

“I am very impressed with the activities and outings available to seniors in Ku-ring-gai. [Aged Services staff] are wonderful organisers and I would like to thank Ku-ring-gai Council for the initiative.”

Council also contributes to the sustainability of local community-based providers of home support services for older people, thus assisting seniors to remain living independently in their own homes. Information about aged services, events and programs is provided by Council through printed and electronic media.

Seniors festival

The Seniors Festival included 35 individual activities with a satisfaction rating of over 97% for Council run events. Almost 500 seniors participated in events offered by Council during the four weeks of the festival including the concert and Mayoral Awards, excursion to Woodlawn Eco-Precinct, workshops on decluttering and restyling your home and simplifying the aged care system, plus a free movie event and falls prevention forum.

Comments from the Senior's Wellbeing Survey. The survey sought feedback from residents over 65 years on factors affecting their health and wellbeing.

Bowling in the sun, Turramurra Bowling Club.
This was one of the entries in a photography
competition celebrating the Ku-ring-gai
community and environment for the Ku-
ring-gai edition of the game of Monopoly.
Photographer: Zach Pattison.



Activities
Transport



Cultural Experiences

Shared events and cultural experiences

Events

Council delivered a comprehensive program of events during the year catering to a diverse range of interests and age groups with over 35,000 attending key events delivered or sponsored by Council. Key events included:

- Australia Day celebrations held at Bicentennial Park, West Pymble with around 4,000 people attending, followed by a pool party hosted by the YMCA at the Ku-ring-gai Fitness & Aquatic Centre.
- Festival on the Green at St Ives Village Green in early May 2018 with around 10,000 people attending.
- The fourth St Ives Medieval Faire held in September 2017 with nearly 18,000 people attending.
- Council's free Moonlight Movie held in February 2018 at Turramurra Memorial Park.
- Annual Twilight Concert in the Park with an 80's theme at Wahroonga Park in October 2017 with over 3,500 people attending.
- Two new events at the Ku-ring-gai Wildflower Garden - a twilight performance of Shakespeare's Twelfth Night held outdoors for over 300 people and three free concerts during the Sunday Sound Garden series featuring country, soul and Latin American music.

Cultural services and facilities

Marian Street Theatre

In June 2018, Council formally resolved to upgrade and reopen Marian Street Theatre in Killara.

The Council has considered a business plan prepared by the Save Marian Street Theatre Committee for an upgrade to the theatre with an estimated cost of \$9.8 million. The Save Marian Street Theatre Committee was set up to raise funds to re-open the theatre and comprises members of the community and theatre enthusiasts.

Council will now work with members of the Save Marian Street Theatre Committee, community representatives and theatre experts to develop a plan to upgrade the theatre in three years time.

Environmental education and cultural centre

This new centre is proposed to be located within the St Ives Precinct. Delays in the progression of this project were due to bush fire risk management issues affecting the suitability of the previous proposed location at the Wildflower Garden site.

During 2017/18, investigations continued and a location was identified for the building within the St Ives Showground (part of the St Ives Precinct) and selected following consideration of the complex bush fire, environmental ecological communities and other factors.

A consultant will be engaged in 2018/19 to develop a concept design for the centre at the identified site.

Libraries

Council continued to deliver its successful programs and services during 2017/18 with over 900,000 library loans including e-loans and online resources.

Ku-ring-gai Library's four branches are more than just a place to borrow books. Council is diversifying its programs and providing a variety of activities to reflect the increased demand. These included programs targeting children and families, young people, older people, people with disabilities, people from culturally and linguistically diverse (CALD) backgrounds and women.

Throughout 2017/18, the library conducted approximately 700 events targeting different communities averaging about 58 events in a month. The range of library services and arts cultural programs continue to expand incorporating a combination of author talks, local history initiatives, art exhibitions and classes and community events. Highlights included:

- Regular hosting of authors for audiences with readers.
- Hosting 'Life in Ku-ring-gai', a fascinating display of local history curated from interviews conducted with local seniors during the 2017 NSW Seniors Week Festival.
- An interactive afternoon for school children in the lead-up to the St Ives Medieval Faire at Gordon Library with local authors Isolde Martyn and Felicity Pulman helping to make history come alive for young children.
- Opening of Gordon Library over three nights for HSC students, with staff available after hours to help with last minute revision. The evenings were run in tandem with Youth Services' stress buster events, making sure that students had a place to chill out, and were well fed for their study sessions.
- Special activities including a recipe swapping club, a multimedia review club, mah-jong games, knitting groups, cryptic crossword sessions and Scrabble meet-ups.
- Free Tech Savvy Seniors info sessions for Chinese speaking residents. These assist seniors from Mandarin speaking backgrounds who have limited or no previous experience in using technology to learn new skills for the future.
- Creator Clubs for primary school aged children continue to grow in popularity and include Lego building, K'nex, 3D printing and more.
- A monthly 'hot desk' in the Gordon Library foyer for free advice and to find out what community services are on offer. The community hot desk is open between 10am and 12 noon every third Friday.

**“a wonderful service,
makes us feel special
...indeed unique
provided by
Kuring-gai Council.....”**

Home library service and library bus service

During 2017/18, over 15,000 items were loaned to home library service members, a 5% increase compared to the previous year.

Both the home library service and the Libraribus serve the special groups in the community who really value interaction with the Library and can still stay connected to the community.

The Libraribus not only helps the elderly in our community but also caters for people with a disability, either permanent or temporary, which inhibits their ability to visit our branches.

“I don’t know how I would have managed if it weren’t for the Libraribus....I am unable to walk up hill from my house to use public transport. The only social interaction I have is with fellow passengers on the bus and I look forward eagerly to visit the Library. I don’t feel isolated or cut off from the community....”

Comments received by the Libraribus driver by users during their bus trips

New online library system for residents

A new library system installed in 2017/18 has made accessing the library’s online services much easier. The demand for online services at Council’s libraries is increasing every year. The new system has sped up searching for library items and allows users more freedom when using online services such as e-books. Features include predicative searching, dynamic displays and more control over how notifications about library services are received.

Art centre

The Art Centre unveiled a beautiful mural wall in its courtyard garden. The mural tiles were created by over 150 local children during 2016 and 2017 school holidays and were curated by Art Centre staff. The mural was assembled by Council operations staff and then unveiled by TV personality Indira Naidoo at a family event.

The centre also continued its annual full program of activities and classes for all ages as well as exhibitions.

Healthy lifestyles

The Active Ku-ring-gai Program encourages people of all ages and fitness levels to participate in enjoyable physical activity. During 2017/18 there were over 300 registrations for programs including:

- Stepping On, which is a falls prevention session promoting better balance, mobility, stability and flexibility.
- Yoga, Tai Chi, Pilates and Gym Without Walls.
- Walking groups.
- Tennis program.
- Junior golf programs.
- Youth table tennis.

Access and disability inclusion

Council continued to proactively address and deliver well received programs that respond to identified needs of the community.

In partnership with Settlement Services International, NSW Police and New Vision Psychology Council hosted a mental health event for Mandarin and Cantonese speaking people. The event provided an opportunity for people to informally speak with a psychologist and link them to free counselling.

In conjunction with Ability Links and Ku-ring-gai Neighbourhood Centre, funding was secured for Sensory Tents which reduce sensory input, remove distractions and provide a safe and non-stimulating space for children and young people to calm down and re-focus. It is anticipated that the tents will be set-up at major Council events and also available for use by community groups.

Council in conjunction with the YMCA and Uniting Ability Links joined forces to provide custom-built change facilities at the Ku-ring-gai Fitness & Aquatic Centre in West Pymble. The shower trolley gives swimmers in a wheelchair the ability to change clothes following a swim with the assistance of a carer. The \$7000 trolley was purchased using money raised from the 2017 YMCA Swimathon, which saw the local community generously support a range of fundraising activities at the Ku-ring-gai Fitness & Aquatic Centre.

An overhead tracking hoist donated by Ability Links NSW was installed by Council and can be used to transfer patrons to and from their wheelchairs and into the new shower trolley. The hoist can be moved to different locations to suit varying needs.

Community safety

Council's bush fire planning receives state government approval

Ku-ring-gai's planning for areas of high bush fire evacuation risk was approved by the NSW Department of Planning & Environment during 2017/18. Thirteen areas considered to be of high bush fire evacuation risk are now covered by planning controls in the Ku-ring-gai Local Environmental Plan (LEP) 2015, including large areas of North and South Turramurra, Killara, Wahroonga and St Ives.

These areas were identified during the preparation of Council's 2015 LEP, but were deferred from being included in the plan because of their risk profile and the need for further consultation with residents and other stakeholders such as the Rural Fire Service and NSW Police.

Under the approved plan, development in the thirteen areas will be managed through updated zoning, permitted land uses and development standards. Aged care homes and childcare centres will be prohibited from being built in these high risk areas as they would increase the evacuation risks in the event of major bush fires.

Swimming pool safety

Investigation by Council's compliance staff led to a voluntary recall by the Australian Competition and Consumer Commission (ACCC) of over 90,000 swimming pool gate latches sold across Australia.

The latch fault exists on gates which have an optional key locking system and allows the gate to appear locked when it is actually open. This poses a significant safety risk to residents within Ku-ring-gai, which has 15,161 swimming pools on the NSW swimming pool register.

Following identification of the major flaw in two types of backyard swimming pool gates, NSW Fair Trading was alerted leading to the voluntary recall.

More information about the voluntary recall is available at www.accc.gov.au

the year ahead

Floodplain study completed

The Blackbutt Creek Floodplain Risk Management Study and Plan was completed and adopted by Council in 2017/18. The documents identify and assess a range of potential flood management options and provide recommended future management actions. They represent the second stage of the flood risk management process for the Blackbutt Creek catchment and build on the results of the 2014 Blackbutt Creek Flood Study.

- ▶ **Continue to work closely with the Greater Sydney Commission to increase housing diversity, adaptability and affordability for our changing community.**
- ▶ **Develop a concept design for the new cultural and education centre within the St Ives Precinct.**
- ▶ **Review Council's Disability Action Plan.**
- ▶ **Continue fire safety review of apartment building wall cladding materials.**
- ▶ **Deliver Council's annual program of events and cultural activities.**
- ▶ **Support community organisations and volunteers.**
- ▶ **Plan for the 50th celebration of the Ku-ring-gai Wildflower Garden opening.**



Summary of Performance 2017/18

The following pages provide a summary of Councils progress during 2017/18 including QBL performance indicators, Councils Delivery Program 2013-2018 and Operational Plan 2017-2018.

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 2017/18 year, under this theme, compared to the previous four years.

QBL indicators

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Soc	Library visitors	No.	456,287	533,106	492,475	521,650	492,536	Decreased ¹
Soc	Library loans	No.	904,189	914,329	907,735	936,792	908,294	Decreased ²
Soc	AWOL Youth Hub (previously known as the Student Resource Centre visits (Gordon))	No.	6,502	2,790	5,355	2,015	2,397	Increased ³
Soc	Utilisation rate of Council's Family Day Care service and Thomas Carlyle Children's Centre	%	94	96	93	87	90	Stable
Soc	Vacation care	No.	6,212	7,323	6,566	6,772	8,329	Increased ⁴
Soc	Seniors Week Program	No.	2,803	2,939	3,068	3,100	2,595	Decreased ⁵
Soc	Immunisation	No.	389	348	331	296	182	Decreased ⁶
Soc	Environmental Volunteers	No.	812	713	625	628	687	Stable

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

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 other three branch libraries at Lindfield, Turramurra and St Ives currently have limited opportunities to provide these expanding uses. Accordingly numbers of visits to these libraries have reduced. This figure was incorrectly reported in the Delivery Program 2013-2017 and Operational Plan 2017-2018 June Biannual.

2. This figure includes e-loans or online resources such as eAudio, eBooks, comics, films, magazines and music. The Library has adjusted its e-resource and other collections due to changes in suppliers. As it takes time for borrowers to adjust to the collection changes, usage has been reduced during the transition period.

3. Demand for youth hub based services remains strong particularly as it is connected with Ku-ring-gai Library in Gordon.

4. Attendance numbers at Council run vacation care services have increased due to the opening of a new service and high assessment ratings received by the centres.

5. In response to community feedback, the structure of events delivered as part of the senior's program changed in 2017/18. More specialised events were offered, catering for smaller audiences. The demand and attendance for senior's programs remains high.

6. Demand for the Council run immunisation service has progressively decreased due to the availability of vaccinations from local general practitioners.

How we performed against Council's Delivery Program 2013-2018 and Operational Plan 2017-2018

► Achievement of Operational Plan Tasks, Performance Indicators, Critical Actions and Term Achievements

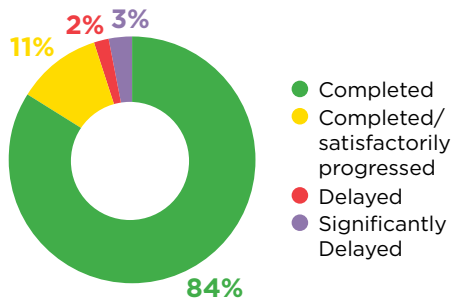
The Delivery Program and Operational Plan sets out the operational plan tasks, performance indicators, critical actions and term achievements for each theme. The following charts represent our performance in completing what we said we would do under this theme.

Operational Plan Tasks 2017/18

52 completed/satisfactorily progressed

1 delayed

2 significantly delayed

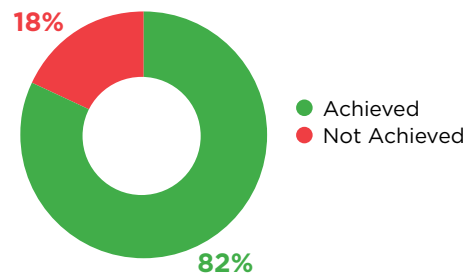


Performance Indicators 2017/18

14 achieved

3 not achieved

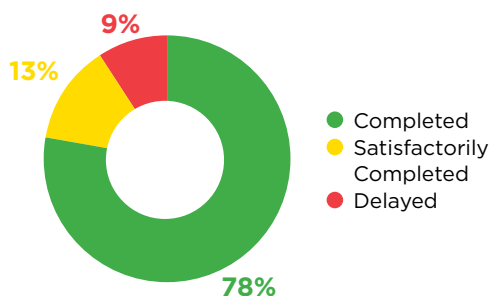
See pages 116-118 for explanatory comments.



Critical Actions 2013/18

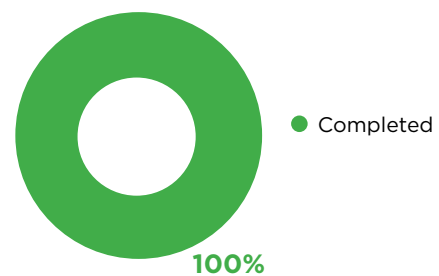
21 completed/satisfactorily completed

2 delayed










Term Achievements 2013/18




13 completed




Operational Plan Performance Indicators 2017/18

Code	Description	Baseline	Yearly target	Units	Achieved amount	Yearly rating
C1.1.1.A	Utilisation levels for children's services.	Annual target of 90% utilisation of children's services. (Data source: Council)	90	%	90	
C1.1.1.B	Participation in youth service programs.	Annual target of 5,000 participants in youth programs. (Data source: Council)	5,000	Participants	5,416	
C1.1.1.C	Participation in aged and disability service programs.	Annual target of 2,100 participants in aged and disability programs. (Data source: Council)	2,100	Participants	2,595	
C1.1.1.D	Support for community organisations.	In 2011/12 there were 90 community organisations supported. (Data source: Council)	90	Organisations	115	
C1.1.2.A	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.	In 2011/12 there was an average 85% user satisfaction with all programs. (Data source: Council user satisfaction surveys)	85	%	97	
C1.1.3.A	Utilisation of art-centred courses.	Annual target of 90% take-up of courses. (Data source: Council)	90	%	90	
C1.1.3.B	Visits to libraries.	Annual target of 600,000 visits or more per year to libraries. (Data source: Council)	600,000	Visits	492,536	

Comment: 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 other three branch libraries at Lindfield, Turramurra and St Ives currently have limited opportunities to provide these expanding uses. Accordingly numbers of visits to these libraries have reduced.


C1.1.3.C	Visits to library website.	Annual target of 50,000 visits or more per year to the library website. (Data source: Council)	50,000	Visits	91,433	
C2.1.1.A	Community participation at major supported community events.	Annual target of 30,000 participants at major local events supported by Council. (Data source: Council)	30,000	Participants	35,904	
C2.1.1.B	Loans per resident per year.	Annual target of 7.8 loans per resident per year. (Data source: Council)	7.8	Loans	7.03	

Comment: The Library has adjusted its e-resource and other collections due to changes in suppliers. As it takes time for borrowers to adjust to the collection changes, usage has been reduced during the transition period.

C2.1.1.C	Library loans per year.	Annual target of more than 900,000 library loans per year. (Data source: Council)	900,000	Loans	908,294	
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Comment: This figure includes e-loans or online resources such as eAudio, eBooks, comics, films, magazines and music.

C4.1.1.A	Participation in leisure and cultural activities supported by Council.	During 2012/13 over 100,000 people participated in selected leisure and cultural activities supported by Council. (Data source: Council 's program of leisure and cultural activities)	100,000	Participants	105,000	
C4.1.1.B	Participation in active recreation programs supported by Council.	In 2012/13 there were 800 registrations for active recreation programs. (Data source: Council)	800	Registrations	912	
C4.1.2.A	Land acquired through S94 Contributions for new recreational open space.	Annual target of land acquisition for new recreational open space. (Data source: Council)	2,000	m ²	0	
<p>Comment: The annual target of 2,000m² of land to be acquired for recreational open space purposes was not achieved during 2017/18 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.</p>						
C5.1.1.A	Swimming pool safety inspection program.	Completion of swimming pool barrier inspection program within set timeframes and budget. (Data source: Council)	100	%	100	
C5.1.1.B	Companion animal management compliance.	Annual target of 90% registration of companion animals within Ku-ring-gai. (Data source: Council)	90	%	94	
C7.1.1.A	Fire trails improvements and hazard reduction.	Annual target of 80% completion for both fire trail improvement program and hazard reduction program. (Data source: Council)	80	%	80	

 **FURTHER READING**
Copies of Councils Delivery Program and Operational Plan progress reports for the 2017/18 year can be accessed at kmc.nsw.gov.au/paststrategicplans



The Ku-ring-gai Art Centre's new mural wall in the courtyard garden. The mural tiles were created by over 150 local children during the 2016 and 2017 school holidays and were curated by Art Centre staff.

The frogs are out and
about at South Turrumurra.
Photographer: Jam.

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Sustainability

Biodiversity



THEME 2

Natural environment

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

Services provided under this theme

- Environmental Levy programs and initiatives
- Corporate sustainability program
- Biodiversity and bushland management programs
- Bush fire management program
- Water conservation, 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



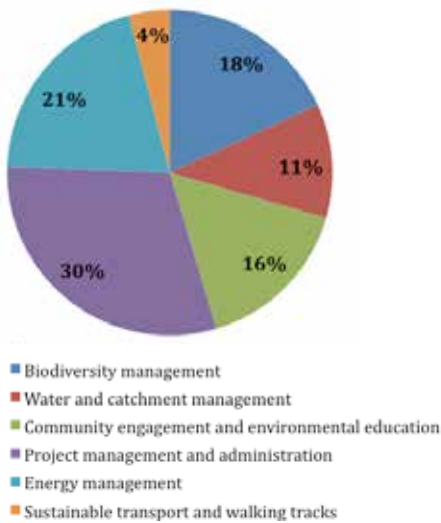
Key Achievements

Environmental levy program

Council's \$2.7 million Environmental Levy funds the annual delivery of a range of environmental programs and works that would not otherwise be possible within Council's ordinary budget.

During 2017/18, Council delivered programs and works across the key areas of biodiversity, energy, water, sustainable transport, community recreation, community engagement and environmental education. The following chart shows the breakdown of expenditure across the key program areas in 2017/18.

Environmental Levy expenditure 2017/18



A multi-disciplinary team funded by the Environmental Levy fulfil a range of essential service functions for Council, ensuring best practice environmental management. Levy funded staff develop and review a range of environmental policies and strategies; respond to federal and state policy directions and legislative changes affecting Ku-ring-gai; provide input into the preparation of Council's land use planning documents; provide expert guidance and advice within Council and to the community; participate in research partnerships; and prepare and review environmental assessments for all Council projects, ensuring that Council's legislative requirements are met.

In 2017/18, the Environmental Levy successfully leveraged \$69,000 of State Government grants

to further its environmental programs. Since its inception in 2005, the Environmental Levy has successfully leveraged \$10 million of State and Federal Government grants.

Environmental awards

Council's innovation and excellence in environmental management continued to be recognised in 2017/18 through a number of awards. The WildThings program, which distributes stingless native bee hives and assists residents to convert unwanted swimming pools into ponds rich in biodiversity, won a Highly Commended award for Environmental Leadership and Sustainability at the Local Government Professionals Awards. The WildThings and biodiversity program was also awarded Winner Division C and Overall Category under the 2017 LGNSW Excellence in the Environment Awards. The Climate Wise Communities program, which assists the community to better prepare for extreme weather events was named a finalist in the United Nations Public Service Awards. A commendation was also received from the Greater Sydney Commission at the Greater Sydney Planning Awards for Council's ongoing commitment to sustainability.



Turramurra Fresh Produce and Gourmet Market was awarded for achieving success in sustainability at the Better Business Awards 2018. Pictured with Deputy Mayor Callum Clarke.

Environmental management

Legislative changes affecting environmental management

A number of legislative changes came into effect in 2017/18 and were integrated into Council's environmental management program. These were:

- *Biodiversity Conservation Act 2016*
- *State Environmental Planning Policy (Vegetation in Non-Rural Areas) 2017*
- Amendments to the *Local Land Services Act 2013*.
- *The Crown Land Management Act 2016*

Implementing adopted policies

During 2017/18, Council implemented a number of recently adopted new and revised environmental policies. They included:

- **Climate Change Policy** - we are working towards net zero carbon emissions by 2045, by making our assets more energy efficient, installing solar PV, procuring renewable energy from the grid, transitioning to electric vehicles and helping our community to use less energy.
- **Climate Change Adaptation Strategy** - we are reducing Council's, the community's and the built and natural environment's vulnerability and improving resilience to the impacts of climate change.
- **Biodiversity Policy** - we are protecting and conserving Ku-ring-gai's biodiversity assets and values, including the threatened vegetation communities and flora and fauna that call Ku-ring-gai home.
- **Water Sensitive Cities Policy** - we are 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, productivity, resilience and sustainability of Ku-ring-gai.
- **Unstructured Recreation in Bushland Strategy** - we are supporting a diverse and accessible range of recreation opportunities within our natural areas

in a way that protects and enhances our local environment.

- **Bushland Dumping and Encroachment Policy** - we are addressing dumping and encroachment issues within Ku-ring-gai's bushland reserves to protect their ecological integrity.
- **Fauna Management Policy** - we are protecting and supporting the recovery of native fauna and their habitat and controlling the spread of pest species and reducing their impacts.
- **Contaminated Lands Policy** - we are ensuring that land use will not increase health or environmental risks.
- **Sustainable Event Management Policy** - we are integrating sustainability principles and practices into the planning, management and delivery of our events.

Climate change adaptation

To advance implementation of Council's Climate Change Adaptation Strategy, climate change adaptations included in the strategy were ranked based on their performance across the Triple Bottom Line (financial, environmental and social). Importantly, ranking included the capacity of the adaptation to reduce the specific weather hazard risk (bush fire, storms and flood, heat stress and drought). The prioritised list of climate change adaptations will guide the investment of staff and financial resources over future years.

Fauna management

A Ku-ring-gai Flying-Fox Reserve (KFFR) 10 Year Site Management and Roosting Habitat Plan was developed, to guide Grey-Headed Flying-Fox habitat restoration efforts within the KFFR and to ensure the continuing protection and preservation of the threatened vegetation community and fauna species, in particular the flying-fox colony.

This is a long term management plan that guides flying-fox conservation and habitat restoration efforts in the reserve, with a particular focus on habitat restoration works in areas away from residential properties.

During 2017/18, Council initiated a survey to help record the movements of a group of Gang-Gang Cockatoos, which has not been sighted in the Hornsby or Ku-ring-gai area since late 2016. Listed as an endangered population under the *Biodiversity Conservation Act 2016*, the group is believed to be at high risk of extinction. The online survey was also conducted by Hornsby Council and was supported by the NSW Office of Environmental Heritage through its Saving Our Species program.

Council also encouraged residents to get involved with a nationwide project that monitors the roaming habits of domestic cats. Cat Tracker included two main phases - a survey and cat tracking through free GPS tracking devices, through which owners are shown how to track their own cats. The GPS equipment is then sent back to the research team and results are shared with participants online. It is anticipated that over 1000 pet cats will be tracked around Australia.

We are supporting the habitat of this local Micro Bat through Council's innovative Pool to Pond Program.



Bushland and biodiversity management

Council continued to invest in bushland restoration activities in 38 of its highest priority bushland reserves, covering 60 hectares. Three ecological burns were conducted in Sheldon Forest, Bicentennial Park and the Ku-ring-gai Flying-Fox Reserve (KFFR), covering two hectares.

Bush fire prone land map update

The update to Ku-ring-gai's Bush Fire Prone Land Map was certified by the Rural Fire Service and adopted by Council in 2017/18. This replaces the previous map which was prepared in 2008. The new map formally identifies areas of land affected by bush fire hazards, acting as a legislative trigger for appropriate planning and development controls. The adopted changes resulted in the addition of bush fire prone status to a small number of properties. However, the net result is the removal of approximately 400 hectares of land previously designated as bush fire prone.

Major fire trail resurfacing and stabilisation works were also completed in the Fox Valley area with funding assistance from the Rural Fire Service Bush Fire Risk Mitigation and Resilience Program.

Bushcare and streetcare volunteers

A total of 687 environmental volunteers dedicated 13,610 volunteers hours in 2017/18 to benefit the local environment. This included bush regeneration activities at 152 Bushcare, Streetcare and Parkcare sites. A total of 31 dumping and encroachment issues were resolved and three bushland reserves proactively monitored (1.5 linear kilometres).

BioBanking

Currently around 100 hectares of bush owned by Ku-ring-gai Council are covered by a biobanking agreement, in bushland reserves between Turrumurra and West Pymble in the area known as Sheldon Forest, Rofe Park at South Turrumurra and Comenarra Creek Reserve, also in South Turrumurra.

Under the agreement, a biobanking trust fund for these sites provides permanent annual management payments of between \$100,000 and \$130,000

for the first 20 years of the agreement, and about \$40,000 each year after that. The funding is used for a variety of land management practices, such as weed control, revegetation and removing feral animals.

During 2017/18, Council consulted with the local community on a proposed second 6.25 hectare biobanking site comprises Blackbutt Park, Clive Evatt Reserve, The Glade Reserve and Sir David Martin Reserve, straddling the suburbs of Pymble, South Turramurra and Wahroonga. For this site, the biodiversity credits created would be sold to offset impacts on biodiversity by development in the local area. Following feedback from the community Council decided to support the biobanking proposal, which has been forwarded to the State government for approval.

Community programs

Community rebates

Council's community rebates scheme offers a range of rebates for residents, schools and businesses, to help our local environment and lower utility bills. In 2017/18, over \$31,000 of rebates were awarded for the installation of 116 energy efficient pool pumps and 5 home energy solutions, with matched community investment of \$148,000. Over the same period, \$4,000 of community rebates were awarded for the installation of four rainwater tanks and one raingarden, with matched community investment of \$11,000.

Through the Compost Revolution program, 72 worm farms and 181 compost bins were distributed, diverting 27.2 tonnes of organic waste from landfill.

Environmental grants

Environmental grants totalling \$46,700 were provided to community based organisations and individuals in 2017/18. The maximum funding for each project is \$5000 and the scheme is funded through the Council's Environmental Levy. Examples of projects previously funded include the purchase of native bee hives and greenhouses, bush regeneration, weed removal, bird surveys and recycling projects.

Sustainable lifestyles

Through the Greenstyle program, tailored sustainability advice was provided to 26 households and garden advice to 40 households as listed under the previous heading. There were over 6,200 participants in Loving Living Ku-ring-gai community programs and events.

In 2017/18, Council launched its Plastic Free July campaign, reaching 18,000 people, and a Living Plastic Free webpage, providing a platform for the community to understand what they can do in their homes and in the community to reduce single plastic use. We also worked with the Better Business Partnership to grow the Responsible Cafes program in Ku-ring-gai, bringing local businesses on board to give a discount to customers bringing reusable cups.

Residents learn how to identify native plants at a workshop held by Council at the Ku-ring-gai Wildflower Garden on 28 July.

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*Climate wise
communities*

Native flora

Launch of climate wise communities digital platform

Climate Wise Communities is a community engagement program delivering hands-on help for residents to plan for bush fire, storms, floods and heatwaves.

Council expanded its program with the launch of the Climate Wise Communities digital platform, to complement the program’s face to face workshops. The Ready Check online tool enables residents to assess their vulnerability and take action to strengthen their personal, property and neighbourhood resilience to extreme weather events. In 2017/18, we assisted over 430 residents to prepare for more extreme weather events through community workshops and events.

WildThings program

The popularity of the WildThings program continued in 2017/18 with another 86 stingless native bee hives distributed within Ku-ring-gai. A total of 1,264 native bee hives have now been distributed (764 in Ku-ring-gai and 500 across Sydney). Council supported a further three Pool to Pond conversions in 2017/18, bringing the total to 75. See map below showing the distribution of native beehives and pool to pond conversions within the LGA.

Distribution of native beehives and pool to pond conversions



1,264 native bee hives have been distributed as part of the WildThings program.

75 pools have been converted to ponds across the Ku-ring-gai LGA.

Corporate sustainability

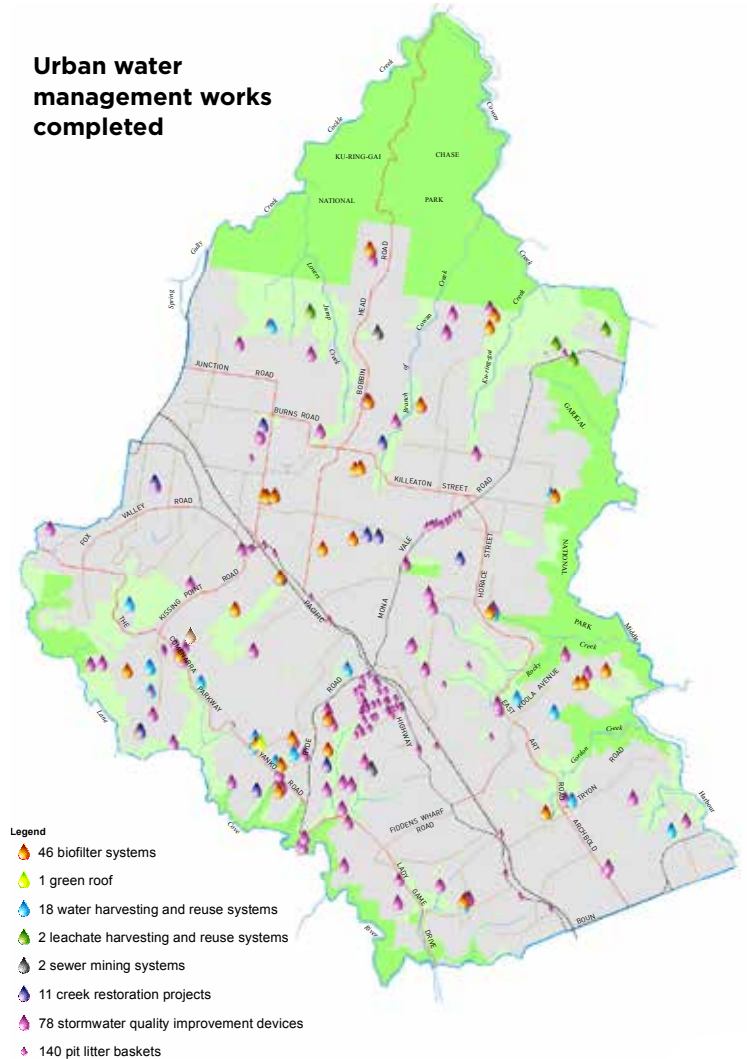
Water and catchment management

Key activities undertaken in 2017/18 included the following:

- Resurfacing of the Canoon Road netball courts car park in Turramurra, to reduce road base material washing into the existing sediment basin and adjacent bushland.
- Creek restoration works at Vista Street Reserve, Pymble, to reduce erosion and prevent further loss of sediment and movement of nutrients into the headwaters for High Ridge Creek.
- Construction of a Gross Pollutant Trap at McIntosh and Arthur Streets, Gordon, to improve stormwater quality through the collection of floating rubbish, leaf litter and sediment before it enters the natural Rocky Creek system which flows into Sydney's Middle Harbour.
- Culvert remediation works completed along Mona Vale Road at St Ives, to improve water quality flowing into ecologically significant bushland.
- A biofilter system constructed to treat stormwater runoff at Wahroonga. The biofilter system will improve the water quality running into downstream bushland. The works also include weed removal, revegetation of a large area of bushland and channel protection works.
- Completion of the Blackbutt Creek Flood Risk Management Study and Plan and progression of the Lovers Jump Creek Flood Risk Management Study and Plan. These will help develop an appropriate mix of management actions within Ku-ring-gai to deal with different types of flood risk.

The map adjacent provides an overview of the extent and range of urban water management works completed and maintained under the Environmental Levy.

Urban water management works completed



\$275,694 estimated cost savings for water irrigation across the LGA from stormwater harvesting sites.

Biofiltering

Water harvesting

Energy management

During 2017/18, Council continued to extend its solar panel installation in public buildings to reduce energy costs. The overall aim of these improvements is to reduce Council's greenhouse gas emissions by 2020 to those comparable with the year 2000. Reductions are steadily being achieved through changes to the vehicle fleet, street lighting and public buildings. Achievements in 2017/18 included:

- Installation of solar panels at the Ku-ring-gai Fitness and Aquatic Centre (KFAC), Turramurra Library, St Ives Library and the East Roseville Community Centre (resulting in a total installed capacity of 196kW).
- Installation of pool covers and upgrades of the pool filtration and pool heating plants at KFAC.
- LED lighting upgrade at St Ives Library, Bridge Street administrative building, Gordon and the Suakin Street, Pymble depot.
- Installation of smart metering and/or automated monitoring systems at 18 Council sites.
- 60% to 70% monthly energy savings have been recorded since the completion of the smart building initiatives at Gordon Library earlier this year including solar PV:
 - o a 13% reduction in annual energy use across all of Council's buildings and facilities and a reduction in annual electricity costs of \$150,000, compared to their peak in 2015/16 due to Council's solar projects, coupled with our energy efficiency program.
 - o Changes to the management of the Council Chambers air conditioning system led to significant improvements in building temperatures and a 15% reduction in energy consumption over the summer months.

There are now solar panels installed at 10 Council facilities with a total capacity of 440kW.

Our solar capacity has doubled in the past 3 years.

Council has adopted emission reduction targets that align to the Paris Agreement to limit global temperature increases to below 2°C and pursue efforts to keep warming below 1.5°C above pre-industrial levels. We are working towards net zero emissions by 2045 or earlier.

Other corporate sustainability initiatives

Reduced paper wastage and energy savings

The supply and installation of a new suite of printers, multifunction devices and a print management solution across Council has had significant environmental benefits. This includes reduced paper and consumables wastage and the associated reduction in energy use resulting from machines not operating to print unwanted print jobs. For the period June 2017 to March 2018, usage charges dropped by \$44,924, a 58% reduction compared to the period June 2016 to March 2017, and page counts dropped by 119,965, representing a 6% reduction.

Organic waste recycling

Council's recycling of its own organic waste has resulted in two tonnes of organic waste being diverted from landfill annually.

Staff recycling drives

A number of staff collection drives were undertaken throughout 2017/18 which led to 106 pairs of glasses donated to the Lions Club; 7kg of x-rays being recycled; five bags of fabric donated to Boomerang Bags; and two boxes of bottle tops being collected and donated to the Wildflower Garden for a public art piece. A total of 16 Boomerang Bag stations across Council facilitate the use of reusable bags instead of single use plastic bags for staff shopping.

Better business partnership (BBP) program

A total of 16 small or medium sized Ku-ring-gai businesses joined the Better Business Partnership program in 2017/18, a joint initiative of Ku-ring-gai, Willoughby and North Sydney Councils. A total of 29 appraisals were completed (14 being initial appraisals of new businesses and 15 being re-appraisals of existing businesses) to assess performance across a range of sustainability indicators and to offer tailored sustainability advice. Four energy audits and two waste audits were also conducted at several businesses. There are currently 226 active BBP members in Ku-ring-gai and 300 businesses who have participated in the BBP program.

Supported by Ku-ring-gai Council, the Better Business Awards recognise and showcase the sustainability achievements of Sydney's North Shore businesses who are members of the BBP program. Eight of the 11 award categories were won by Ku-ring-gai businesses at the 2018 awards, held in June.



Council sustainability initiatives.

Waste management and recycling

A range of initiatives were implemented during 2017/18 to reduce waste, promote recycling and educate the community. They included:

Community programs

- Two chemical collections were held with 150 tonnes of chemicals collected and diverted from waterways and landfill.
- A composting workshop was conducted with 28 Ku-ring-gai attendees.
- The Environmentors schools waste education program was completed with 10 schools participating.
- Council promoted a regional movie about the environmental impacts of the fashion industry with Willoughby, Hunters Hill and Hornsby Councils.
- Printed educational material was provided to tenants in multi-unit dwellings to provide assistance on the disposal of unwanted items when moving out. This included details on reuse and recycle sites.
- Waste education was provided to schools and the general community through print information, webpage information, displays and face to face coaching.
- Workshops and education programs were held with the community and schools to help improve recycling and waste reduction.

New waste processing initiative

Waste processing commenced at Woodlawn eco-precinct at Tarago, NSW, resulting in a further 3,000 tonnes of waste destined for landfill sorted to remove organics for compost and used for mine site rehabilitation. Woodlawn eco-precinct showcases innovative ideas on sustainability including a bioreactor; aquaculture, agriculture and horticulture areas; a mechanical and biological treatment facility and a windfarm.

Addressed illegal dumping of waste

Two specialist waste investigators continued with their role of finding persons responsible for dumped household waste, mulch and vegetation left in local parks and reserves. The investigators have been engaged through grant funding from the NSW Government through its Better Waste & Recycling Fund. The waste investigators will be using a variety of methods including surveillance to track down culprits and will issue fines where cases are proven.

Container recycling

Council supported the NSW Government's Return and Earn container recycling scheme. Under the scheme consumers can return eligible containers to collection points and receive a 10c payment for each container deposited. The Ku-ring-gai LGA has over-the-counter collection points at City Golf, Pacific Highway, Gordon and the IGA at St Ives.

Kerbside waste recycling

Along with other councils, Ku-ring-gai is facing uncertainty over the future of kerbside waste recycling due to the significantly reduced overseas markets for recyclables. Council is awaiting application guidelines for emergency funding to be offered by the NSW Government as an interim measure to maintain kerbside recycling services.

the year ahead

- ▶ **Make application to the Independent Pricing and Regulatory Tribunal (IPART) for the Environmental Levy to become permanent.**
- ▶ **Continue to seek State Government approval for a proposed new 6.25 hectare biobanking site to offset the environmental impacts of new development.**
- ▶ **Deliver recycling and waste education programs.**
- ▶ **Progress a Biodiversity Offset Code of Practice.**



Summary of Performance 2017/18

The following pages provide a summary of Councils progress during 2017/18 including QBL performance indicators, Councils Delivery Program 2013-2018 and Operational Plan 2017-2018.

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 2017/18 year, under this theme, compared to the previous four years.

QBL indicators

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Env	Bushland regeneration (area)	ha	58	59	61	60	60	Stable
Soc	Identified Aboriginal heritage sites	Sites	101	101	102	106	105	Stable
Env	Greenhouse emissions	tCO2-e	8,955	9,635	11,258	10,589	10,203	Decreased ¹
Env	Waste Kg/resident	kg	205.78	206	205.63	208.19	179.07	Decreased ²
Env	Recycling Kg/resident	kg	110.78	107.86	104.36	101.15	96.32	Decreased ³
Env	Green Waste Kg/resident	kg	152.7	163.57	170.12	157.13	139.68	Decreased ⁴
Soc	Fire trail maintenance	km	44	44	44	44	44	Stable
Soc	Major fire trail upgrades	km	1.8	3.69	0.55	0.1	0.1	Stable ⁵
Env	Pile burns	No.	94	103	86	20	58	Increased
Env	Hazard reduction burns	ha	33.94	53.36	74	36.5	4	Decreased ⁶
Env	Fire break maintenance	km	24.5	24.5	24.5	24.5	24.5	Stable
Env	Energy consumption street lighting	kWh	4,663,747	4,516,325	4,392,009	4,242,304	4,307,876	Increased ⁷
Eco	Energy consumption street lighting	\$	784,855	676,079	644,750	632,519	647,803	Increased ⁸

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

1. Council emissions decreased by 9% since they peaked in 2015/16. This is due to improved energy efficiency within Council fixed assets (13% reduction in consumption), improved energy efficiency of Ausgrid street lighting (4% reduction in consumption) and lower fuel consumption by Council's fleet (8% less emissions). Note that Council emissions increased significantly in 2014 as a number of new assets came online and electricity accounts were transferred from contractors to Council, namely: 828 Pacific Highway; Ku-ring-gai Fitness and Aquatic Centre; North Turrumurra Sewer Treatment Plant; and Gordon Golf Course Sewer Treatment Plant.
2. Waste processing commenced with a further 3,117 tonne diverted from landfill.
3. Paper continues to decrease due to the down turn in the print media industry. Mixed recycling has resulted in a decrease from last year's tonnage. Investigations into this decrease and ways to address this are to be investigated.
4. As 2016/17 was a dry summer the amount of green waste was reduced.

5. Major fire trail funding carried over to this financial year due to Rural Fire Service Fire Access and Fire Trail program roll out.
6. Hazard Reduction Burns were completed at Sheldon Forest, Bicentennial Park and St Ives Showground. Unfavourable weather conditions and resourcing availability from Council, NSW Fire and Rescue and the Rural Fire Service reduced the ability to complete hazard reduction burning activities.
7. Energy usage has increased 1.5% on last year after 8 years of falls. There has been an increase in lights, however, this is not the only factor. A reduction is expected next year when an accelerated replacement of residential streets with LED lights arranged by the Street Light Improvement Program and Ausgrid will be implemented.
8. Energy consumption has increased in line with contract rates, however, next year is expected to be significantly higher, possibly up to double for the same consumption, in line with new tender rates.

How we performed against Council's Delivery Program 2013-2018 and Operational Plan 2017-2018

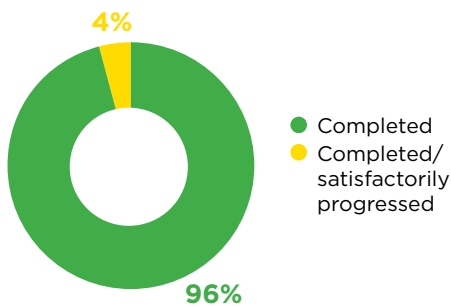
► Achievement of Operational Plan Tasks, Performance Indicators, Critical Actions and Term Achievements

The Delivery Program and Operational Plan sets out the operational plan tasks, performance indicators, critical actions and term achievements for each theme. The following charts represent our performance in completing what we said we would do under this theme.

Operational Plan Tasks 2017/18

24 completed/ satisfactorily progressed
3 on hold or deferred by Council resolution

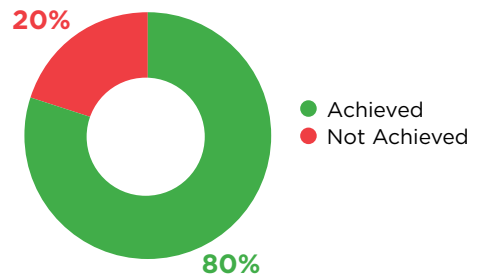
Two tasks related to Council's Special Rate Variation application, which were deferred by Council to the Operational Plan 2018/19 (N1.1.2.5 and N1.1.2.1.3). The third task related to the Natural Areas Plan of Management (N2.1.1.1.2) which was not progressed due to resourcing limitations and has been included in the Operational Plan 2018/19.



Performance Indicators 2017/18

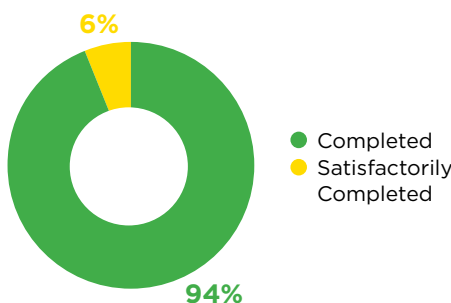
8 achieved
2 not achieved
3 excluded

See pages 136-137 for explanatory comments.



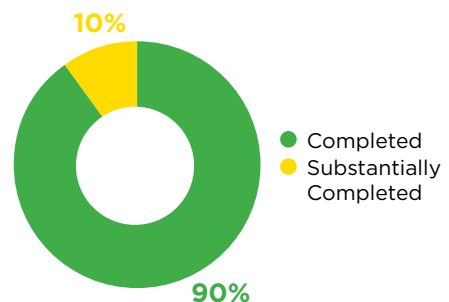
Critical Actions 2013/18

17 completed/satisfactorily completed




Term Achievements 2013/18





9 completed
1 substantially completed




Operational Plan Performance Indicators 2017/18

Code	Description	Baseline	Yearly target	Units	Achieved amount	Yearly rating
N1.1.1.A	Residents involved in community environmental programs.	In 2012/13 there were 2,479 residents involved in community environmental programs. (Data source: Council)	2,479	Residents	6,264	
<p>Comment: The increase in community participation over the annual target reflects the ongoing relevance and success of Council's environmental programs.</p>						
N1.1.2.A	Community activity that benefits the environment.	Number of residents at a household or individual level who carried out actions to benefit the environment as a result of participation in Council programs in 2013/14. (Data source: Council)	1,565	Residents	2,104	
N2.1.1.A	Area of bushland/habitat regenerated.	In 2012/13 bush regeneration works were conducted on 20.5 hectares of bushland. (Data source: Council)	20.5	Hectares	60	
<p>Comment: This figure was corrected following the June 2016-2017 bi-annual report which was reported at 20.5 hectares.</p>						
N2.1.1.B	Condition of bushland managed by Council (resilience rating).	Bushland condition rating determined for sample bushland reserve site in 2014/15. (Data source: Council)	76 (previously 79.9)	%	-	
N2.1.1.C	Condition of bushland managed by Council (weeds rating).	Bushland condition rating determined for sample bushland reserve site in 2014/15. (Data source: Council)	30 (previously 13.5)	%	-	
N2.1.1.D	Condition of bushland managed by Council (threats rating). Lesser is better.	Bushland condition rating determined for sample bushland reserve site in 2014/15. (Data source: Council)	39 (previously 72.5)	%	-	


Comment for N2.1.1.B / N2.1.1.C / N2.1.1.D: The above performance indicators measure three different components of bushland condition. For the 2017-2018 year insufficient data was available to compile the bushland condition ratings.

N3.1.1.A	Creeks tested that maintain or improve their stream health score.	In 2012/13 100% of tested creeks maintained or improved their stream health score. (Data source: Council)	100	%	100	
N3.1.1.B	Physical creek remediation projects completed.	Number completed per year.	1	Projects	1	
N3.1.1.C	Rubbish diverted from our waterways (tonnes)	1,887 tonnes (volume) diverted per year. (Data source: Council)	1,887	Tonnes	2,070	
N5.1.1.A	Percentage household waste diverted from landfill.	In 2012/13 60% of total household waste was diverted from landfill. (Data source: Council)	60	%	59.24	

Comment: There were several contributing factors that resulted in the target not being met. These included the continued drop in paper tonnages due to a downturn in the newspaper industry, a reduction in the green waste collected due to a dry summer and further increases to the number of multi-unit properties in the LGA.

N4.1.1.A	Residents involved in climate change adaptation activities during the year.	In 2012/13 there were 106 participants in climate change adaptation activities. (Data source: Council)	106	Participants	313	
N5.1.2.A	Household potable water consumption per capita. Lesser is better.	In 2012/13 there was 83.02 kL/capita water consumption (based on Estimated Residential Population (ERP) of 116,527. (Data source: Sydney Water)	83.02	kL/ capita	85.58 (Based on 16/17 usage and an ERP of 123,143)	

Comment: The above water consumption stats are based on 2016/17 usage, due to the time lag in Sydney Water information being available. Reasons for the minor 3% increase in water consumption above the baseline are not clear and could include changing resident usage patterns. Opportunities to further increase awareness regarding more sustainable water use in Council promotion materials will be assessed. This will be particularly relevant for 2017/18 usage figures, with the whole of NSW being drought declared during 2017/18.

N5.1.2.B	Household electricity consumption per capita. Lesser is better.	In 2012/13 there was 3,187kWh household energy consumption per capita. (Data source: Ausgrid and RAPP2.0)	3,187	kWh/ capita	3,010 (Based on 16/17 usage and an ERP of 123,143)	
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FURTHER READING
Copies of Councils Delivery Program and Operational Plan progress reports for the 2017/18 year can be accessed at kmc.nsw.gov.au/paststrategicplans

Fun at Turramurra Memorial Park.
This was one of the entries in a
photography competition celebrating
the Ku-ring-gai community and
environment for the Ku-ring-gai
edition of the game of Monopoly.
Photographer: Lexi Brak.

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Safe Public Spaces



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.

Services provided under this theme

- 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



Key Achievements

In 2017/18, Council continued its program of improving and expanding facilities within the Ku-ring-gai LGA for the benefit and enjoyment of our community.

This included \$1.6 million spent on construction and designs for new and upgraded parks and playgrounds, \$456,000 spent on construction and designs for new and upgraded sportsfields and facilities as well as the completion of the \$28 million North Turramurra Recreational Area.

Revitalisation projects at Lindfield and Turramurra local centres were also significantly progressed. These projects will transform Council's own significant land holdings within the centres into new community facilities, vibrant town squares and a renewed focus for shopping, eating and community activities.

Activate Ku-ring-gai projects

The Activate Ku-ring-gai program was recognised in 2017/18 with a national award from Parks & Leisure Australasia in the Excellence in Leisure/Open Space Planning category. Activate Ku-ring-gai began in 2013 as a planning program to reinvigorate Ku-ring-gai's major centres in Gordon, Turramurra and Lindfield.

The Lindfield Village Hub project, estimated at \$350 million (subject to tender), is located on the western side of Lindfield local centre. The hub will be a new mixed use precinct with community buildings, boutique shops, cafes, restaurants, apartments and a below-ground supermarket. During the year Council resolved to pursue an Expression of Interest (EOI) from the market for the development of the Hub. A community meeting was held, attended by over 100 residents, to discuss the Lindfield Village Hub.

Following a three month selection process seven community representatives from around 20 applicants were selected by Council for the Lindfield Village Hub Reference Committee. The committee will provide advice to Council on community related development outcomes, such as place-making, environmental sustainability, social procurement and service delivery. The first meeting of the committee will be held in 2018/19.

A modified development application was prepared for the Lindfield Village Green project to include a third level of parking in the underground car park.

The Turramurra Community Hub project completed its first phase of development including public consultation, completion of a design masterplan and discussions with key stakeholders. The second phase of project development is now underway to prepare a detailed business case for the next step in the procurement process for this project.



FURTHER READING

Further information on these and other major projects can be found on pages 42-45.

Neighbourhood centre upgrades

Design concepts continued to be prepared in consultation with the community for Ku-ring-gai's neighbourhood centre improvement projects. Community engagement informed upgrade works which were completed at Warrimoo Avenue neighbourhood shops, St Ives and landscape improvements at East Lindfield neighbourhood shops, Wellington Road, East Lindfield.

New and upgraded parks and playgrounds

During 2017/18 Council spent \$1.6 million on the designs and construction of new and upgraded parks and playgrounds. Highlights included:

Playground at Bicentennial Park, West Pymble

The Golden Grove playground, located at Lofberg Road, West Pymble, is located within one of Ku-ring-gai's biggest parks. The playground was upgraded with a variety of new play equipment and natural play areas including water-based elements. The playground also has new fencing, with self-closing gates and seating.

Playground at Roseville Chase Community Centre

The Roseville Chase Community Centre playground upgrade was completed and opened. The upgrade includes a range of new playground equipment, with inclusive play elements, accessible paths, and a perimeter fence to make the space accessible for the wider community. The site's drainage was also improved in an effort to reduce erosion from run-off.

Design and consultation for other upgrades

Work also continued on designs and community consultation in relation to other priority playgrounds and parks that need updating, based on population distribution and Council's policy of making Ku-ring-gai's playgrounds enjoyable for children of all ages and abilities. This included:

- Preparation and exhibition of detailed designs for a new park at the corner of Allan Avenue, Holmes Street and Duff Street in Turramurra. When completed the new park will be approximately 2,700m².
- Completion of plans for the new regional playground at St Ives Showground. This play area will be an inclusive and large play space for the Showground, in response to increasing population growth and visitor numbers. Funding for the upgrade has been assisted by the NSW Department of Planning and Environment through the Metropolitan Greenspace Grant Program.
- Adoption of a masterplan for improvements to Gordon Recreational Ground, located in Werona Street, Gordon. This includes an upgraded pathway with additional lighting to improve safety and accessibility, an expanded playground area, additional picnic tables and seating areas, fully accessible toilet facilities, new lighting and line-marking for the tennis courts to allow sports such as basketball and netball to be played on them.
- Draft landscape masterplan completed for Robert Pymble Park in Alma Street, Pymble.
- Design planning completed for an upgrade to Putarri Reserve, St Ives, which was prioritised for an upgrade due to the area's high influx of young families. Design features include new fencing, landscaping and a range of playground equipment.

Council staff preparing the turf Wicket at Bert Oldfield Oval, Killara.



The newly upgraded Golden Grove Playground at West Pymble's Bicentennial Park. There is a variety of new play equipment for little ones to discover including a climbing net, carousel, slides, swings, and natural play areas with water-based elements.

Upgraded sportsfields and facilities

North Turramurra Recreation Area

The award-winning \$28 million North Turramurra Recreation Area was fully completed in 2017/18. This is one of the largest sporting complexes Council has built. The synthetic field and turf fields were well used for regional soccer games and local training during the winter playing season. Other facilities include a new amenities building, public toilets and cart shed. The golf course is now well established and attracting higher visitor numbers due to its 18 hole championship layout. Council's recreational staff worked with the golf pro to establish a junior golf program. A netball training court is planned adjacent to the car parking area.

Koola Park sportsfields, East Killara

The major upgrade at Koola Park in East Killara was also completed. This development, staged over a number of years, includes an additional fourth sports field, field floodlighting, landscaping, and improved fencing and a shared pathway around the perimeter of the park for cyclists and pedestrians, outdoor exercise equipment stations, improvements to pedestrian access, car parking and an internal access road.

Other improvements

During 2017/18, Council continued to pursue improvements to sporting and recreational facilities through partnerships, grant funding and other external funding opportunities. Achievements included:

- Completion of a feasibility study for the Browns Waterhole Track in South Turramurra with a grant from the Metropolitan Greenspace Program providing 50% of the project funding.
- Successful funding application for \$30,000 towards the Lindfield Memorial Park playground upgrade from the Community Building Partnerships program.
- Successful funding application for \$20,000 towards the conversion of tennis courts into dual usage for netball and basketball from the Stronger Communities Program.

- Accessible toilet and access path completed at the Princess Anne Arena in conjunction with Northside Riding Club utilising grant funding.
- Progression of a joint co-contributed project between Council, Roseville Junior Cricket Club and Cricket NSW towards capital renewal of two cricket practice nets at Roseville Park.

Future sportsground demand

A recent report commissioned by the Northern Sydney Regional Organisation of Councils (NSROC) identified a major future shortfall in the supply and capacity of sportsgrounds in the northern suburbs region, including Ku-ring-gai.

The report, which covered the LGAs of Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, North Sydney, Ryde and Willoughby, found that demand for sportsfields would far outweigh supply in coming years. This is due to the region's sportsgrounds already being over capacity and a projected additional supply of 40 per cent required over the next 20 years to support the needs of the region's projected population. The study findings showed that, while individual councils are expanding and improving sporting facilities within their own local government areas, partnership with the state government is vital to help plan and deliver initiatives which are beyond the capacity of local government. The report recommended 15 actions with those needed from State Government including:

- Sport is incorporated into active healthy living and 'liveability' measures for Sydney.
- Sportsgrounds and open space be provided as essential infrastructure.
- Planning to ensure delivery of spaces that are not compromised by other outcomes.
- New or upgraded community sport and recreation facilities to meet the population growth.

Council is reviewing the information in the report for future actions.

Sports fields at the award-winning \$28 million North Turrumurra Recreation Area. This is one of the largest sporting complexes Council has built.

Healthy living



Community

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Conservation and protection of our heritage

Council provided \$20,998 in grants to owners of heritage properties for conservation and maintenance work in 2017/18. Proposed works included replacement of roof tiles, repointing of exterior brickwork and painting of exterior woodwork. Grants, which range from \$1,000 and \$5,000, are allocated annually on a dollar for dollar basis, where Council matches the amount spent by the applicant up to the funding limit.

Achievements during 2017/18 included:

- The Middle Harbour Road Heritage Conservation Area (HCA) in Lindfield was finalised and gazetted.
- Proposed HCAs in Wahroonga, Turramurra, Pymble and Gordon were publicly exhibited and reported to Council.

Consideration of Aboriginal heritage sites continued to form part of Council's standard environmental assessment process, with the Aboriginal Heritage Office providing advice and Aboriginal heritage due diligence reports where required. Ten staff received Aboriginal heritage training.

Planning

Council received approval from the NSW Department of Planning & Environment to amend the Ku-ring-gai Local Environmental Plan 2015 to include 13 deferred areas. These areas were deferred from the Ku-ring-gai Local Environmental Plan 2015 to allow Council time to undertake a further assessment of the proposed zoning within these areas. The areas have high bush fire evacuation risk, due to the number of dwellings within each area and the limited number of exit roads, impacting on the ability of people to evacuate safely in the event of a bush fire.

The approved amendment to the LEP provides appropriate land use zonings and associated development standards, recognising the high bush fire evacuation risks within these areas.

Planning for housing across Ku-ring-gai addressed the supply, choice and affordability needs of the community. This involved analysis and monitoring of

Council land holdings and master planning for new housing opportunities within the key local centres of the Activate Ku-ring-gai local centres program. Council's current Local Environmental Plans provide for the supply and choice of housing. The issue of housing affordability is a key policy objective of the Greater Sydney Commission and will be addressed in the North District Planning process.

Graffiti removal

Under an agreement with the Turramurra Rotary Club, Council will provide funding for volunteers to remove graffiti from private property. This will enable the continuation of the successful graffiti removal service.

It follows the success of Council funding for graffiti removal by Rotary volunteers in other suburbs such as St Ives, Lindfield and Wahroonga. Annual funding of \$12,000 a year will be provided to the club over the next five years to distribute to other rotary volunteers. The Turramurra Rotary Club will now coordinate all Council funding for local rotary volunteers to continue removing graffiti from private property across Ku-ring-gai. Council will continue to clean graffiti from public buildings, roads and footpaths.

Under the agreement, volunteers will take photos of graffitied areas before they are cleaned to forward to VandalTrak. VandalTrak is an information sharing website and smartphone app, designed to help police track down and prosecute vandals.



FURTHER READING
For further information about the private graffiti removal service see www.turramurrarotary.org.au

To complement the graffiti removal program, a new Council operational team is being established to manage graffiti and public place pressure cleaning within the LGA. The team will utilise a truck equipped with a high pressure steam jet spray unit. This service will also be offered to private property owners where graffiti is seen from a public place.

Litter free Ku-ring-gai campaign

Council's successful campaign to prevent littering in its major shopping centres received a \$50,000 grant from the NSW Government in 2017/18, enabling Council to spend an additional \$100,000 on litter prevention in Ku-ring-gai's local centres.

The anti-litter program began in 2014 in the Wahroonga, Turramurra and St Ives centres, and then expanded to include Gordon, Lindfield and Roseville.

The program includes the installation of new bins, upgrading of street furniture such as seating, graffiti removal and street cleaning and consultation with Chambers of Commerce and local businesses on strategies to keep centres tidy and litter-free.

In the three years since it started, the litter campaign has shown an average of 93% reduction in litter in Ku-ring-gai's major centres. Local businesses are now partnering with the Council to promote the 'Litter Free Gordon' campaign to help improve tidiness in Gordon's main shopping area.

Trial of tree trimming changes

In March 2017, Council entered into a trial with Ausgrid which will allow Council contractors to safely trim trees close to low voltage powerlines at Council's request. The three month trial of Council funded vegetation management is being run in conjunction with Ku-ring-gai and Sutherland Shire Councils.

Under the trial, external contractors paid for by Council will be able to trim branches growing within restricted clearance areas around low voltage powerlines known as the 'No go zone'. Previously this type of work could only be done by Ausgrid or our own accredited contractors. It is anticipated that this partnership arrangement will help protect Ku-ring-gai's tree canopy near powerlines and result in cost savings and faster responses for councils to maintain street trees.

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 two 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 eight railway gardens and traffic roundabouts and other roadway landscaping areas.

During 2017/18, 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. Key achievements included:

- Annual playground audits completed by an independent inspector gave Council's playgrounds a high rating for safety with 98.2% of playgrounds compliant to Australian Standard AS4422 2016.
- The Parks Asset Refurbishment Program improved the condition of sporting and recreational facilities within our LGA. Examples included:
 - o Willis Avenue Reserve, St Ives - upgrade of playground and seating adjacent to area.
 - o Nar-Rang Park, Gordon - upgrade of playground and refurbishment of seating and landscape areas.
 - o Warimoo Oval, St Ives - upgrade of playground and landscaping of adjacent area.
- Large scale turfing was carried out at a number of locations by the parks team including:
 - o Nearly 3,000m² of turf laid.
 - o 17,500kg of fertiliser spread on Council's 46 sporting fields.
 - o 61.5 tonnes of soil used to top-dress areas on all of the fields.
 - o 42 hectares of weed spraying undertaken at a cost of \$23,062 to reduce broadleaf weeds on sporting fields.

Tranquil gardens



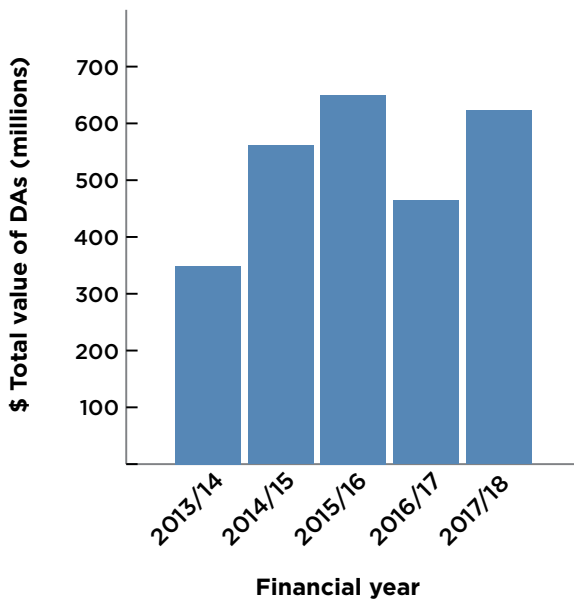
Managing regulatory outcomes

The protection of Ku-ring-gai's character, heritage and 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 \$600 million.

During 2017/18, applications determined had a total estimated value of just over \$600 million which is a 29% increase above the 2016/17 value of \$464 million. The following graph and table show the breakdown of the number of determinations for 2017/18 in comparison to the previous four years.

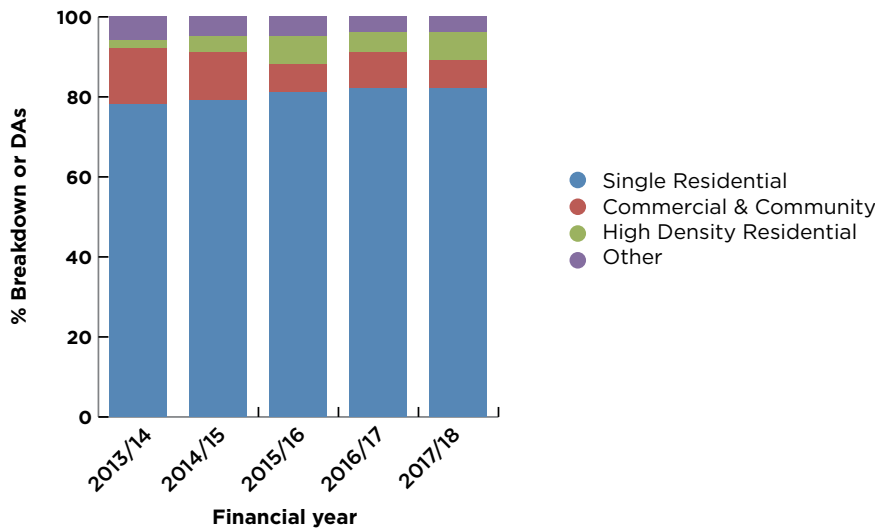
Total value of development applications



Total value of development applications

Year	Value
2017/18	\$622 million
2016/17	\$464 million
2015/16	\$650 million
2014/15	\$560 million
2013/14	\$350 million

Total number of development applications by type



Total number of development applications by type (\$ value)

Development application	2013/14	2014/15	2015/16	2016/17	2017/18
Single residential	78%	79%	81%	82%	82%
Commercial and community	14%	12%	7%	9%	7%
High density residential	2%	4%	7%	5%	7%
Other	6%	5%	5%	4%	4%
Total	100%	100%	100%	100%	100%
Total value	\$348,787,277	\$560,560,993	\$650,000,000	\$464,188,395	\$622,664,137

While development remains steady and buoyant in Ku-ring-gai, particularly for new residential housing, there were some changes to Council's determination of applications:

- The proportion of high density residential DA's increased from 5% to 7%. This was offset by a decrease in 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 691 DAs during the financial year. This is the equivalent of 53% 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).

Total number of applications by type

Application type	2013/14	2014/15	2015/16	2016/17	2017/18
CDC	597	664	757	696	607
DA	514	544	602	589	691
S96	235	221	238	209	313
S82a	1	3	6	5	12

Development application median processing times

Year	Value
2017/18	78
2016/17	78
2015/16	74
2014/15	54
2013/14	52

Note: The median processing time for all Council applications has remained stable for the 2017/18 year. The determination time 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 Local or Regional 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.

the year ahead

- ▶ **Implement the Greater Sydney and North District Plans.**
- ▶ **Progress planning for the revitalisation of Lindfield and Turramurra local centres.**
- ▶ **Complete the regional playground at St Ives Showground.**
- ▶ **Continue concept design for a joint use indoor sports facility at St Ives High School with the Department of Education.**
- ▶ **Progress transformation of three public tennis courts into multipurpose sports courts.**
- ▶ **Continue administrative support for the Ku-ring-gai Local Planning Panel (KLLP).**



Summary of Performance 2017/18

The following pages provide a summary of Councils progress during 2017/18 including QBL performance indicators, Councils Delivery Program 2013-2018 and Operational Plan 2017-2018.

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, governance and economic' indicators for the 2017/18 year, under this theme, compared to the previous four years.

QBL indicators

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Soc	Non-Aboriginal heritage sites	Sites	878	968	946	991	994	Increased ¹
Env	EPA registered contaminated land sites	No.	2	3	3	3	3	Stable
Env	Noise complaints	No.	139	157	150	143	163	Increased ²
Gov	DA median processing time	Days	52	54	74	78	78	Stable
Eco	Development related legal costs	\$	502,525	1,153,612	1,256,887	1,054,747	1,267,706	Increased ³
Soc	Provision of new local open space	m ²	3,400	0	0	0	0	Stable ⁴
Env	Water consumption (Council) (KL)	kL	96,550	101,481	102,555	183,573	141,721	Decreased ⁵
Eco	Water consumption (Council)	\$	275,769	312,437	321,000	438,419	343,232	Decreased ⁶
Env	Electricity consumption (Council) buildings	kWh	3,767,000	4,887,000	5,581,000	5,124,000	4,837,000	Decreased ⁷
Eco	Electricity consumption (Council) buildings	\$	999,000	1,038,276	945,781	916,466	862,344	Decreased ⁸
Eco	Fuel cost	\$	616,999	548,813	472,098	460,770	493,572	Stable
Eco	Street light maintenance costs	\$	1,996,184	1,759,384	1,678,918	1,571,375	1,495,649	Decreased ⁹

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

1. There has been an increase in sites due to LEP Amendments adding new heritage items to Council's Local Environmental Plans.
2. Continuing growth of noise complaints, with many associated with domestic air conditioning systems.
3. The number of appeals lodged has been high. Council's overall success rate in appeals has remained high; however, the commencement of appeals does not lie within the control of Council. In relation to costs recovered, the amount of \$135,290 had been recovered as at the end of the quarter to 30 June 2018.
4. The annual target of 2,000m² of land to be acquired for recreational open space purposes was not achieved during 2017/18 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.
5. Water consumption decreased by 23% between 2016/17 and 2017/18, however, remained higher due to Koola Park requiring a new irrigation system and new turf, North Turramurra Golf Course

- requiring new gardens and turf mounds and Howson Oval requiring a complete field rebuild, the establishment of new irrigation systems and new turf.
6. Water costs have decreased due to a reduction in water consumption of 23% between 2016/17 and 2017/18.
7. Total Council electricity consumption has decreased by 13% since it peaked in 2015/16, due to improved energy efficiency within Council buildings. Note that Council electricity consumption increased significantly in 2014 as a number of new assets came online and electricity accounts were transferred from contractors to Council, namely: 828 Pacific Highway; Ku-ring-gai Fitness and Aquatic Centre; North Turramurra Sewer Treatment Plant; and Gordon Golf Course Sewer Treatment Plant.
8. Council's energy savings program has led to a 5% reduction in building energy consumption between 2016/17 and 2017/18, and average unit costs for electricity have decreased by 2%.
9. A further decrease is expected next financial year as the replacement of lights in residential streets with LED lights are associated with lower maintenance costs.

How we performed against Council's Delivery Program 2013-2018 and Operational Plan 2017-2018

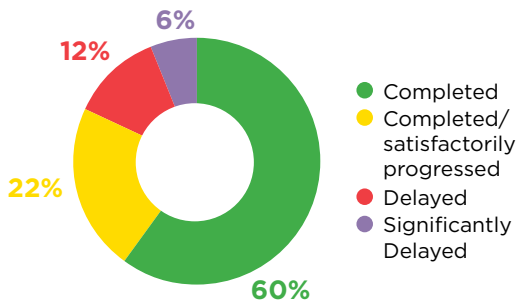
► Achievement of Operational Plan Tasks, Performance Indicators, Critical Actions and Term Achievements

The Delivery Program and Operational Plan sets out the operational plan tasks, performance indicators, critical actions and term achievements for each theme. The following charts represent our performance in completing what we said we would do under this theme.

Operational Plan Tasks 2017/18

- 55** completed/satisfactorily progressed
- 8** delayed **4** significantly delayed
- 2** on hold by Council resolution

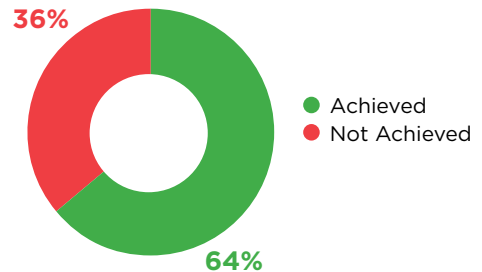
Tasks on hold relate to the St Ives Shopping Village and Gordon Civic /Cultural Hub which could not proceed due to the 'on hold' critical actions discussed below.



Performance Indicators 2017/18

- 9** achieved
- 5** not achieved

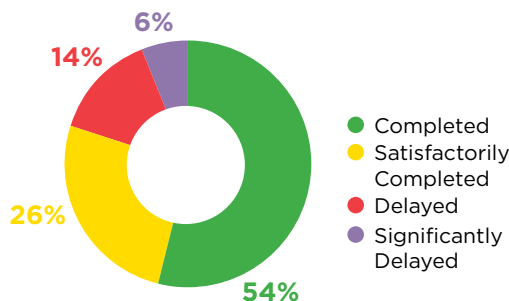
See pages 154-156 for explanatory comments.



Critical Actions 2013/18

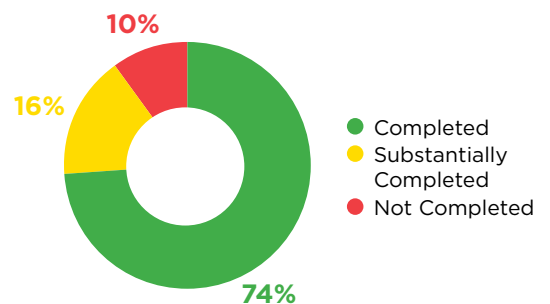
- 28** completed/satisfactorily completed
- 5** delayed **2** significantly delayed
- 2** on hold by Council resolution

The critical actions on hold refer to:
 - The master planning for the St Ives Centre and surrounding precincts, which remained on hold by previous Council Resolution, subject to a formal planning proposal being received from the owners of the St Ives Shopping Village.
 - The preparation of a master plan for Gordon Town Centre which was placed on hold by Council Resolution in April 2018 to enable establishment of a Gordon Public Realm Reference Committee.



Term Achievements 2013/18


- 14** completed
- 3** substantially completed
- 2** not completed




Operational Plan Performance Indicators 2017/18


Code	Description	Baseline	Yearly target	Units	Achieved amount	Yearly rating
P1.1.1.A	Tree Management requests actioned within agreed service delivery standards.	In 2012/13, 90% of the 5,000 tree management requests received were actioned within agreed service delivery standards. (Data source: Council)	90	%	76	
Comment: Budget constraints affected ability to achieve service levels for Council tree works.						
P2.1.2.A	Percentage of development applications assessed largely consistent with relevant policies and legislation.	Annual target of 100% for assessing applications. (Data source: Council)	100	%	100	
P2.1.2.B	Development application determination times. Lesser is better.	Annual target for net median processing times for all applications is less than 80 days. (Data source: Council)	80	days	78	
P3.1.1.A	Percentage of Land and Environment Court matters that result in successful outcomes.	In 2012/13, Council was successful in over 90% of cases in the Land and Environment Court. (Data source: Council, Land & Environment Court)	90	%	95	
P6.1.2.A	Open space projects.	Completion of capital works programs within timeframes and budgets. (Data source: Council)	90	%	95	
P6.1.2.B	Satisfaction with the condition and maintenance of Council sporting fields.	Satisfaction level based on previous Council community surveys. (Data source: Community Satisfaction Survey)	75	%	90	

Comment: Community Satisfaction Research undertaken in March 2017 indicated a positive shift in community satisfaction with the maintenance of sporting grounds and facilities.


P6.1.2.C	Playground Safety Audit Program.	Completion of playground safety audit program within set timeframes. (Data source: Council)	100	%	100	
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Comment: The audit was completed and priority works actioned. The audit includes three operational inspections and one independent annual audit report.

P7.1.1.A	Condition rating of community buildings.	In 2012/13, there was an average condition rating of 3 on a scale of 1 (excellent) to 5 (poor) under Schedule 7 of the Local Government Act. (Data source: Council)	3	Condition rating	3	
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P7.1.1.B	Potable water consumption (kL) in Council facilities. Lesser is better	In 2012/13, potable water consumption in Council facilities was 98,282kL. (Data source: Council)	98,282	kL	141,721	
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Comment: Water consumption peaked in 2016/17 due to Koola Park requiring a new irrigation system and new turf, North Turramurra Golf Course requiring new gardens and turf mounds and Howson Oval requiring a complete field rebuild, the establishment of new irrigation systems and new turf. Water consumption decreased by 23% between 2016/17 and 2017/18.



P7.1.1.C	Water reuse/recycling (kL) used by Council operations.	In 2012/13, Council reused/recycled 22,879kL of water from Council TECHSERV (leachate re-use and stormwater harvesting systems). (Data source: Water Conservation Group)	22,879	kL	137,847	
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P7.1.1.D	Electricity consumption (MWh) of Council's fixed assets. Lesser is better	In 2012/13, there was 3,273 MWh electricity consumption of Council's infrastructure assets. (Data source: Utilities, Council)	3,273	MWh	4,837	
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Comment: Total Council electricity consumption has decreased by 13% since it peaked in 2015/16, due to improved energy efficiency within Council buildings. Note that Council electricity consumption increased significantly in 2014 as a number of new assets came online and electricity accounts were transferred from contractors to Council, namely: 828 Pacific Highway; Ku-ring-gai Fitness and Aquatic Centre; North Turramurra Sewer Treatment Plant; and Gordon Golf Course Sewer Treatment Plant.

P7.1.1.E	Greenhouse gas emissions (tonnes CO2-e) from Council operations. Lesser is better.	In 2012/13, there was 9,527 tonnes CO2-e greenhouse gas emissions from Council's infrastructure assets (electricity, gas, fleet, street lighting). (Data source: Council)	9,527	tonnes CO2-e	10,203	
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Comment: Council emissions decreased by 9% since they peaked in 2015/16. This is due to improved energy efficiency within Council fixed assets (13% reduction in consumption), improved energy efficiency of Ausgrid street lighting (4% reduction in consumption) and lower fuel consumption by Council's fleet (8% less emissions). Note that Council emissions increased significantly in 2014 as a number of new assets came online and electricity accounts were transferred from contractors to Council, namely: 828 Pacific Highway; Ku-ring-gai Fitness and Aquatic Centre; North Turramurra Sewer Treatment Plant; and Gordon Golf Course Sewer Treatment Plant.

P7.1.2.A	Utilisation of community halls and meeting rooms (during core times).	In 2012/13, there was an average 75% utilisation of community halls and meeting rooms during core times. (Data source: Council)	75	%	77	
P8.1.2.A	Capital works programs for roads, footpaths and drains.	Completion of capital works programs within timeframes and budgets. (Data source: Council)	95	%	90	

Comment: The delivery of some of the capital works project for roads has been deferred due to changes to the scope of some projects or changes resulting from resident feedback.



FURTHER READING
Copies of Councils Delivery Program and Operational Plan progress reports for the 2017/18 year can be accessed at kmc.nsw.gov.au/paststrategicplans



Ku-ring-gai Fitness and Aquatic Centre, West Pymble.

Connection

*St Johns Avenue, Gordon.
Photographer: Aaron Slow.*



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.

Services provided under this theme

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



Key Achievements

Improvements to the road network, transport connections and accessibility were progressed during 2017/18 through planning, works completed at various locations within the LGA and advocacy to external stakeholders and other levels of government.

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

Road network improvements

Council spent \$10.2 million on the upgrade and reconstruction of existing roads during 2017/18. The roads rehabilitation program was completed to 95% of budget with some road pavements deferred until services adjustment or design were completed.

Council also spent \$795,000 on new and upgraded footpaths during 2017/18. Footpaths were completed to 75% of budget with over 700 metres of new footpath constructed, including new footpaths on Rosedale Road, Rothwell Avenue, Pymble Avenue and Cleveland Avenue.

Planning for major drainage works was commenced and major drainage infrastructure was completed at 90 Babbage Road, Roseville Chase as part of Council's divestment strategy.

Upgrade to Lady Game Drive, West Lindfield

Council was successful in gaining 100% funding (\$1.364 million) to ameliorate safety issues on a dangerous section of Lady Game Drive, West Lindfield. Works included a 345 metre safety barrier between Blackbutt Creek and De Burgh Road on the northern side, road resurfacing along this section and creation of a hard shoulder. Other work involved installing additional drainage pits and pipelines to divert runoff during wet weather.

The project resulted from a road safety audit of Lady Game Drive which confirmed a large number of accidents in the past two years during wet weather. Works were funded by the Federal Government as part of its Australian Government Black Spot Program.

Upgrade to The Comenarra Parkway, South Turramurra

During 2017/18, Council also upgraded sections of The Comenarra Parkway, South Turramurra under the Repair Program as a shared 50/50 cost between the Roads & Maritime Services (RMS).

Local centres

Council continued to liaise with Transport for NSW towards the provision of commuter parking in the Lindfield Village Hub and Lindfield Village Green major projects.

Further transport analysis and assessment of the Turramurra Community Hub was completed and the findings presented to Council. 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.

Pedestrian improvement works were incorporated into Council's major projects and associated upgrade works. They included:

- New connections between Pacific Highway and the Lindfield Village Hub major project.
- New footpaths along the proposed laneway between Tryon Place and Pacific Highway, as part of Lindfield Village Living (current Lindfield Library site).
- Pedestrian (and bicycle) provision on a new bridge over the railway line between Ray Street and Rohini Street Turramurra (early planning phase).

Accessibility

Access to and within our local centres, including the availability of car parking is becoming increasingly important as Ku-ring-gai's population grows and our centres develop.

During 2017/18, Council continued to plan for and improve 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.

Council staff also consulted with Transport for NSW on key projects to improve public transport access and connections, particularly in relation to Council's major projects in Lindfield and Turrumurra. In June, Transport for NSW formally announced that funding in the 2018 NSW Budget has been set aside for planning accessibility upgrades at both Wahroonga and Roseville railway stations. Staff will work with Transport for NSW to progress the planning of these accessibility upgrades.

Pedestrian bridges

Two 20 metre and nine metre span timber pedestrian bridges at Bicentennial Park, West Pymble were replaced with wider versions to improve accessibility. This included a major bridge connecting the Lofberg Rugby Oval to the Golden Grove playground. An upgraded toilet block with a new roof, improved lighting and layout also formed part of the upgrade. The pedestrian bridges have been nominated for an engineering award.

Bus stops

Six bus stops were upgraded to improve accessibility and meet disability access standards during 2017/18. To determine priorities for bus stop upgrades Council obtains usage data from Transport for NSW based on Opal card data, rather than bus routes. Council also provided assistance to 'seniors living' designers for the upgrade of bus stops to meet new accessibility standards. Bus stops will continue to be progressively upgraded across the local government area during 2018/19.

Improved pedestrian safety

Improvements were completed to pedestrian safety at schools and where there are significant pedestrian movements including:

- Construction of a pedestrian refuge island in Burns Road, North Turrumurra between Trentino Road and Finchley Place as per the Road Safety Audit's recommendation.
- Upgrade of the existing at-grade pedestrian crossing in Kissing Point Road outside Turrumurra Public school under the RMS Pedestrian Safety Infrastructure Program around schools. This crossing was upgraded to a Wombat Crossing and the RMS contributed 50% (\$50,000) towards this project.
- Improved pedestrian facilities around Gordon West Public School with Council receiving 100% (around \$80,000) funding from RMS. This project included the installation of a pedestrian fence on Ryde Road, new pram ramps and adjustment to cross overs at the signalised pedestrian crossing.



Ladies of Lindfield Gardens await their bus home on the Pacific Highway, Gordon.

Pedestrian safety

Road safety and efficiency

There were a number of road safety and efficiency initiatives completed during the year. They included:

- Distribution of the 2018 road safety calendar produced in conjunction with other northern Sydney councils. It is available free for road users of all ages from council libraries, customer service and various community locations.
- Installation of 37 'hold my hand' signs at parks in busy locations throughout Ku-ring-gai. The signs are an initiative of the Blue Dinosaur Foundation, which was set up in 2014 to raise awareness of the need to keep young children safe in playgrounds situated near busy roads.
- Planning for the annual festive season campaign against drink driving, to be launched in early December 2018.
- Free 'Slow Down in my Street' bin stickers available on request to all Ku-ring-gai residents. The stickers are jointly funded by RMS and Ku-ring-gai Council.
- Introduction of measures to assist local shopkeepers and residents affected by the clearways through St Ives shopping centre during peak periods implemented in March 2018 by the RMS.

Sustainable transport

Achievements during 2017/18 included:

- Successful \$20,000 grant to fund a study into options to improve access at the popular walking and cycling track called Browns Waterhole in South Turramurra.

The grant was awarded to the Council under the NSW Government's Metropolitan GreenSpace Program, which supports local councils to improve regional open space. The track is popular with residents seeking a short cut to Macquarie Park and Macquarie University and also with cyclists and runners accessing northern Sydney from the upper North Shore. However, in wet weather the track floods and becomes unusable, causing public safety issues.

The grant will fund a feasibility study into options to ensure the track remains open, such as elevating the height of the weir at its lowest point.

- Well patronised Ride2Work Day event in Ku-ring-gai held in October, 2017 at the Gordon Recreational Reserve. National Ride2Work Day is an Australia-wide event designed to encourage more employees to cycle to their workplaces.

Around 100 commuters cycling to the city and elsewhere dropped by for free bacon and egg rolls, coffee, juice or tea and bike checks, plus the chance to go in the draw to win a \$500 voucher from Pedal Plus bike shop at Gordon.

- Support for the Bobbin Head Cycle Classic, an annual cycling event with rides to suit all levels of ability. Organised by Rotary, the Classic raises money to support Lifeline's suicide prevention services, as well as a number of other charities.
- Transport Access Guides for 47 local schools developed to encourage alternative modes of transport. The guides focused primarily on mapping safe walking distances to schools as well as other transport features, such as pedestrian crossing facilities.

- Working with Transport for NSW and the Roads and Maritime Services to progress delivery of Council's Bike Plan. This included seeking funding towards three nominated Active Transport projects (Lindfield Avenue separated cycleway, Kochia Lane shared path and Killeaton Street separated cycleway) and a feasibility study into a regional cycle route connecting Chatswood CBD with Northern Beaches Hospital Precinct/Frenchs Forest (via Roseville Chase).

Regional advocacy

During 2017/18 and the previous four years of the Delivery Program, Council advocated and collaborated with others regarding proactive measures for access, traffic and transport for the Northern Sydney region. This included bus transport, traffic modelling, commuter parking and bike planning. Key achievements include Council's collaboration with regional partners to pursue a Northern Beaches transit link and the need to provide improved east-west connectivity between Ku-ring-gai and Northern Beaches/Macquarie Park. Review, planning and implementation for regional transport links will continue via Transport for NSW and as part of the recently exhibited Sydney North District Plan.

Council also had key input into the final North District Plan (2056) which includes a range of planned infrastructure to improve strategic access, traffic and transport plan for the Northern Sydney region.

In March 2018, a pilot on-demand bus service centred around Macquarie Park/North Ryde commenced operating. This service is designed to offer a new on demand service for commuters living within a 7.5km radius of the Macquarie Park precinct (which captures the Ku-ring-gai LGA) for work, shopping and university destinations in the Macquarie Park/North Ryde area.

The progress and outcomes of the pilot scheme will be closely monitored and if successful, may be rolled out across Sydney. This would have the potential to provide Ku-ring-gai residents improved access to rail stations within the LGA without the need to park their car at or around the station.



The timber pedestrian bridge at Bicentennial Park, West Pymble was replaced with a wider version to improve accessibility.

the year ahead

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- ▶ **Advocate and collaborate with others regarding improvements to access, traffic and transport for the Northern Sydney Region.**
- ▶ **Continue to consult with Transport for NSW on key projects to improve public transport access and connections, particularly Council's major projects in Lindfield and Turramurra.**
- ▶ **Work with Transport for NSW to progress accessibility upgrades at Wahroonga and Roseville railway stations.**



Summary of Performance 2017/18

The following pages provide a summary of Councils progress during 2017/18 including QBL performance indicators, Councils Delivery Program 2013-2018 and Operational Plan 2017-2018.

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 2017/18 year, under this theme, compared to the previous four years.

QBL indicators

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Eco	Roads upgraded	\$	8,160,787	8,031,854	9,671,674	9,808,948	10,247,415	Increased ¹
Eco	Fuel cost	\$	616,999	548,813	472,098	460,770	493,572	Stable
Eco	Street light maintenance costs	\$	1,996,184	1,759,384	1,678,918	1,571,375	1,495,649	Decreased ²

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

1. This includes State and Federal grants.
 2. Further reductions in streetlight costs is expected next year as the replacement of lights in residential streets with LED lights brings associated lower maintenance. Next year will be new determination period, with new rates likely, which is expected to better reflect the performance of LED lights.

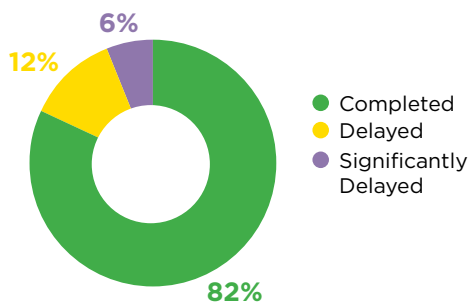
How we performed against Council's Delivery Program 2013-2018 and Operational Plan 2017-2018

► Achievement of Operational Plan Tasks, Performance Indicators, Critical Actions and Term Achievements

The Delivery Program and Operational Plan sets out the operational plan tasks, performance indicators, critical actions and term achievements for each theme. The following charts represent our performance in completing what we said we would do under this theme.

Operational Plan Tasks 2017/18

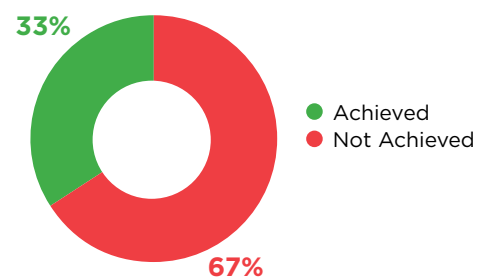
14 completed
2 delayed
1 significantly delayed



Performance Indicators 2017/18

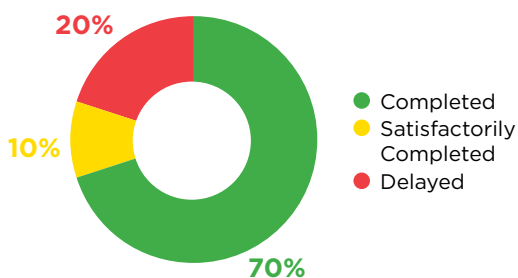
2 achieved
4 not achieved

See pages 168-169 for explanatory comments.



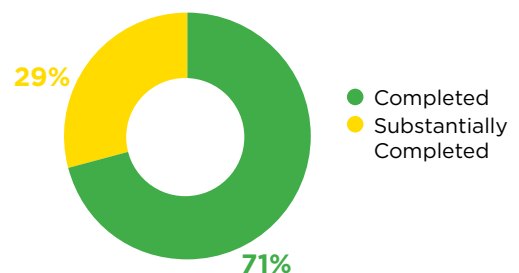
Critical Actions 2013/18

8 completed/satisfactorily completed
2 delayed






Term Achievements 2013/18

5 completed
2 substantially completed




Operational Plan Performance Indicators 2017/18


Code	Description	Baseline	Yearly target	Units	Achieved amount	Yearly rating
T1.1.1.A	Additional footpath network.	Annual target of 0.9km. (Data source: Council)	0.9	km	0.6	
T1.1.1.B	Number of new and upgraded pedestrian facilities (bus stops, crossings, islands).	Annual target of 10 new or upgraded pedestrian facilities. (Data source: Council)	10	Number	10	
T1.1.1.C	Additional cycleway network.	Annual target of 2.5km of additional cycleway network. (Data source: Council)	2.5	km	0.1	

Comment: Parts of the footpath network were not completed and are still in progress, due to community consultation activities and contractor availability.

Comment: Council relies on funding co-contributions from Transport for NSW and Roads and Maritime Services to progress delivery of the Bike Plan. Council was unsuccessful in attracting funding for its three nominated Active Transport projects. As a result, only a minimal section of cycle route was installed in the Roseville Chase area, complementing other streetscape and open space works in the area.

T1.1.1.D	Number of new and upgraded bicycle facilities.	Annual target of 5 new or upgraded bicycle facilities. (Data source: Council)	5	Number	0	
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Comment: No new or upgraded bicycle facilities were delivered by Council during the period. However as part of the Aqualand development in Lindfield, a number of bicycle parking rails were required to be provided on the Kochia Lane frontage by the developer. Additional parking rails were installed in the basement customer parking area. This adds to the number of publicly available bicycle parking facilities in the east side of the Lindfield local centre.

T1.1.4.A	Use of alternative modes of transport: Bicycle count data.	Annual target of 5% average increase in bicycle trips. (Data source: Council)	5	%	17	
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Comment: Measurement of bicycle use on a recreational (mountain bike) trail in North Turrumurra continued throughout the period. Although experiencing modest use compared to other cycle routes/facilities, average daily use on this recreational route registered an increase in use over the previous year.

T2.1.1.A	Reduction in the number of recorded collisions per year involving vehicles and pedestrians.	There were a total of 576 vehicle and pedestrian accidents, year to December 2012. (Data source: Roads and Maritime Services)	1.5	%	0.7	
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Comment: The data is provided from the Roads and Maritime Services for the period 1 January – 31 December 2016 with a twelve month time lag in statistics. During this period there were 282 accidents on all roads within the Ku-ring-gai local government area, equivalent to a 0.7% reduction from the previous year (284 accidents). While the 1.5% target has not been met this reporting period, it is noted that a reduction of 51% has been achieved since 2012. The RMS, Council, Police and other road safety stakeholders jointly work together to reduce the number of crashes on roads.

The fourth St Ives Medieval Faire attracted nearly 18,000 people to St Ives. Photographer: Gareth Carr

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Events





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.

Services provided under this theme

- Economic and social development
- Marketing
- Events coordination



Key Achievements

Business support and engagement

Ku-ring-gai Council has a longstanding commitment to support its local business community. Engaging with local businesses is key in developing understanding and providing support to enable a sustainable and vibrant local economy. To this end, Council delivers an ongoing program of business engagement that is growing and diversifying.

During 2017/18, Council continued to support business through its business engagement program designed to provide top quality learning and networking experiences and access to useful information about other government programs and local business groups. There are now nearly 850 subscribers to Council's business e-news.

Achievements in 2017/18 included:

Business events

Council delivered four types of events which aim to educate and connect local businesses:

- Business Forums – medium to large events (50 – 100 attendees) designed to improve communication between the business community and Council, and play a key part in our commitment to business engagement as part of the membership of the Small Business Friendly Council's program.
- Business Seminars – medium sized events (40 – 80 attendees) providing educational and networking opportunities for local businesses. These aim to support micro and small businesses that often lack the time and resources to upskill and/or meet with groups of business peers.
- Small Business Roundtable – small events (10 – 20 attendees) designed to assist businesses get together, connect and learn, collaboratively tackle business challenges and identify opportunities for growth and innovation.
- Business Training Workshops – training room scale (10 – 20 attendees) designed to provide rich learning experiences for local businesses. Sessions are free and usually held as a half-day workshop with attendees provided with practical knowledge to apply to their businesses.

During 2017/18, Council delivered over 10 events including seminars, small business roundtable sessions and a business forum. Topics included cost savings, online accounting, commercial contracts, digital tools for businesses serious about growth and digital marketing.

In August 2017, a networking masterclass was held with around 100 business people attending.

Service NSW Easy to Do Business Program

Council joined the Service NSW Easy to Do Business Program which is designed to support business by removing barriers to make it faster and easier to start, grow and run a small business. At present, this service focuses on small bars, cafes and restaurants; however, it will be progressively rolled out to other industry sectors in the near future.

Business liaison on centre revitalisation plans

During 2017/18, Council presented a range of engagement activities to actively include local business and related groups with the development of economic development projects. A focus was on the Lindfield Hub and Village Green projects with communication to businesses via e-newsletters. A full review of related council web pages was also completed to include easily understood information, FAQs, and project timelines.

Business research

Undergraduate students from Western Sydney University (WSU) School of Business assisted Council in undertaking face-to-face research with businesses in Ku-ring-gai as part of their study course in contemporary management issues. Approximately 60 students worked in groups to interview over 150 local businesses involved in the local daytime and night-time economies.

The project offered an opportunity for Council to hear from a wide range of local businesses whilst providing students with an opportunity to experience real world situations as part of their studies.

The aim of the project was to review Council's understanding of the opportunities and challenges facing the local business community and inform Council's long-term strategies within the integrated planning and reporting framework.

Businesses raised a wide range of issues, including matters both directly within Council's responsibility as well as external stakeholders and government. Issues included adequacy of parking, traffic congestion, remaining competitive against competition within a changing market, vacant shops and perceived land banking by companies and individuals, poor shop fronts, streetscapes and car parks, lack of skills, knowledge and effective use of digital technology, safety and security, local centres not a welcoming place for potential customers and procuring and keeping staff.

Results of the research informed Council's review of its Community Strategic Plan to ensure that actions included in the associated Delivery Program and Operational Plan best meet the needs of the business community. In addition, where possible, Council undertook immediate action in response to findings in the research through its business engagement program.

Expanded online services

A new website portal was established to make the process of tendering for work with Ku-ring-gai Council easier to understand. Council also ran an advertising campaign in December to seek new suppliers through a registration process. The new web portal allows businesses to pre-register for tenders and quotations, find out what probity requirements they need to follow and the difference between a tender and quotation. To find out more visit kmc.nsw.gov.au/doingbusiness

More applications and permits also became available to residents and businesses online. Council's online services page now gives residents and businesses the ability to lodge a range of applications, pay their rates and book a service, class or event. To view the online services visit kmc.nsw.gov.au/onlineservices

Rates can now also be emailed to ratepayers by a simple sign-on process via the Council's website. Ratepayers can also use BPAY View to send rate notices straight to the same online bank used to pay them.



Cafe Patina, Wahroonga.

Planning for tourism - St Ives Precinct

A Destination Management Plan for the sustainable management of tourism in Ku-ring-gai was adopted by Council during the year. It outlines ways to boost economic development and visitor numbers to the St Ives Showground and Ku-ring-gai Wildflower Garden until the year 2020.

The plan was prepared by tourism expert Dr Meredith Wray, who specialises in sustainable tourism. Over 100 people attended workshops on the plan and 27 submissions were received during the public exhibition. The plan focuses on five themes for developing tourism opportunities in Ku-ring-gai including nature-based tourism, major events, Aboriginal heritage, cultural and recreational experiences and architectural heritage.

\$70,000 provided in sponsorship support for popular local events and cultural organisations.

New outdoor events, including plays and free Sunday concerts, successfully trialled at the Ku-ring-gai Wildflower Garden.

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, continued to be supported in 2017/18 through innovative marketing campaigns. The events also provided opportunities for local businesses to promote their services, with the aim of strengthening local and neighbourhood business centres. A new round of sponsorship funding was planned and released to the Ku-ring-gai community in early 2018 totalling \$70,000.

Council continued to support local events including food and wine festivals, the Ku-ring-gai Chase Fun Run, Bobbin Head Cycle Classic and Carols in the Park. Council also supports local cultural organisations including the Ku-ring-gai Philharmonic Orchestra. In addition, the Small Business Roundtable events have been held in local business premises resulting in a raised profile within the local business community.

Events continued to be promoted across a range of online avenues, including Facebook, Twitter and Instagram, as well as through the use of Council's website and e-newsletters.

Highlights included:

- The Ku-ring-gai Wildflower Art & Garden Festival, which took place in August and included the return of the popular sculpture walk competition. Over 54,880 people visited the Visitor's Centre, events and programs at the Ku-ring-gai Wildflower Garden during 2017/18.
- The fourth St Ives Medieval Faire was held in September - the most successful yet for ticket pre-sales and visitor numbers.
- Two new events were successfully trialled at the Ku-ring-gai Wildflower Garden. They included a twilight performance of Shakespeare's Twelfth Night held outdoors for over 300 people, and three free concerts during the Sunday Sound Garden series, featuring country, soul and Latin American music. These were well attended with food and drinks provided via Caley's Function Centre at the Wildflower Garden.



Tourism

Regional economic co-operation

During 2017/18, North District regional forums, including the North Shore Regional Organisation of Councils (NSROC) provided opportunities to advocate for and present Ku-ring-gai's policy objectives. This included discussion in the NSROC forum on a framework to manage the presence of dockless share bikes, as well as the development of a NSROC wide Transport Fact Base, to identify priorities and to develop an approach to working with the Greater Sydney Commission through a Growth Infrastructure Compact. At this stage, the Transport Fact Base is being developed by NSROC with input from member councils.

Council also continued to collaborate with economic partners, to promote Ku-ring-gai as a place to invest in business and employment generating activities. This included programs with the Office of the NSW Small Business Commissioner, NSW Business Chamber, local Chambers of Commerce, surrounding councils and the CSIRO.

Council joined the NSROC Communications and Media Group to keep updated on regional media issues affecting northern Sydney councils.

Council continued to collaborate with economic partners, to promote Ku-ring-gai as a place to invest in business and employment generating activities.



*Pottery Green Bakers,
Gordon*

the year ahead

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- ▶ **Implement actions in the Destination Management Plan.**
- ▶ **Continue support for local business.**
- ▶ **Build local and regional economic partnerships.**
- ▶ **Continue highly successful event marketing, coordination and support.**
- ▶ **Continue expansion of visitors and tourism opportunities.**



Summary of Performance 2017/18

The following pages provide a summary of Councils progress during 2017/18 including QBL performance indicators, Councils Delivery Program 2013-2018 and Operational Plan 2017-2018.

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 2017/18 year, under this theme, compared to the previous four years.

QBL indicators

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Eco	Ku-ring-gai Wildflower Garden visits	No.	17,900	20,500	30,764	54,880	54,350	Stable ¹
Soc	Major Events attendance	No.	51,121	24,000	35,000	45,000	35,904	Stable ²

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

1. Patronage at the Wildflower Garden has risen significantly since 2012/13 as a result of new facilities, programs and marketing. Visitation during 2017/18 for programs, visitors, and functions remained high.

2. The higher attendance number for 2016/17 was due to reporting methodology errors, which has since been addressed. The 2017/18 figure is consistent with the attendance trend over previous years.

How we performed against Council's Delivery Program 2013-2018 and Operational Plan 2017-2018

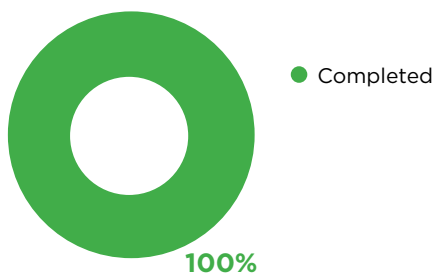
► Achievement of Operational Plan Tasks, Performance Indicators, Critical Actions and Term Achievements

The Delivery Program and Operational Plan sets out the operational plan tasks, performance indicators, critical actions and term achievements for each theme. The following charts represent our performance in completing what we said we would do under this theme.

Three Performance Indicators were no longer required and not reported on during the 2017/18 year. Explanatory comments can be found on pages 180-181 regarding these.

Operational Plan Tasks 2017/18

10 completed

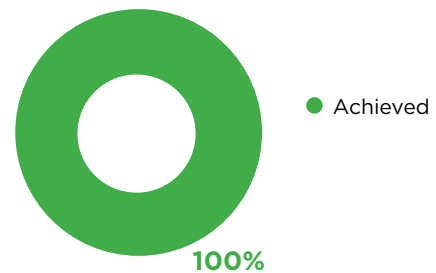


Performance Indicators 2017/18

10 achieved

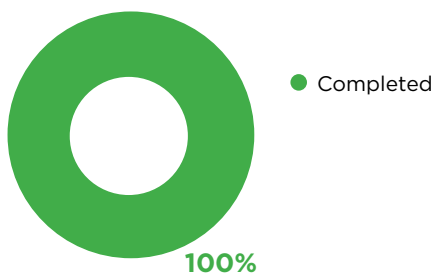
3 excluded

See page 180-181 for explanatory comments.



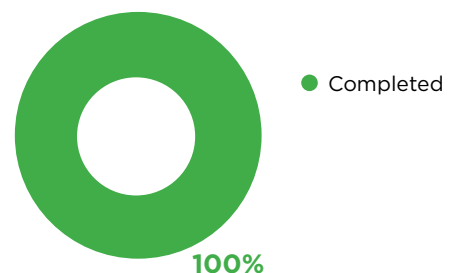
Critical Actions 2013/18

9 completed



Term Achievements 2013/18

5 completed



Operational Plan Performance Indicators 2017/18

Code	Description	Baseline	Yearly target	Units	Achieved amount	Yearly rating
E1.1.1.A	Businesses in Ku-ring-gai Local Government Area (LGA).	In 2011/12, there were an estimated 13,499 local businesses in Ku-ring-gai Local Government Area (LGA). (Data source: National Institute of Economic and Industry Research (NIEIR))	13,499	Businesses	14,436 (ABS 2017)	●
E1.1.1.B	Economic employment promotion initiatives delivered or facilitated by Council.	Completion of agreed annual program. (Data source: Council)	100	%	100	●
E1.1.1.C	Local jobs in Ku-ring-gai Local Government Area (LGA).	In 2011/12, there were an estimated 34,835 local jobs in Ku-ring-gai LGA, equivalent to 0.97% of total jobs in NSW. (Data source: National Institute of Economic and Industry Research (NIEIR))	34,835	Local jobs	35,490	●
E1.1.2.A	Small business discussion sessions delivered and/or facilitated by Council.	Completion of agreed annual program. (Data source: Council)	10	Sessions	14	●
E1.1.2.B	Small business discussion participants who consider the events add value to local businesses.	Annual target of 75%. (Data source: Council)	75	%	95	●
E1.1.2.C	Business sectors represented at small business discussion sessions.	Annual target of 5+ sectors. (Data source: Council)	>5	Sectors	17	●
E2.1.1.A	Participants involved in economic employment forums, workshops and initiatives facilitated by Council.	Annual target of 45 participants. (Data source: Council)	45	Participants	356	●

E2.1.1.B	Business forums delivered and/or facilitated by Council.	Completion of agreed annual program. (Data source: Council)	2	Forums	0	
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Comment: This performance indicator is no longer required. Business forums were set up when Council joined the NSW Easy to Do Business Program. The program has since changed and the need to engage business in a specific forum event is no longer necessary. In addition, feedback from Council's other business events have indicated that participants wish to engage with Council on an ongoing basis through event feedback, face to face conversations with council staff and surveys etc. Business forums will only occur when a specific need is identified.

E2.1.1.C	Participant satisfaction with business forums.	Annual target of 80%. (Data source: Council)	80	%	0	
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Comment: See E2.1.1.B

E2.1.1.D	Business forum participants likely to attend future events.	Annual target of 80%. (Data source: Council)	80	%	0	
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Comment: See E2.1.1.B

E2.1.1.E	E-newsletters delivered to local business subscribers.	Annual target of 11 E-newsletters. (Data source: Council)	11	E-newsletters	11	
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E3.1.1.A	Visitation promotion initiatives delivered or facilitated by Council.	Completion of agreed annual program. (Data source: Council)	100	%	100	
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E3.1.2.A	Visits to select Ku-ring-gai attractions.	In 2012/13, there were 12,384 visits to the Ku-ring-gai Wildflower Garden. (Data source: Council)	12,000	Visits	54,350	
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Comment: Patronage at the Wildflower Garden has risen significantly since 2012/2013 as a result of new facilities, programs and marketing. Visitation during 2017/18 for programs, visitors, and functions remained high.

FURTHER READING
Copies of Councils Delivery Program and Operational Plan progress reports for the 2017/18 year can be accessed at kmc.nsw.gov.au/paststrategicplans

*Ku-ring-gai Council
tree arborist at work.
Photographer: Molly Moloney.*

Delivering



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.

Services provided under this theme

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

Key Achievements

Revised our integrated strategic plans

Council adopted a new suite of integrated planning and reporting plans in June 2018 including a revised Community Strategic Plan 2038, Resourcing Strategy 2018-2028, Delivery Program 2018-2021 and Operational Plan 2018-2019. This followed extensive

consultation with the community, business and government as well as contributions from councillors and the organisation.

The diagram below illustrates the revised plans Council prepared in 2017/18.



Our Ku-ring-gai 2038 Community Strategic Plan

- ▶ 6 themes, 30 long term objectives
- ▶ Adopted June 2018



Delivery Program 2018 - 2021

- ▶ 56 term achievements
- ▶ Adopted June 2018

Operational Plan 2018 - 2019

- ▶ 194 one year tasks
- ▶ Projects, programs, actions and services



Resourcing Strategy 2018 - 2028

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



End of Term Report 2013 - 2017

Community strategic plan

The NSW *Local Government Act 1993* requires councils and communities to review their Community Strategic Plans following election of a new council. The review must be informed by:

- An 'End of Term' report prepared by the outgoing council which looks at the implementation and effectiveness of the current Community Strategic Plan (CSP) in achieving its objectives over the previous four years.
- An assessment and updating of information about the local area that informed the original CSP, including a stock-take of issues, pressures and trends affecting the area. This is to be undertaken by the incoming council.
- An assessment of key state, regional and local policy settings and directions that influence decision-making for the local area.
- Engagement with the community to identify key issues, challenges and opportunities impacting on the area over the long term and how they might be addressed.

The results of our review of the CSP, including community engagement and consultation, was a reaffirmation of the community's priorities reflected in the issues and long term objectives contained in the CSP. Accordingly, those issues and long term objectives have been restated in the revised plan, while changes were made to other aspects of the CSP. These included the social and economic profile of Ku-ring-gai going forward as well as changes to local, regional and state government policy settings. Indicators of progress for the long term objectives were also reviewed and updated. The format of the CSP was refreshed to provide a document that is easier to navigate and simpler in content.

Resourcing strategy

Council also adopted a revised Resourcing Strategy 2018-2028 (including a Long Term Financial Plan, Asset Management Strategy and Workforce Management Strategy).

As part of this process, Council adopted the 'Road to Sustainability' funding strategy for infrastructure assets renewals. This strategy prioritises asset maintenance and renewal and is based on the principle that all available surplus funds are diverted towards Council's infrastructure assets as a priority. Additional funding is assumed to be generated from operational savings and income realised from a recent horizontal service review, as well as proceeds from asset sales. For details of the funding strategy see Council's Long Term Financial Plan and Asset Management Strategy at kmc.nsw.gov.au/integratedplanning

Included in the revised Resourcing Strategy is the Workforce Management Strategy which provides a systematic framework for developing organisational capability in order to meet emerging needs and effectively respond to unexpected change.

Key issues that were considered in the development of the Workforce Management Strategy included the ageing workforce, leadership capability, skill shortages, the multigenerational workforce, workforce sustainability and continuous improvement.

Delivery program and operational plan

The Delivery Program 2018-2021 identifies through term achievements, how Council is going to work towards achieving the community's vision, long term objectives and priorities during its three year term. It outlines the services, initiatives, programs and projects it is committed to delivering, how Council resources will be allocated, and it is linked to the Community Strategic Plan through term achievements identified under the six theme areas.

The Operational Plan is developed annually and outlines the details of what Council will deliver for its community along with any required changes. It incorporates Council's Budget, Capital Works Program, Statement of Revenue Policy, and Fees and Charges for the financial year.

Maintained a sound financial position

During 2017/18, Council continued its focus 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.

Operating result 2017/18

Council achieved a sound financial result for 2017/18. Our net operating result for the financial year ended 30 June 2018 with a surplus of \$32.5 million (\$33.13m in 2016/17) including Grants and Contributions for capital purposes. After adjusting for Capital Grants and Contributions, the net operating result was \$5.6 million (\$18.82 million in 2016/17).

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. This surplus is available for future capital works.

Council invests its surplus funds and continuously looks to maximise its return on investments. Council's investment portfolio is compared to industry benchmark targets on a monthly basis. Over the 2017/18 financial year, the total portfolio returned 2.94%, which outperformed the industry benchmark by 1.16%. This is considered a strong return given that over the past two years deposit rates reached all-time lows.

Council manages \$1.1 billion worth of assets infrastructure including roads, bridges, halls, land, recreation and leisure facilities, drains, parks and property.

During 2017/18, \$123 million was spent on services and operations (\$117m in 2016/17) and \$31.2 million (\$26m in 2016/17) on capital works to provide a diverse range of services to the community and to ensure the long term sustainability of our assets.

During the year Council maintained strong systems of internal control and reporting that enabled robust information to be provided to elected members and the community on a timely basis. This has included budget reviews, financial statements, the Operational Plan, Long Term Financial Plan and the Annual Report.

Further details of Council's 2017/18 financial position can be found in Financial Reporting from page 229. Council's Financial Statements are available from page 234.

Expenditure from special rates

In 2017/18, Council had the following three special rates:

• 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 \$25.8 million were received from the Infrastructure Primary Rate in 2017/18.

• Infrastructure - special rate variation

This rate is used to maintain, renew and upgrade Council's infrastructure (road improvements program). In June 2014, Council was granted an approval from IPART for the permanent continuation of the Special Rate Variation for infrastructure.

The Infrastructure - Special Rate Variation is five per cent (5%) of the notional general income of Council. The rate is levied on all rateable land within the Ku-ring-gai local government area. The levy contributes an additional \$2.7 million each year for improvements to local roads.

• Environmental - special rate variation

This rate is used to implement and continue a range of environmental programs. The Minister for Local Government approved a special rate variation for seven years from 2005/06. This was extended to 2018/19 following an application from Council in 2010/11.

The Environmental - Special Rate Variation is five per cent (5%) of the notional general income of Council. The rate is levied on all rateable land within the Ku-ring-gai local government area.

Further information on the expenditure of Environmental Levy funds in 2017/18 can be found in Natural Environment on page 122. The levy contributes an additional \$2.7 million each year for environmental programs.

Service

*The Ku-ring-gai Council drainage team at work.
Photographer: Molly Moloney.*

- **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.

Funds of \$984,000 were received from the rate during 2017/18.

- **Other annual charges**

Details of funds received from other annual charges for Waste Management and Section 611 – Gas Mains can be found on page 248 in the Financial Statements.

Sustainability roadmap

Throughout 2017/18, the organisation reviewed Council services to identify opportunities for savings, efficiencies and additional revenue within the organisation.

There were a number of drivers that instigated the review. This included the need to assess the long term financial impacts of many important Council projects, including the local centre major projects in Lindfield, Turramurra and Gordon, along with day-to-day operational requirements, and improving the condition of existing assets to reduce our infrastructure backlog. Additionally, Council faces further challenges associated with:

- A low rate of revenue growth not keeping pace with cost increases.
- Overall demand for services is growing as the population increases and changes.
- The asset portfolio is growing which increases depreciation, maintenance and renewal.
- Fit for the Future (FFTF) benchmarks remain in force, and are being used as a basis for the state government to issue performance improvement orders.

This culminated in reviews of two key organisational focus areas:

1. Horizontal Service Review (HSR) – identification of savings within service areas focused on collecting information about what we do and opportunities for cost savings and additional revenue. As a result \$23 million was identified from the HSR over the next 10 years of the Long Term Financial Plan which has been allocated to infrastructure renewal.

2. Strategic Service Review (SSR) – a review of the delivery of services over the longer term. This involved reviewing the provision of services to ensure they best meet the needs of the community. This review process will continue in coming years and will involve further planning and service level reviews with the elected Council and in consultation with the community.



The Ku-ring-gai Council drainage team at work. Photographer: Molly Moloney.

Financial performance 2013 – 2018

The 2017/18 year marks the completion of Council's extended five year Delivery Program 2013–2018. Highlights over the Delivery Program period include:

- Council's achievement of operating surpluses in all financial years to enable investment in infrastructure.
- Healthy cash reserves and liquidity, and an affordable level of debt within industry benchmarks.
- Assessment by IPART as meeting all of the financial criteria for being Fit for the Future.
- Identification of a number of funding opportunities, as part of the Road to Sustainability review process, which will be reinvested in Council's infrastructure assets in future years contributing to a significant decrease in Council's infrastructure backlog.

Sustaining our assets

Council's Asset Management Strategy is supported by asset management plans for each asset class. Together, these documents and our processes, data and systems (including asset registers and technical databases) make up Council's Asset Management Framework.

Asset Management

During 2017/18, Council revised its Asset Management Strategy with input from Council and the community. The strategy demonstrates to Ku-ring-gai residents and stakeholders how Council's asset portfolio supports the service delivery needs of the community both now and into the future (10 years). The revised strategy includes:

- An Asset Management Improvement Plan to ensure that organisational practices and procedures are continually improved.
- Establishment of the current and preferred condition and value of all assets.
- Establishment of systems, resources, processes and financing options to achieve the preferred condition and level of service.

Asset portfolio

The replacement value of Council's Infrastructure assets is currently \$1.1 billion. The carrying amount (written down value) is \$690 million. Infrastructure assets include:

- Roads and transport (roads, footpaths, kerb and gutters, car parks, road structure and street furniture and bridges).
- Buildings (non-specialised and specialised).
- Stormwater drainage.
- Recreation facilities (sportsfields, parks, bushland).



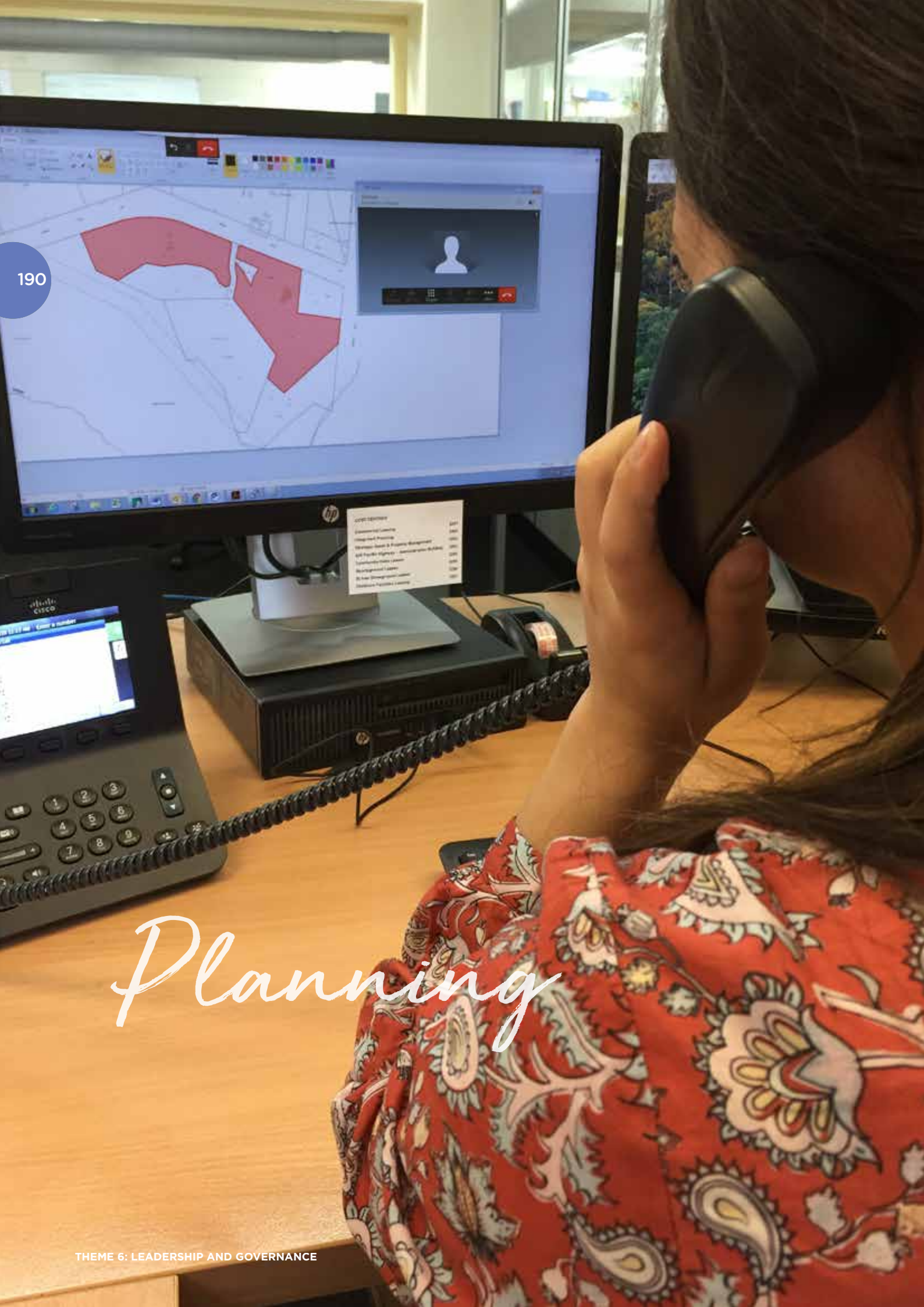
FURTHER READING
See 2017/18 Financial Statements – Special Schedule No. 7
– Report on Infrastructure Assets on pages 350-353.

Condition of Assets

Maintaining Council's infrastructure assets to an acceptable condition remains a key challenge for Council. Community consultation in 2014, identified roads, footpaths and stormwater drainage as the main Council service areas in need of additional resource allocation, with community building, parks and playgrounds also mentioned as priorities.

Since obtaining the Infrastructure – Special Rate Variation for roads Council has been able to invest heavily into local roads and has seen great results with a reported 73% of roads assets now in Condition 3 or better.

Throughout 2017/18, Council staff, with the assistance of an independent consultant, revised the technical and financial infrastructure data to review the condition of our assets and to ensure that adequate funding was being allocated to maintenance and renewal.



Planning

Infrastructure backlog

Funding shortfalls for infrastructure asset renewal is a well-documented problem facing local government. In 2016/17, Council's Special Schedule 7 (*NSW Local Government Act*) reported the infrastructure backlog for all assets classes at \$27 million. As a result of Council's review, and changes to asset conditions and investment of additional funding into asset renewal, the revised forecast backlog will be reduced to \$16 million by the end of 2018/19.

Further work was undertaken to formulate new funding strategies and renewal and maintenance programs to achieve further reductions in the infrastructure backlog. The strategies and how Council proposes to fund these programs are detailed in the Long Term Financial Plan and the Asset Management Strategy.

Infrastructure renewal and maintenance funding

The review of Council's asset information and infrastructure backlog also led to an internal review of capital and operational expenditure. As a result, additional funding has been allocated to improving our existing assets, whilst operational expenditure has also been reviewed and additional funding is allocated towards asset maintenance.

Asset sales

Council funds specific civic and community projects through the sale of under-utilised or surplus assets (property). The objectives of these projects are to deliver new civic and community assets and infrastructure, either through the acquisition and development of new facilities, and/or through Council's co-contribution to deliver facilities and infrastructure identified in the Ku-ring-gai Contributions Plan 2010. The Contributions Plan works program for the next 10 years requires a co-contribution from Council of \$11 million which has been included in the Long Term Financial Plan (LTFP).

Council's divestment of these assets is to ensure that Council meets the future needs of the community by providing purpose built facilities and maintaining financial sustainability. The LTFP identifies asset sales as a short, medium and long term funding strategy which relies in part on the future reclassification of land from community to operational.

Where Council plans a large scale community hub type project, such as the Lindfield Village Green, the Community Hubs in Lindfield and Turramurra, and the Gordon Civic Precinct it is expected that these projects should be commercially feasible in their own right such that they do not require long term borrowings, or a drain on ordinary rates revenue.

Further, where feasible, such projects will be expected to produce a dividend for Council above and beyond the community facilities incorporated in the precinct. Planning for these projects should consider the inclusion of commercial opportunities of sufficient return to cover ongoing operational costs of the public spaces in the precinct.

The delivery of major civic and community projects will therefore require current and future Councils to implement the strategies identified in the revised LTFP 2018-2028.

Other achievements 2017/18

Other achievements of the asset management program during 2017/18 included:

- Completion of the statutory revaluation of Council's buildings, operational land and investment property including the review of useful life and components.
- Adoption of the Asset Management Strategy by Council in accordance with the Integrated Planning and Reporting Framework.
- Importing the Stormwater Drainage Asset Class into the Enterprise Asset Management (EAM) and training of asset custodians in the system.
- Development of procedural documents to improve asset management and financial systems to address issues that arise.
- Financial asset management system training provided to project managers quarterly.
- Completion of the capitalisation of projects and update of registers.
- Use of mobile devices by asset officers for inspections of assets in the field.
- Prepared for our internal auditors benchmarking exercise to establish Council's asset management maturity level in accordance with the National Assessment Frameworks for Local Government Asset Management and Financial Planning.
- Progression of a new capital planning and delivery system, which will manage the life cycle of a project.

Customer services

Council continued to improve its customer service delivery during 2017/18. Achievements included:

- Additional online application types being offered to residents and businesses so they can manage their business 24/7. This includes Outdoor Dining Permits available online and expansion of categories for requests which now include footpath enquiries and maintenance requests.
- Improvements to the public mapping portal were completed and opened to the public. The new version now supports any device, including smartphones and tablets which were not supported by the previous version.
- The Geographical Information System (GIS) and Property & Rating databases were updated with all relevant changes throughout this period.
- The Library upgraded the Library Management System (Spydus) which will greatly improve access to the library collection and resources, with new features and an improved experience for both staff and the library patrons.
- Establishment of paperless online DAs which will no longer require printed copies of plans and supporting documentation, and will go live from July 2018. DAs with large scale plans should be paperless by the end of 2018.
- Introduction of a streamlined system for calculating the cost of works for a development application.

**Over 5,451
live web chats
in 2017/18
(6,765 in 2016/17).**

the year ahead

Council's customer services call centre received over 97,900 calls in 2017/18 with an average abandoned call rate of 6%. This is consistent with the industry standard of 6%.

Other customer service initiated contact points have increased including online request lodgements 28,985 in 2017/18 compared to 27,883 in 2016/17

- ▶ **Implement changes to the organisational structure to ensure the organisation is well placed to deliver community priorities and respond to state and regional plans over future years.**
- ▶ **Supporting new advisory and reference committees for major projects.**
- ▶ **Continue responses to government policy and reforms.**



Summary of Performance 2017/18

The following pages provide a summary of Councils progress during 2017/18 including QBL performance indicators, Councils Delivery Program 2013-2018 and Operational Plan 2017-2018.

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 2017/18 year, under this theme, compared to the previous four years.

QBL indicators

QBL	Measure	Unit	2013/14	2014/15	2015/16	2016/17	2017/18	Trend
Soc	Customer service requests received	No.	22,375	25,769	28,551	27,122	28,985	Stable
Gov	Customer requests completed	%	98	87	91.29	89	90	Stable
Gov	Consultation surveys conducted	No.	38	60	49	54	64	Stable
Gov	Leadership Training Program	No.	27	27	49	0	427	Increased ¹
Gov	Induction Program	No.	4	4	4	4	3	Stable
Gov	Fulltime employee turnover rate	%	9.3	12	9.53	11.34	16	Increased ²
Gov	Number of policies reviewed	No.	11	4	7	5	12	Stable
Eco	Unrestricted Current Ratio	Ratio	2.88	2.50	2.58	3.21	3.05	Decreased ³
Eco	Restricted cash - internal	\$M	22,992	20,701	23,256	27,699	34,247	Increased ⁴
Eco	Restricted cash - external	\$M	65,599	73,554	98,769	112,733	139,742	Increased ⁵

Eco	Operating result before capital grants and contributions	\$M	3,117	13,460	6,819	18,823	5,559	Decreased ⁶
Eco	Building and Infrastructure renewal expenditure	Ratio	1.04	1.00	0.82	0.76	0.61	Decreased ⁷
Eco	Debt service ratio	%	4.4	16.42	2.7	1.19	1.49	Increased ⁸
Eco	Rate income	\$	56,144,000	57,773,000	58,246,000	59,653,000	61,298,000	Stable
Eco	Loans/borrowings per year	\$M	12.80	1.03	0.66	0.58	0.00	Decreased ⁹
Eco	Collection Performance (Rates, Annual, Interest and Extra Charges only)	%	3.25	3.18	3.16	3.27	2.96	Stable
Eco	Re-votes expenditure	%	12.15	7.61	12	11	14	Increased ¹⁰
Eco	Return on investment	%	4.27	3.87	3.25	3.05	3.07	Stable
Eco	Number of ratepayers	No.	41,418	41,975	42,336	42,906	44,006	Increased
Eco	IPART rate increase approved (including special variations)	%	7.3	2.3	2.4	1.80	1.50	Decreased
Eco	Untied grants revenue	\$	2,046,000	3,833,000	3,801,000	5,616,000	3,903,000	Decreased ¹¹
Eco	Specific purpose grants revenue	\$	3,855,000	4,237,000	4,500,000	4,364,000	6,036,000	Increased ¹²
Eco	Source of revenue from rates and annual charges	%	62.4	57	50	53	53	Stable
Eco	Available funds balance (Working Capital)	\$M	4.7	4.7	4.7	6.5	4.8	Decreased ¹³

TABLE LEGEND **GBL** ■ Environment ■ Economic ■ Social ■ Governance

1. Council's Leadership Training Program during 2017/18 increased due to the organisation wide rollout of the 7 Habits of Highly Effective People Leadership Development program.
2. The increase in turnover seen during this period is attributed to an increase in the number of older workers retiring, in addition to the organisational change process.
3. The decrease is due to a slight increase in current payables from capital expenditure.
4. This increase was due to additional funds from unfinished projects at EOFY which will be carried forward to 2018/19.
5. This increase was due to additional developer contributions received.
6. This decrease is largely due to a reduced revaluation increment from the investment property compared to 2016/17.

7. The renewal ratio did not achieve benchmark due to delays in finalising renewal projects that have been carried forward to the new financial year. Part of the renewal expenditure has been recognised in work in progress which does not form part of the ratio calculation.
8. The increase is due to reduced revenue from continuing operations, with no major variations in debt service cost.
9. No new loans were taken out during 2017/18.
10. Carried forward expenditure larger than the previous financial year due to delays in completing projects.
11. Decrease due to 4 instalments of the Financial Assistance Grant received, compared to 6 instalments in 2016/17.
12. Special purpose grants increased due to additional grants received for roads.
13. The decrease is due to reduced instalments received for the Financial Assistance Grant.

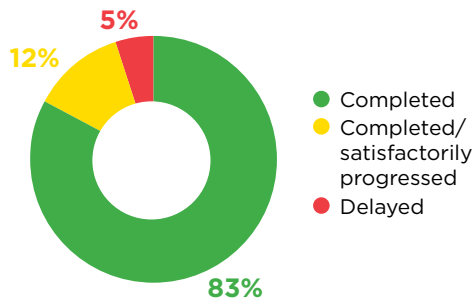
How we preformed against Council's Delivery Program 2013-2018 and Operational Plan 2017-2018

► Achievement of Operational Plan Tasks, Performance Indicators, Critical Actions and Term Achievements

The Delivery Program and Operational Plan sets out the operational plan tasks, performance indicators, critical actions and term achievements for each theme. The following charts represent our performance in completing what we said we would do under this theme.

Operational Plan Tasks 2017/18

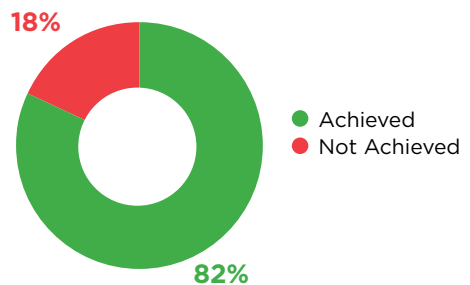
70 completed/satisfactorily progressed
4 delayed



Performance Indicators 2017/18

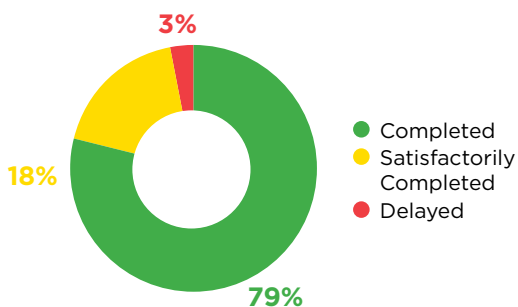
18 achieved
4 not achieved

See pages 197-200 for explanatory comments.



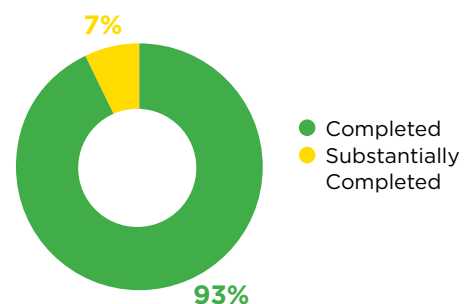
Critical Actions 2013/18

27 completed/satisfactorily completed;
1 delayed





Term Achievements 2013/18

14 completed
1 substantially completed




Operational Plan Performance Indicators 2017/18

Code	Description	Baseline		Units	Achieved amount	Yearly rating
L2.1.1.A	Occupancy rate of Council property portfolio.	Annual target for occupancy rate. (Data source: Council)	90	%	100 (combined retail and residential portfolio) 64 (828 Pacific Highway, Gordon. Based on NLA)	
L2.1.1.B	Debt Service Ratio.	Annual target less than or equal to 4% for Council's debt service percentage (ability to service debt). (Data source: Council's Financial Statements)	4	%	1.49	
L2.1.1.C	Available funds balance (Working Capital)	Annual target greater than or equal to \$4 million. (Data source: Council's Financial Statements)	4	\$ Million	4.8	
L2.1.1.D	Unrestricted Current Ratio.	In 2012/2013, Council's unrestricted current ratio (liquidity) was 2.04:1. (Data source: Council's Financial Statements)	2	Ratio	3.05	
L2.1.2.A	Rates and Annual Charges Coverage Percentage. Lesser is better	Annual target less than or equal to 60% dependence on rates income. (Data source: Council Financial Statements)	60	%	53.04	
L2.1.2.B	Rates Outstanding Percentage. Lesser is better	Annual target less than or equal to 4% for rates outstanding percentage (impact of uncollected rates on Council's liquidity). (Data source: Council's Financial Statements)	4	%	2.96	






L2.1.2.C	Statutory financial reports are prepared and reported to Council in compliance with legislative requirements.	In 2012/13, all statutory financial reports were reported to Council within statutory timeframes and to legislative standards. (Data source: Council)	100	%	100	
L2.1.2.D	Invoices paid to small businesses within 30 days from invoice date.	Annual target of 90% invoices. (Data source: Council)	90	%	86	

Comment: The achieved annual result of 86% has slightly decreased due to delays in some payments as part of the end of financial year process, however this will be rectified in the month of July.







L2.1.4.A	Building and Infrastructure Renewals Funding Ratio.	In 2012/13, Council's Building and Infrastructure Renewals Ratio was 95.45%. (Data source: Council's Financial Statements)	100	%	61	
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Comment: A ratio of 61% indicates that the amount spent on renewing infrastructure assets is lower than the amount of depreciation. The renewal ratio did not achieve benchmark due to delays in finalising renewal projects that have been carried forward to the new financial year. Part of the renewal expenditure has been recognised in work in progress which does not form part of the ratio calculation. Council will continue to focus on appropriate asset standards for renewal of its assets and prioritise renewal capital works program.

L3.1.1.A	Statutory governance and integrated planning reports are prepared and reported to Council in compliance with legislative requirements.	In 2012/13, all statutory governance and integrated planning reports were reported to Council within statutory timeframes and to legislative standards. (Data source: Council)	100	%	100	
L3.1.2.A	Risk management performance against Council's Enterprise Risk Management Framework.	Annual target of Risk Management Reports presented to quarterly Audit and Risk Committee meetings consistent with Council's Enterprise Risk Management Framework. (Data source: Council)	100	%	100	

L3.1.3.A	Council's Business Papers are accessible via Council's website in a timely manner.	Annual target of 100% of Council's Business Paper compiled, delivered and accessible within the Code of Meeting Practice timeframes. (Data source: Council)	100	%	100	
L3.1.3.B	Request for information applications completed within statutory timeframes.	In 2012/13, 90% of applications under GIPA and PPIPA were processed within statutory timeframes. (Data source: Council)	90	%	100	
L3.1.3.C	Council's policies are accessible via Council's website in a timely manner.	98% of Council policies are accessible via Council's website. (Data source: Council)	98	%	100	
L3.1.5.A	Staff Turnover Rate. Lesser is better	In 2012/13, there was a 9% turnover rate for full-time employees. (Data source: Council) (Based on the quarterly data of permanent (FT & PT) employee turnover, total % for the FY is < or > 10%)	10	%	16	
Comment: The increase in turnover seen during this period is attributed to an increase in the number of older workers retiring, in addition to the organisational change process.						
L3.1.5.B	Reduction in Lost Time Injuries (LTI).	Annual target for reduction in lost time injuries. (Data source: Council)	5	No.	12	

Comment: The target for Lost Time Injuries was not met in this period due to the carry-over and re-lodgement of claims that had been previously denied by the Insurer. Additional claims related to Council initiatives for hearing and skin cancer checks were also lodged leading to an increase in the number of claims.

L3.1.5.C	Staff participation in learning and development.	In 2012/13, over 40% of staff completed accredited training courses or attended approved learning and development sessions. (Data source: Council)	40	%	44	
L3.1.5.D	Computer network availability.	In 2012/13, Council's computer network was available 98% of the time to internal and external customers. (Data source: Council)	98	%	99	
L3.1.5.E	Customer service enquiries responded to within agreed service delivery standard.	Annual target of 85% customer service enquiries responded to within agreed service delivery standard. (Data source: Council)	85	%	97	
L3.1.5.F	Customer requests actioned within agreed service delivery standard.	Annual target of 85% of customer requests actioned within agreed service delivery timeframes. (Data source: Council)	85	%	86	
L4.1.1.A	Community engagement activities facilitated by Council.	Completion of agreed community engagement program. (Data source: Council)	100	%	100	
L4.1.2.A	Increase in community access of information about local activities and services.	In 2012/13, there were 468,840 visitors who accessed information via Council's website, Facebook, Twitter, Ku-ring-gai update newsletter and local newspapers. (Data source: Council)	5	%	15	

Comment: In 2017/18, there were 540,544 visitors/users that accessed information via Council's website, Facebook, Twitter, the Ku-ring-gai Update newsletter and e-news subscribers. This increase from the baseline in 2012/13 is attributed to the introduction and increased use of e-newsletters (44,738 subscribers) and popularity in the use of social media as a means of communicating. This aligns with current social trends in the community.



FURTHER READING
Copies of Councils Delivery Program and Operational Plan progress reports for the 2017/18 year can be accessed at kmc.nsw.gov.au/paststrategicplans

*Kookaburras sitting in the old Gum
Tree at Huon Park, North Turrumurra.
Photographer: Kay Watson*



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. The Annual Report is required to be posted onto Council's website with a copy forwarded to the Minister for Local Government.

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 for the 2017/18 reporting year.

The End of Term Report is prepared for the outgoing Council in the year of the Council election. The report presents Councils progress and achievements in implementing its Community Strategic Plan over the previous four years.

Council's previous End of Term Report 2013-2017 (Part Two to Annual Report 2016/17) is available at: www.kmc.nsw.gov.au/annualreport

Section 428A(4) - State of the Environment Report

A State of the Environment Report is not required to be prepared for the 2017/18 reporting year.

A State of the Environment Report is required to be prepared and included as part of Council's Annual Report in the year of the Council election. The report details progress made towards the achievement of long term objectives that contribute to environmental outcomes as outlined in the Community Strategic Plan over the previous four years.

Council's previous State of the Environment Report 2013-2017 (Part Three to Annual Report 2016/17) is available at: www.kmc.nsw.gov.au/annualreport

Section 428(4)(a) - Financial Statements

Ku-ring-gai Council's audited Financial Statements for the 2017/18 financial year are presented on pages 229-353 (see General Purpose Financial Statements and Special Purpose Financial Statements).

Local Government (General) Regulation, 2005

Clause 217 of the Local Government (General) Regulation requires the following information to be included in the Annual Report:

cl 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)

- A staff member (Landscape Architect) had a submission accepted to speak at The World Design Summit in Montreal 16 - 25 October 2017. The event was an international design congress covering six disciplines of design: architecture, graphic design, interior design, industrial design, landscape architecture and urban planning. The cost incurred by Council was \$740.00 covering conference registration.

cl 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 - \$22,311.00

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) - \$15,747.24
- (iii) Attendance of councillors at conferences and seminars - \$16,644.57 (including accommodation, conference registration, transport and meals)
- (iv) Training of councillors and provision of skill development - \$9,660.00
- (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 - \$2,104.13 spouse expenses
- (viii) Expenses involved in the provision of care for a child or an immediate family member of a councillor - \$150.00

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 'Councillor Expenses and Facilities Policy' can be found at kmc.nsw.gov.au/policies

The total amount of money spent on mayoral and councillor fees was \$303,099.63.



Family bushwalk, Ku-ring-gai Wildflower Gardens.

cl 217(1)(a2) - Contracts awarded by Council in 2017/18

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
Pan Civil Pty Ltd	\$199,761	Quarry stabilisation	Bicentennial Park, West Pymble
RAM Air-conditioning Pty Ltd	\$492,340	Heating, ventilation, and air conditioning (HVAC) replacement	799 Pacific Highway, Gordon
Celtic Civil Pty Ltd	\$1,416,824	Road safety improvements	Lady Game Drive Killara - Blackbutt Creek to De Burg Road
REES Electrical Pty Ltd	\$182,655	Sportsfield lighting upgrade	Primula Oval, Lindfield
Go Gardening *	\$134,452	Garden refurbishment	Annie Forsyth Wyatt Garden, Gordon
Olsson and Associates Architects Pty Ltd	\$946,216	Lindfield Village Living	Design consultant services
Westbury	\$160,146	Amenities - building upgrades	Koola Park, East Killara
Westbury *	\$104,709	Amenities - building upgrades	Howson Oval, South Turramurra
Westbury *	\$126,227	Amenities - building upgrades	Bicentennial Park, West Pymble
Minter Ellison	\$206,000	Lindfield hub project	Project legal services
Regal Innovations	\$468,199	Golden Grove - Playground	Bicentennial Park, West Pymble

CBRE **	Schedule of Rates	Property Management Services	Commercial
CI Australia Pty Ltd **	Schedule of Rates	Property Management Services	Residential
Bernipave Pty Ltd ** Bitupave Ltd **	Schedule of Rates	Road Surfacing, patching and associated works	Northern Sydney Regional Organisation of Councils (NSROC) Tender
Downer EDI Works **			
Fenworx Pty Ltd **			
Kizan Pty Ltd **			
N A Group **			
Roadworx Pty Ltd **			
Stateline Asphalt Pty Ltd **			
Envirolands Pty Ltd	North Side \$273,000 South Side \$260,000	Grass Cutting	Ku-ring-gai local government area
Todae Solar *	\$124,200	Solar PV Upgrade	Ku-ring-gai Fitness and Aquatic Centre, West Pymble
TreeServe ** Plateau Tree Service Pty Ltd **	Schedule of Rates	Tree Maintenance Services	Ku-ring-gai local government area

* Contract reported to Council but works completed during 2017/18 were under \$150,000 threshold.

** Contracts expected to exceed \$150,000 but unable to confirm due to contract not being completed during 2017/18 financial year.

cl 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 (planning appeals):

The total cost incurred in the 2017/18 financial year was \$1,267,707. The amounts received for costs recovered totalled \$135,290.

Proceedings	Nature of proceedings	Result	Costs (\$)
Council ats Killara Lawn Tennis Club	L & E - Class 1	Discontinued.	35,160
Council ats Bunnings Properties Pty Ltd (No 1)	L & E - Class 1	Upheld (amended proposal). Subject to appeal to Court of Appeal.	149,913
Council ats Vigor Master Pty Ltd	L & E - Class 1	Discontinued.	43,073
Council ats Blake	L & E - Class 1	Dismissed.	850
Council ats Jacobsen & Jacobsen	L & E - Class 1	Resolved by agreement (amended proposal).	864
Council ats Able Apartments Pty Limited	L & E - Class 1	Resolved by agreement (amended proposal).	10,886
Council ats Prestige Locations Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	11,296
Council ats Mohebaty-Arani	L & E - Class 1	Upheld.	24,030
Council ats Pathways Property Group Pty Ltd	L & E - Class 1	Upheld.	118,717
Council ats Funforfour Pty Ltd	L & E - Class 1	Resolved by agreement.	5,198
Council ats Anglican Community Services (trading as Anglicare)	L & E - Class 1	Resolved by agreement (amended proposal).	7,201
Council ats HSH Projects Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	5
Council ats Ascot Project Management Pty Ltd	L & E - Class 1	Upheld (amended proposal).	18,254

Council ats Lahoud (No 1)	L & E - Class 1	Resolved by agreement (amended proposal).	28,360
Council ats Lahoud (No 2)	L & E - Class 1	Resolved by agreement (amended proposal).	3,421
Council ats TC Tallwoods Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	10,118
Council ats Ronghai Property Group Pty Limited	L & E - Class 1	Resolved by agreement (amended proposal).	92,398
Council ats Ghazi Al Ali Architect Pty Ltd (No 1)	L & E - Class 1	Resolved by agreement (amended proposal).	4,395
Council ats Ghazi Al Ali Architect Pty Ltd (No 2)	L & E - Class 1	Resolved by agreement (amended proposal).	8,221
Council ats HMR Developments Pty Ltd (No 1)	L & E - Class 1	Resolved by agreement (amended proposal).	15,374
Council ats HMR Developments Pty Ltd (No 2)	L & E - Class 1	Resolved by agreement (amended proposal).	5,629
Council ats D&A Milray Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	15,929
Council ats Ghazi Al Ali Architect Pty Ltd (No 3)	L & E - Class 1	Resolved by agreement (amended proposal).	5,863
Council ats Lindfield Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	58,033
Council ats Muzi	L & E - Class 1	Not concluded.	50,491
Council ats Hengji Pymble Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	41,529
Council ats Chen	L & E - Class 1	Discontinued.	42,780
Council ats Debb Investments Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	18,429
Council ats DPG Project 9 Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	15,424

Council ats Marvel Development Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	13,393
Council ats Buyozo Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	11,129
Council ats Fareeda Siddiqui	L & E - Class 1	Not concluded.	11,938
Council ats McNamee (No 1)	L & E - Class 1	Resolved by agreement (amended proposal).	9,808
Council ats Pymble Villas Pty Limited	L & E - Class 1	Not concluded.	49,363
Council ats McNamee (No 2)	L & E - Class 1	Resolved by agreement (amended proposal).	8,189
Council ats Hardy	L & E - Class 1	Dismissed.	39,065
Council ats Brass Homes Pty Limited	L & E - Class 1	Not concluded.	17,439
Council ats CPDM Pty Limited	L & E - Class 1	Not concluded.	35,765
Council ats Beikpour and anor	L & E - Class 1	Resolved by agreement (amended proposal).	10,183
Council ats Wang	L & E - Class 1	Not concluded.	32,749
Council ats Rudder Development Four Pty Ltd	L & E - Class 1	Resolved by agreement (amended proposal).	13,783
Council ats Amber Sydney Apartments Pty Limited	L & E - Class 1	Resolved by agreement (amended proposal).	29,383
Council ats Australian Nursing Home Foundation Ltd	L & E - Class 1	Not concluded.	20,232
Council ats Bellevue Projects Pty Ltd	L & E - Class 1	Not concluded.	14,969
Council ats Brian John Burns	L & E - Class 1	Not concluded.	5,233
Council ats Vantage Pymble Pty Ltd	L & E - Class 1	Not concluded.	8,440

Council ats J R Douglas Street Pty Ltd	L & E - Class 1	Not concluded.	8,108
Council ats Dong	L & E - Class 1	Not concluded.	6,209
Council ats Blake	L & E - Class 1	Not concluded.	7,192
Council ats Palmer	L & E - Class 1	Not concluded.	4,354
Council ats Bunnings Properties Pty Ltd (No 2)	L & E - Class 1	Not concluded.	23,512
Council ats Bunnings Properties Pty Ltd (No 3)	L & E - Class 1	Resolved by agreement (amended proposal).	29,989
Council ats Rosewood Australia Pty Ltd	L & E - Class 1	Not concluded.	8,800
Council ats Bellevue Projects Pty Ltd	L & E - Class 1	Not concluded.	4,708
Council ats Birkbeck and anor	L & E - Class 1	Not concluded.	1,323
Council ats Rowe	L & E - Class 1	Not concluded.	613
TOTAL			\$1,267,707

Other proceedings:

Proceedings	Nature of proceedings	Result	Costs (\$)
Council v Ichor Constructions Pty Ltd	Supreme Court	Dismissed. Subject to appeal to the Court of Appeal.	\$97,923.45 *

* The above figure is in relation to the legal costs attributable to Supreme Court proceedings.

cl 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 2017/18 year, Council resolved to undertake and/or completed the following works on private property:

- Electrical repair works in relation to a low voltage line reconnection to existing services at the Strickland Avenue underpass, Roseville. The underpass at Strickland Avenue allows pedestrians to cross from Eton Road, under the railway, to Strickland Avenue. Council engaged electricians to complete the installation. - Cost \$786.12
- Minor root pruning on private property at 14 Carmen Street, St Ives due to roots of a Council Liquid Amber tree growing under the resident's house. Pruning was required on the resident's property without destabilising the tree. - Cost \$255

cl 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 2017/18, Council provided 14 grants valued at \$46,700 for works that included bush regeneration, landscaping, bat monitoring and native bee hive distribution. The following table details the recipients, project and funding:

Environmental Levy Community Small Grants Scheme 2017/18

Recipient organisation or group	Name of project	Amount (\$)
Native plant displays	KMC Bushcare Association	5,000
Environmental monitoring of bats	Sydney Bats	3,300
School habitat project	WildThings NSW	4,700
Bicentennial Park bush regeneration	Nola Jones	5,000
Quarry Creek bush regeneration	Quarry Creek Bushcare	5,000
Paddy Pallin regeneration	Paddy Pallin Foundation	3,000
Hampshire Street bush regeneration	Friends of LCNP	5,000
Propagation of rare native plants	Garden Shed Association	5,000
Native bee hive	KU Chase Pre-school	650
Landscaping at Turramurra Public School	Turramurra North PC P&C	1,000
Sediment ponds	Lane Cove NPWS	3,000
Bees and plants	1st Roseville Scouts	650
Native bees	Thomas Carlyle	450
Care of injured wildlife	WAIF	4,950
TOTAL		\$46,700

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 2017/18 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 \$97,867 was allocated in 2017/18. The following tables detail the recipients, projects and funding.

Summary - recipients and funding allocations

Group	Purpose	Amount (\$)
Community and Cultural Groups	Various (recipients and funding are detailed in the following tables)	93,667
Eryldene Historic House	Rates, garbage rebate (standing resolution of Council)	4,200
TOTAL		\$97,867

Community and Cultural Groups - Details of recipients and funding allocations

1. Category: Small Equipment

Name of organisation or group	Amount (\$)
1st Gordon Scouts	2,000
1st Pymble Scouts Group - The Scout Association of Australia, NSW Branch	2,000
2nd Turramurra Scout Group	1,980
Easy Care Gardening	2,000
Fighting Chance Australia	1,716
Hornsby Ku-ring-gai Community College	840
Killara Bowling Club Limited	844
KU Killara Park Preschool	1,080
KU West Pymble Preschool	336
Ku-ring-gai Community Workshop "The Shed" Inc.	2,000

Ku-ring-gai Meals on Wheels Service	2,000
Ku-ring-gai Stealers Baseball League Inc	1,812
Ku-ring-gai Youth Orchestra	918
KYDS Youth Development Service Inc	2,000
Lindfield Girl Guides	1,750
Probus Club of Barra Brui Inc	1,810
Rotary Club of Ku-ring-gai Incorporated	2,000
St Andrew's Anglican Church Wahroonga	2,000
St Ives Netball Club	2,000
St Lucy's School	1,840
St Matthew's Anglican Church	2,000
Sydney U3A Incorporated	1,922
The Eryldene Trust	2,000
UTS Football Club	2,000
West Pymble Out of Hours School Care	1,763
West Pymble Scout Group	1,959
TOTAL	\$44,570

2. Category: Community development

Name of organisation or group	Amount (\$)
Active Opportunities Inc	2,500
Evangelical Free Church of Australia	2,500
Fighting Chance Australia	2,800
KU West Pymble Preschool	1,100
Ku-ring-gai Community Workshop 'The Shed' Inc	2,500
Ku-ring-gai Division St John Ambulance NSW	2,920
Ku-ring-gai Stealers Baseball League Inc	2,500
Northside Community Forum Limited	2,500
NSW SLASA INC	2,000
Parkrun Australia	3,000
Rotary Club of St Ives INC	2,500
St James Church Turramurra for branch church Warrawee Anglican	1,000
StreetWork Incorporated	3,000
TOTAL	\$30,820

3. Category: Arts/cultural

Name of organisation or group	Amount (\$)
Jewish Arts Incorporated	3,950
KU West Pymble Preschool	3,640
Ku-ring-gai Historical Society Inc	5,000
Ku-ring-gai Youth Orchestra	2,395
Northside Opera Study Group Inc	1,292
Studio ARTES Northside Inc	2,000
TOTAL	\$18,277

cl 217(a)(a6) - A statement of all external bodies that exercised functions delegated by Council during the year

- Nil return

cl 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

cl 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

Activities to implement EEO Management Plan

cl 217(1)(a9) - A statement of the activities undertaken by Council during the year to implement its equal employment opportunity 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 human resources practices and processes to ensure that Equal Employment Opportunity (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.

Achievements

Our Equal Employment Opportunity Management Plan 2016 - 2020 sets out the objectives and strategies to be delivered across the period. This will enable management and employees to understand Equity and Diversity principles and their responsibilities in relation to its implementation.

The four main objectives of the plan are:

1. Recruitment and selection,
2. Learning and development,
3. Promotions and transfers, and
4. Conditions of service.

Under each objective are a list of initiatives that aim to address EEO issues and drive awareness by actively promoting diversity and respect within the workplace.

Specific activities and achievements under the EEO Management Plan for 2017/18 included:

- Reviewing position descriptions to ensure inclusion of EEO responsibilities for all staff, and that the essential and desirable criteria are non-discriminatory.
- Identifying Council as an EEO employer in all external advertisements.
- Ensuring equitable access to permanent vacancies within Council.
- Development of a communication plan to launch the new EEO Management Plan, ensuring relevant guides and resources are placed on the internal/ external website and ensure printed materials are provided to the union delegates and outdoor staff.
- Conducting a high level overview of Council's EEO Policy and the EEO Management Plan are included in Council's induction/on-boarding program.

- Ensuring all staff complete a mandatory EEO e-learning module biennially.
- Monitoring and ensuring offensive material is not displayed in the workplace.
- Reviewing all existing in-house and 'to be purchased' course material to ensure compliance with EEO principles.
- Ensuring all training and training facilities are accessible to staff with special needs.
- Continuing to notify staff of positions vacant within Council.
- Conducting a review of People and Culture policies and procedures to ensure compliance with EEO legislation.
- Undertaking a review of Grievance Handling Policy and procedures and actively promote to all staff.
- Ongoing development of Council's Ageing Workforce Strategy.
- Development of a Bullying and Harassment Policy.
- Continuing to provide assistance to supervisors when considering requests for part-time, job share and phased retirement employment to ensure equity.
- Assigning EEO Contact Officers and provide them with training. Ensure the Contact Officers meet with staff on an annual basis to provide support and advice on EEO matters and actively promote EEO.

The completed initiatives account for almost 70% of initiatives identified to be delivered in the four year management plan, and work is underway to ensure the effective delivery of all other remaining items.

cl 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	\$328,701.00	\$17,285.26	\$6,344.39	\$10,913.64	\$363,244.29
Directors	\$1,274,145.00	\$93,529.94	\$28,700.59	\$43,153.91	\$1,439,529.44

Explanatory note: The Director Operations position was filled on 4 December 2017.

cl 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.

Council undertakes drainage upgrades and maintains stormwater devices such a gross pollutant traps, sediment basins and pit inserts under a maintenance contract for the removal of litter, sediments and other particulates.

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 2017/18, companion animal management services were carried out in accordance with Council's adopted Companion Animals Management Plan 2017-2020 and Council's adopted Compliance Policy.

Due to the resignation of the Companion Animals Management Officer and delay in recruiting a replacement officer, Council was unable to host our annual Dogs Day Out event.

Lifetime pet registration has also seen a slight decrease within Ku-ring-gai - a drop of 2% when compared with the previous year's figures. The current figure for registration of companion animals is 94%, down from 96% in the 2016/17 period.

Companion animal management remained a key operational program for the Regulatory Services Unit throughout the year. In 2017/18, Council's Companion Animal Unit managed 801 complaints regarding companion animal issues, which represents a 5% increase from the previous year. The following breakdown assesses changes from the previous year's figures:

- 187 complaints relating to stray or roaming dogs - an 8% decrease from the previous year.
- 49 companion animal enquiries - a 6% decrease from the previous year.
- 69 dog attack reports - an 8% decrease from the previous year.
- 312 barking dog complaints - a 2% decrease from the previous year.

Specific statements - Companion Animal Act, 1998

16.2 (a) - Lodgement of pound data collection returns with the Division

A total of 79 animals arrived (seized, surrendered, abandoned or stray) at Council's impounding facility in 2017/18. 68 animals were transferred by Council staff and 11 animals were surrendered by members of the public.

A total of 73 animals were released from the facility which included 61% released to their owners, 19% sold from the facility, 15% released to rescue, and 4% euthanised.

This demonstrates that our local vet services 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.

16.2 (b) - Lodgement of data about dog attacks with the Division

There were 17 dog attack incident reports entered on the NSW Companion Animals Register for the year 2017/18. This is 5% decrease from previous year.

16.2 (c) - The amount of funding spent on companion animal management and activities

Companion Animal Management expenditure amounted to a total of \$177,000. The largest component of expenditure was attributed to Council's contractual arrangements with our impounding authority, Thornleigh Veterinary Hospital, at \$65,463.00. Income for the group was \$58,352.00 mainly attributed to registration fees of \$48,892.00 and fine income of \$9,460.00.

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 on companion animal legislation through the website, social media, e-newsletters, information within rates notices, and targeted pamphlet distribution at off-leash areas.

Council has a number of strategies in place to promote, and assist with, the desexing of dogs and cats. These strategies include sending 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 Thornleigh's social media pages, 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 21 Leash Free Areas and a full list of these areas are available at kmc.nsw.gov.au/offleash

Environmental Planning And Assessment Act, 1979

Under section 7.5(5) of the *Environmental Planning and Assessment Act, 1979* Council must include in its 2017/18 Annual Report the planning agreements entered into during the year and information on the status of current planning agreements.

Planning Agreement for the dedication of land for the future widening of Havilah Lane Lindfield

Associated Development Application: DA0175/17 for 51, 55 and 55A Lindfield Avenue Lindfield

Commentary: This draft Planning Agreement provides for the dedication of land along the Havilah Lane rear frontage of 51, 55 and 55A Lindfield

Avenue Lindfield for the purposes of widening Havilah Lane and supporting future public domain improvements in accordance with the Ku-ring-gai Development Control Plan and Ku-ring-gai Public Domain Plan 2010.

Executed by Council: 3 September 2018

Execution by the Developer: Pending settlement of legal fees

Status: Current

Additional Information: Ku-ring-gai Council executed the agreement on 3 September 2018. The planning agreement was subsequently executed by the developers but remains with Council's solicitors for registration on title.

Planning Agreement for the dedication of land for the future widening of Fitzsimons Lane Gordon

Associated Development Application: DA0226/16 for 900 Pacific Highway Gordon

Commentary: This draft Planning Agreement provides for the dedication of land along the Fitzsimons Lane rear frontage of 900 Pacific Highway, Gordon for the purposes of widening Fitzsimons Lane and supporting future public domain improvements in accordance with Ku-ring-gai Development Control Plan and Ku-ring-gai Public Domain Plan 2010.

Executed by Council: 5 July 2018

Status: Current

Additional Information: Ku-ring-gai Council executed the agreement on 5 July 2018. The planning agreement was subsequently executed by the developers and is now current.

Planning Agreement for the dedication of land for the future widening of Fitzsimons Lane Gordon

Associated Development Application: DA0180/14 for 870-898 Pacific Highway Gordon

Commentary: This draft Planning Agreement provides for the dedication of land along the Fitzsimons Lane rear frontage of 870-898 Pacific Highway, Gordon for the purposes of widening Fitzsimons Lane and supporting future public

domain improvements in accordance with Ku-ring-gai Development Control Plan and Ku-ring-gai Public Domain Plan 2010.

Executed: 6 March 2018

Status: Current

Additional Information: Ku-ring-gai Council executed the agreement on 6 March 2018. The planning agreement was subsequently executed by the developers and is now current.

Planning Agreement for the dedication of land for the future widening of Post Office Lane Pymble

Associated Development Application: DA00039/16 for 1017 Pacific Highway Pymble

Commentary: This draft Planning Agreement provides for the dedication of land along the Post Office Lane rear frontage of 1017 Pacific Highway, Pymble for the purposes of widening Post Office Lane and supporting future public domain improvements in accordance with Ku-ring-gai Development Control Plan and Ku-ring-gai Public Domain Plan 2010. It also provides for an easement in gross for a public pedestrian through site link between the Pacific Highway and Post Office Lane.

Executed: 6 March 2018

Status: Current

Additional Information: Ku-ring-gai Council executed the agreement on 6 March 2018. The planning agreement was subsequently executed by the developers and is now current.

Planning Agreement for the dedication of land for the future widening of Fitzsimons Lane Gordon

Associated Development Application: DA0407/13 for 904-914 Pacific Highway Gordon

Commentary: This Planning Agreement provides for the dedication of land along the Fitzsimons Lane rear frontage of 904-914 Pacific Highway, Gordon for the purposes of widening Fitzsimons Lane and supporting future public domain improvements in accordance with Ku-ring-gai Development Control Plan and Ku-ring-gai Public Domain Plan 2010. This Planning Agreement was executed on 24 February

2017 in counterparts which were then exchanged. Each part forms the whole.

Status: Current

Additional Information: Land subdivision and dedication took effect on 4 January 2018. It is anticipated that the Planning Agreement will be discharged in the 2018/2019 year.

Planning Agreement for the delivery of a public road (part) on 33 Moree Street Gordon

Associated Development Applications: DA0095/11 for 29, 29A and 31 Moree Street, Gordon

Executed: 23 November 2017

Status: Current

Additional Information: The partial link road is currently under construction. The new road will provide a vehicular and pedestrian link between Moree Street and Dumaresq Street in Gordon on completion under two separate planning agreements (see below).

Planning Agreement for the delivery of a public road (part) on 32 Dumaresq Street Gordon

Associated Development Applications: DA0501/12 later superseded by DA0434/15 for 28-20 Dumaresq Street, Gordon

Commentary: This Planning Agreement provides for the delivery of a future public road on 32 Dumaresq Street, Gordon, and specifies the relationship between this work and the development contributions arising from the proposed development. It also provides for the divestment by Council at an agreed market value of a strip of residual land between the road and the 28-30 Dumaresq Street Gordon subject property. The first related Development Application DA0501/12 was determined on 23 May 2014. The Planning Agreement was executed on Monday, 25 September 2014. DA0501/12 lapsed and was replaced by a subsequent Development Application. Development Application DA0434/15 was determined on 24 March 2016.

Executed: 25 September 2014

Novated: 21 November 2014

Status: Current

Additional Information: The partial link road is currently under construction. The new road will provide a vehicular and pedestrian link between Dumaresq Street and Moree Street in Gordon on completion under two separate planning agreements (see above). The sale of a small residual amount of land was completed on 14 January 2015.

Planning Agreement for the provision of community facilities, a sportsfield and public roads on the former UTS site on Eton Road in Lindfield

Associated Development Application: DA0677/11 for Edgelea Development 100 Eton Road Lindfield NSW 2070 (also known as the former UTS Ku-ring-gai)

Executed: 6 September 2012

Status: Current

Additional Information: Charles Bean sportsfield opened in December 2013. Two roads were dedicated in 2014/15. The community building (and land) is expected to be dedicated in early 2019 and the environmental lands will be transferred to Council once the environmental management objectives have been completed in 2022.

Private swimming pools

In accordance with the *Swimming Pools Act, 1992 s 22(F)* and *Swimming Pools Regulation, 2008 (SP Reg) Cl 18BC* Council is required to report on the details of private swimming pools inspections.

Details of inspections of private swimming pools include:

- Number of inspections of tourist and visitor accommodation - 1
- Number of inspections of premises with more than 2 dwellings - 4
- Number of inspections that resulted in issuance a certificate of compliance under section 22D of the Act - 147
- Number of inspections that resulted in issuance a certificate of non-compliance under clause 18BA of the Regulation - 44

Government Information Public Access Act, 2009

GIPA Annual Report

In accordance with section 125 of the *Government Information (Public Access) Act, 2009* (the Act), Council is required to prepare an annual report of its compliance with 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 Act, NSW agencies must review their programs for the proactive release of government information annually.

This review was undertaken by examining what information is already being made available to the public, as well as observing 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.

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.

During the reporting period, Council received three (3) Formal Access requests for information which resulted in an inclusion to Council's Disclosure Log.

We have also continued to monitor trends in informal requests for information for documents that could be more efficiently disclosed proactively. Despite the high number of informal requests received, the same information is rarely sought by a number of different members of the public.

Over the past two years, Council has employed an initiative to reactively scan archived files, making it easier, quicker and more cost effective to locate and provide this information. This process is known as Scan on Demand. Instead of hard copy files being recalled from archives, the file is scanned and delivered as an electronic (PDF) document, which is then stored in Council's EDRMS and delivered to the applicant as a secured electronic file.

As there is an increasing percentage of informal applications that enquire about the age of properties, request copies of modifications to DAs, or request copies of Private Certifier Complying Development Certificates, Council has also committed funds to scanning a number of hard copy building registers and uploading them to the website. Together with copies of registers already scanned, this will give members of the public access to a list of building applications from 1927-1982. Publishing this information will reduce the number of informal applications received, and make it easier for members of the public to access the information.

A public access computer kiosk is located in the foyer area of Council's Administration Building. This computer provides free access to electronic information on current development applications and all other information on our website.

Following the review, it was 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 47 formal access applications (including withdrawn applications but not including invalid applications). 6 of these applications were withdrawn by the applicant.

3. Number of refused applications for Schedule 1 information - GIPA Regulation 2009 - Clause 7(c)

During the reporting period, Ku-ring-gai Council refused one (1) formal access application.

Table A: Number of applications by type of applicant and outcome*

	Access granted			Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn	Total	% of Total
	in full	in part	in full								
Media	0	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0	0%
Private sector business	2	1	0	0	0	0	0	0	0	3	6%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	3	4	0	3	0	0	0	0	0	10	21%
Members of the public (other)	17	6	3	0	0	2	0	0	6	34	72%
Total	22	11	3	3	0	2	0	0	6	47	
% of Total (rounded)	47%	23%	6%	6%	0%	4%	0%	0%	13%		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision.

Disability Inclusion Act 2014

Division 3 Disability Inclusion Action Plans

Report on implementation of plans

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 2014-2018

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.

A review of the Plan was commenced in 2017/18 including consultation with internal organisational stakeholders across all departments. The aims of the review are to:

- Assess changes to Ku-ring-gai's population and demographic trends identified from the 2016 population census.
- Assess implications of changes for community needs and priorities.
- Review the current Plan's actions to ensure they are responding to and addressing current and future needs of the community.
- Identify responsibilities for delivering the Plan actions.

The review will be completed in the first half of 2018/19.

Ku-ring-gai Council was successful in obtaining Quality Assurance Accreditation against the Disability Standards and meets funding requirements until June 2018.

Plan implementation

2017/18 was the third year of implementation of the plan. Initiatives undertaken to support and promote accessibility for all members of the community included the following:

1. Revised integrated strategic plans

Council adopted a new suite of Integrated Planning and Reporting plans in June 2018 including a revised Community Strategic Plan 2038, Resourcing Strategy 2018-2028, Delivery Program 2018-2021 and Operational Plan 2018-2019. This followed extensive consultation with the community, business and government as well as contributions from Councillors and the organisation.

The *NSW Local Government Act, 1993* requires councils and communities to review their Community Strategic Plans following election of a new council. The review was informed by:

- An 'End of Term' report prepared by the outgoing council which looked at the implementation and effectiveness of the Community Strategic Plan (CSP) in achieving its objectives over the previous four years.
- An assessment and updating of information about the local area that informed the original CSP, including a stock-take of issues, pressures and trends affecting the area. This was undertaken by the incoming council.
- An assessment of key state, regional and local policy settings and directions that influence decision-making for the local area.
- Engagement with the community to identify key issues, challenges and opportunities impacting on the area over the long term and how they might be addressed.

The results of Council's review of the CSP, including community engagement and consultation, was a reaffirmation of the community's priorities reflected in the issues and long term objectives contained in the CSP. This includes long term objectives addressing community inclusiveness and equity. As a result, those issues and long term objectives were

restated in the revised Plan, while changes were made to other aspects of the CSP. These included the social and economic profile of Ku-ring-gai going forward as well as changes to local, regional and state government policy settings. Indicators of progress for the long term objectives were also reviewed and updated.

2. Demographic and community needs research

Two research reports were completed in 2017/18 addressing demographic changes in Ku-ring-gai and their implications for community planning in the short, medium and longer term. This work was undertaken following release of the 2016 ABS Census of population results and to inform Council's review of the Community Strategic Plan and other integrated plans. This included:

- Demographic Profile and Communities of Interest – August 2017.
- Ku-ring-gai Community Needs Analysis – December 2017.

The research focused on the following identified target groups – children and families; young people; older people; people with disability and culturally and linguistically diverse people.

Findings from the research has informed the community engagement process for development of the revised integrated strategic plans, preparation of Council's three year Delivery Program and annual program of services, projects and works as well as policy development, programs and service delivery across the organisation.

3. Translated information

Translated brochures were provided to culturally and linguistically diverse (CALD) groups - Korean, Simplified Chinese and Traditional Chinese languages - to inform of the CSP consultation and how to obtain further information as part of the community engagement program. This approach is also increasingly utilised by other engagement programs across the organisation.

4. Design of parks and playgrounds

During 2017/18, Council spent \$1.6 million on the designs and construction of new and upgraded parks and playgrounds which incorporated where possible inclusive design principles. This included:

• Playground at Bicentennial Park, West Pymble

The Golden Grove playground, located at Lofberg Road, West Pymble, is located within one of Ku-ring-gai's biggest parks. The playground was upgraded with a variety of new play equipment and natural play areas including water-based elements and inclusive elements. The playground also has new fencing, with self-closing gates and seating.

• Playground at Roseville Chase Community Centre

The Roseville Chase Community Centre playground upgrade was completed and opened. The upgrade includes a range of new playground equipment, with inclusive play elements, accessible paths, and a perimeter fence to make the space accessible for the wider community.

• Design and consultation for other upgrades

Work also continued on designs and community consultation in relation to other priority playgrounds and parks that need updating, based on population distribution and Council's policy of making Ku-ring-gai's playgrounds enjoyable for children of all ages and abilities. This included:

- Preparation and exhibition of detailed designs for a new park at the corner of Allan Avenue, Holmes Street and Duff Street in Turramurra. When completed the new park will be approximately 2,700m².
- Completion of plans for the new regional playground at St Ives Showground. This play area will be an inclusive and large play space for the Showground, in response to increasing population growth and visitor numbers. Funding for the upgrade has been assisted by the NSW Department of Planning and Environment through the Metropolitan Greenspace Grant Program.

- Adoption of a masterplan for improvements to Gordon Recreational Ground, located in Werona Street, Gordon. This includes an upgraded pathway with additional lighting to improve safety and accessibility; an expanded playground area; additional picnic tables and seating areas, fully accessible toilet facilities, new lighting and line-marking for the tennis courts to allow sports such as basketball and netball to be played on them.
- Draft landscape masterplan completed for Robert Pymble Park in Alma Street, Pymble.
- Design planning completed for an upgrade to Putarri Reserve, St Ives, which was prioritised for an upgrade due to the area's high influx of young families. Design features include new fencing, landscaping and a range of playground equipment.

5. Major projects

Revitalisation projects at Lindfield and Turramurra local centres were significantly progressed during 2017/18. These projects include principles for improved accessibility for all community groups within the centres as part of new community facilities, vibrant town squares and a renewed focus for shopping, eating and community activities.

6. Ku-ring-gai Fitness and Aquatic Centre equipment

Council in conjunction with the YMCA and Uniting Ability Links joined forces to provide custom-built change facilities at the Ku-ring-gai Fitness and Aquatic Centre in West Pymble. The shower trolley gives swimmers in a wheelchair the ability to change clothes following a swim with the assistance of a carer. The \$7,000 trolley was purchased using money raised from the 2017 YMCA Swimathon, which saw the local community generously support a range of fundraising activities at the Ku-ring-gai Fitness and Aquatic Centre.

An overhead tracking hoist donated by Ability Links NSW was installed by Council and can be used to transfer patrons to and from their wheelchairs and into the new shower trolley. The hoist can be moved to different locations to suit varying needs.

7. Sensory tents

In conjunction with Ability Links and Ku-ring-gai Neighbourhood Centre, funding was secured for Sensory Tents which reduce sensory input, remove distractions and provide a safe and non-stimulating space for children and young people to calm down and refocus. It is anticipated that the tents will be set-up at major Council events and also available for use by community groups.

8. Mental health event

In partnership with Settlement Services International, NSW Police and New Vision Psychology Council hosted a mental health event for Mandarin and Cantonese speaking people. The event provided an opportunity for people to informally speak with a psychologist and link them to free counselling.

9. Access

Council spent \$795,000 on new and upgraded footpaths during 2017/18 with over 700m of new footpath constructed, including new footpaths on Rosedale Road, Rothwell Avenue, Pymble Avenue and Cleveland Avenue.

• *Princess Anne Arena, St Ives Showground*

An accessible toilet and access path were completed at the arena in partnership with the Northside Riding Club and included grant funding.

• *Swain Gardens, Killara*

An accessible parking area and access was completed within the Swain Garden grounds.

• *Pedestrian bridges*

Two 20 metre and 9 metre span timber pedestrian bridges at Bicentennial Park, West Pymble were replaced with wider versions to improve accessibility. This included a major bridge connecting the Lofberg Rugby Oval to the Golden Grove playground. An upgraded toilet block with a new roof, improved lighting and layout also formed part of the upgrade. The pedestrian bridges have been nominated for an engineering award.

- **New accessible lift at Council Chambers, Gordon**

A new larger lift with accessible design features was installed at Council Chambers to improve accessibility to Council's administrative offices and meeting rooms.

10. Public transport connections

Council continued to plan for and improve 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.

Council staff also consulted with Transport for NSW on key projects to improve public transport access and connections, particularly in relation to Council's major projects in Lindfield and Turramurra. In June Transport for NSW formally announced that funding in the 2018 NSW Budget has been set aside for planning accessibility upgrades at both Wahroonga and Roseville railway stations. Staff will work with Transport for NSW to progress the planning of these accessibility upgrades.

- **Bus stop upgrades**

Six bus stops were upgraded to improve accessibility and meet disability access standards during 2017/18. To determine priorities for bus stop upgrades Council obtains usage data from Transport for NSW based on Opal card data, rather than bus routes. Council also provided assistance to 'seniors living' designers for the upgrade of bus stops to meet new accessibility standards.

11. Home Library Service and Library bus service.

During 2017/18, over 15,000 items were loaned to Home Library Service members, a 5% increase compared to the previous year.

Both the Home Library Service and the Libraribus serve the special groups in the community who really value interaction with the Library and can still stay connected to the community.

The Libraribus not only helps the elderly in our community but also caters for people with a disability, either permanent or temporary, which inhibits their ability to visit our branches.

Comments received by the Libraribus driver by users during their bus trips include:

"a wonderful service, makes us feel special ...indeed unique provided by Ku-ring-gai Council...."

"I don't know how I would have managed if it weren't for the Libraribus....I am unable to walk up hill from my house to use public transport. The only social interaction I have is with fellow passengers on the bus and I look forward eagerly to visit the Library. I don't feel isolated or cut off from the community...."

12. New online library system for residents

A new library system installed in 2017/18 has made accessing the library's online services much easier. The demand for online services at Council's libraries is increasing every year. The new system has sped up searching for library items and allows users more freedom when using online services such as e-books. Features include predicative searching, dynamic displays and more control over how notifications about library services are received.

13. Online applications

Council continued to improve the accessibility of its customer service delivery. This included:

- Additional online application types being offered to residents as well as businesses so they can manage their business 24/7. This includes Outdoor Dining Permits available online and expansion of categories for requests which now include Footpath Enquiries and Maintenance Requests.
- Improvements to the public mapping portal were completed and opened to the public. The new version now supports any device, including smartphones and tablets which were not supported by the previous version.

14. Healthy lifestyles

The Active Ku-ring-gai Program encourages people of all ages and fitness levels to participate in enjoyable physical activity. During 2017/18, there were over 300 registrations for programs including:

- Stepping On, which is a falls prevention session promoting better balance, mobility, stability and flexibility.

-
- Yoga, Tai Chi, Pilates and Gym Without Walls
 - Walking groups
 - Tennis program
 - Junior golf programs
 - Youth table tennis

**15. Ku-ring-gai Community Grants Program
2017/2018**

Ku-ring-gai Council provided over \$93,000 in grants to a number of community groups including children services, youth services, culturally and linguistically diverse communities, aged and disability services. A number of the grants focused on improving access, promoting inclusive practises and building the capacity of organisations to deliver services to people with additional needs.

**Council's operating
result for 2017/18
was a \$32.5m surplus
(including Grants and
Contributions for capital
purposes).**



*Ku-ring-gai Fitness and Aquatic
Centre, West Pymble.*

Financial reporting

Introduction

The Financial Statements show that Council has achieved a sound financial result for 2017/18. Council's operating result for the financial year ended 30 June 2018 was a surplus of \$32.5m including Grants and Contributions for capital purposes. After adjusting for Capital Grants and Contributions, the net operating result was \$5.6m.

The Financial Statements for the year ended 30 June 2018 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 26). The Statements comprise the following reports:

- General Purpose Financial Statements (independently audited)
- Special Purpose Financial Statements (independently audited)
- Special Schedules

Summary - Financial position of Council as at 30 June 2018

The following table provides a summary of the financial results from the Financial Statements 2017/18:

Income Statement '000	Actual 2018	Actual 2017
Income from Continuing Operations	155,640	150,811
Expenses from Continuing Operations	123,099	117,672
Net Operating Result for the Year	32,541	33,139
Net Operating Result for the year before Grants and Contributions for Capital purposes	5,617	18,823
Statement of Financial Position '000	Actual 2018	Actual 2017
Current Assets	102,599	81,497
Non-Current Assets	1,477,530	1,358,470
Total Assets	1,580,129	1,439,967
Current Liabilities	28,409	25,656
Non-Current Liabilities	21,181	22,071
Total Liabilities	49,590	47,727
Net Assets	1,530,539	1,392,240
Total Equity	1,530,539	1,392,240
Statement of Cash Flows '000	Actual 2018	Actual 2017
Net Cash Flow from Operating Activities	55,030	46,021
Net Cash Flow used in Investing Activities	(52,010)	(40,229)
Net Cash Flow used in Financing Activities	(1,181)	(1,584)
Net Increase/(Decrease) in Cash	1,839	4,208
Plus: Cash at beginning of year	15,303	11,095
Cash at end of Year	17,142	15,303
Plus: Investments on hand at end of year	160,251	128,753
Total Cash and Investments	177,393	144,056



FURTHER READING

For further details regarding the above financial results see the Financial Statements on page 234.

Performance Measurement Indicators

The Statement of Performance Measurement (See Note 24 of the Financial Statements on page 310-312 to 350 and Special Schedule 7 on page 350) provide ratios used to assess various aspects of Council’s financial performance. These ratios have been prescribed by the Code of Accounting Practice for 2017/18.

The Infrastructure asset ratios listed in “Special Schedule 7 - Report on Infrastructure Assets” are Building and Infrastructure Renewal Ratio, Infrastructure Backlog Ratio, Asset Maintenance Ratio and Cost to bring assets to agreed service level. These can be found on page 343 in the Special Schedule section of the Financial Statements.

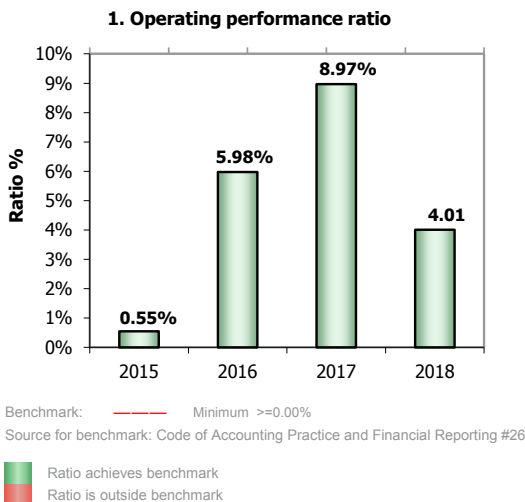
The results of all financial indicators, including asset ratios, providing four year comparisons and commentary, are detailed in the following graphs.

1. Operating Performance Ratio

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

2017/18 ratio: 4.01%

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 decrease from the previous year is mainly due to reduced instalments for FAG grant and higher operational expenses.

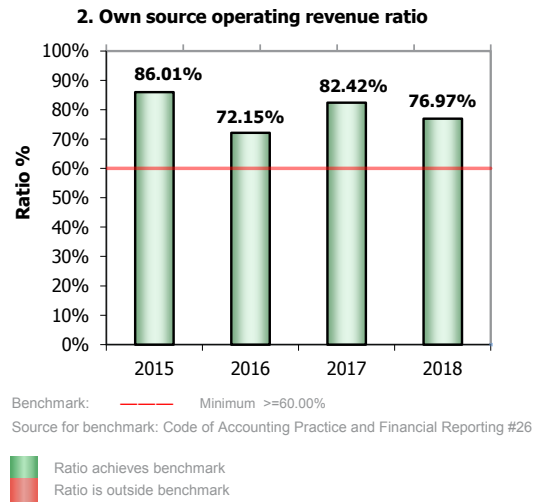


2. Own Source Operating Revenue

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

2017/18 ratio: 76.97%

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.

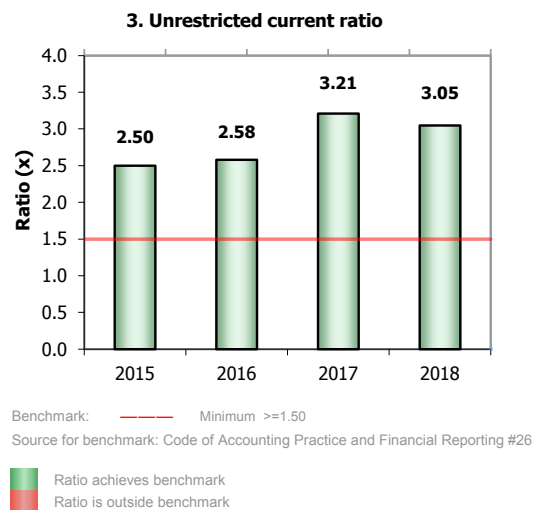


3. Unrestricted Current Ratio

This ratio assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

2017/18 ratio: 3.05x

Council’s Unrestricted Current Ratio is above the benchmark of >1.5x and has been outperforming the benchmark for the last four years. Council’s liquidity is good and it can readily pay its debts as they fall due.



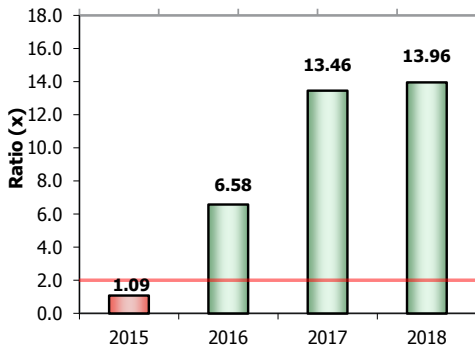
4. Debt Service Cover Ratio

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

2017/18 ratio: 13.96x

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 and increased revenue during the financial year compared to the year before.

4. Debt service cover ratio



Benchmark: Minimum ≥ 2.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Ratio achieves benchmark
Ratio is outside benchmark

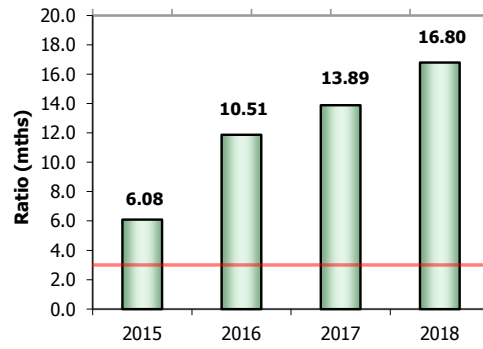
6. Cash Expense Cover Ratio (months)

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

2017/18 ratio: 16.80 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.

6. Cash expense cover ratio



Benchmark: Minimum ≥ 3.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Ratio achieves benchmark
Ratio is outside benchmark

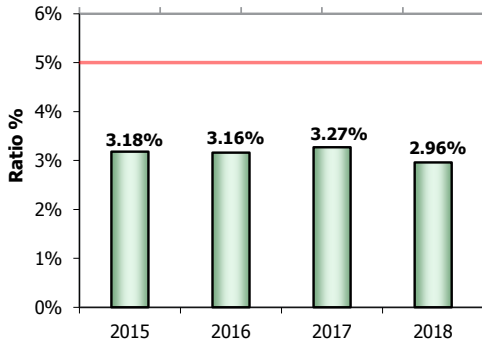
5. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage

This percentage assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

2017/18 ratio: 2.96%

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 2.96% is satisfactory and is better than the benchmark of "less than 5%".

5. Rates, annual charges, interest and extra charges outstanding percentage



Benchmark: Maximum $< 5.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Ratio achieves benchmark
Ratio is outside benchmark

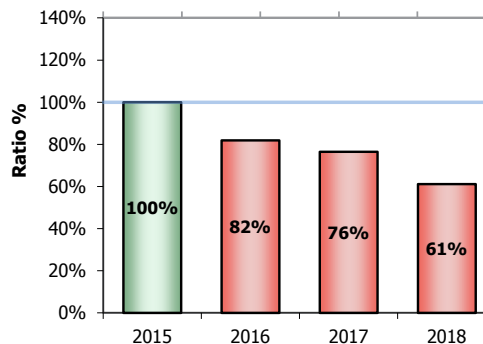
7. Buildings and Infrastructure Renewals Expenditure

This ratio assesses the rate at which these assets are being renewed relative to the rate at which they are depreciating.

2017/18 ratio: 61%

A ratio of 61% indicates that amount spent on renewing infrastructures assets is lower than the amount of depreciation on those assets. This is due to incomplete projects at end of year. Council's long term financial plan provides for infrastructure renewal to meet the benchmark of 100% in future years. Council will continue to focus on appropriate asset standards for renewal and maintenance of its assets and prioritise renewal capital work programs.

7. Buildings and infrastructure renewals ratio



Benchmark: Minimum $\geq 100.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

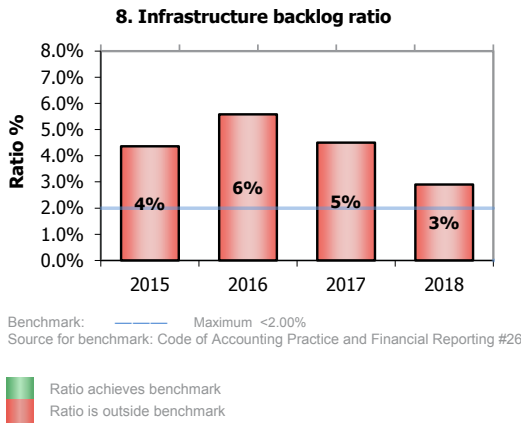
Ratio achieves benchmark
Ratio is outside benchmark

8. Infrastructure Backlog Ratio

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

2017/18 ratio: 3%

Council achieved a backlog ratio of 3% at the end of 2017/18 financial year, which is an improvement 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.

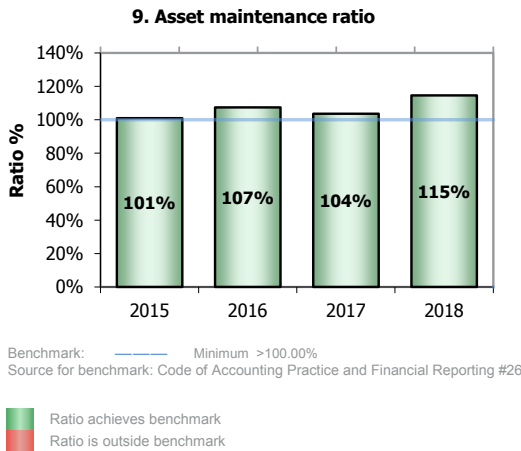


9. Asset Maintenance Ratio

This ratio compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

2017/18 ratio: 115%

A ratio of above 100% indicates that the Council is investing enough funds within the year to ensure assets reach their useful lives. The benchmark is greater than 100%.

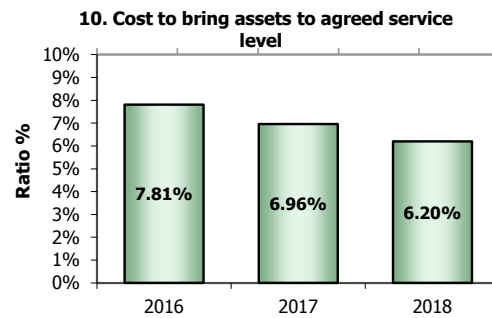


10. Cost to bring assets to agreed service level

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

2017/18 ratio: 6%

The cost to bring to level of service is an estimate of the cost to renew existing assets that have reached the condition-based intervention level. Council is committed to increase expenditure on assets renewal in future years and reduce the cost to bring to level of service and this is reflected in Council's Long Term Financial Plan and Asset Management Strategy.





General Purpose Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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Overview

Ku-ring-gai Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

818 Pacific Highway
Gordon NSW 2072

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

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

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

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

Understanding Council's Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

Introduction

Each year, individual local governments across New South Wales 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 2018.

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 value 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 five primary financial statements.

About the Auditor's Reports

Council's annual financial statements are required to be audited by the NSW Audit Office. In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
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.

The public can make submissions 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 YEAR ENDED 30 JUNE 2018

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

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

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

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

Signed in accordance with a resolution of Council made on 25 September 2018.


Jennifer Anderson
Mayor
25 September 2018


Jeff Pettett
Deputy Mayor
25 September 2018


David Marshall
Acting General Manager
25 September 2018


Angela Apostol
Responsible Accounting Officer
25 September 2018

Primary financial statements

Income Statement

FOR THE YEAR ENDED 30 JUNE 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Income from continuing operations				
Revenue:				
81,705	Rates and annual charges	3a	82,557	80,439
19,089	User charges and fees	3b	20,529	19,151
3,365	Interest and investment revenue	3c	5,086	4,624
11,987	Other revenues	3d	11,206	12,146
7,624	Grants and contributions provided for operating purposes	3e,f	8,797	10,508
19,714	Grants and contributions provided for capital purposes	3e,f	26,924	14,316
Other income:				
–	Fair value increment on investment property	11	541	9,627
143,484	Total income from continuing operations		155,640	150,811
Expenses from continuing operations				
41,718	Employee benefits and on-costs	4a	39,889	38,272
723	Borrowing costs	4b	676	781
41,503	Materials and contracts	4c	44,167	40,112
21,853	Depreciation and amortisation	4d	20,103	19,672
16,442	Other expenses	4e	18,201	16,657
–	Net losses from the disposal of assets	5	63	2,178
122,239	Total expenses from continuing operations		123,099	117,672
21,245	Operating result from continuing operations		32,541	33,139
21,245	Net operating result for the year		32,541	33,139
1,531	Net operating result for the year before grants and contributions provided for capital purposes		5,617	18,823

This Statement should be read in conjunction with the accompanying Notes.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Notes	2018	Restated 2017
Net operating result for the year (as per Income Statement)		32,541	33,139
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	105,758	–
Total items which will not be reclassified subsequently to the operating result		105,758	–
Total other comprehensive income for the year		105,758	–
Total comprehensive income for the year		138,299	33,139

This Statement should be read in conjunction with the accompanying Notes.

Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Notes	2018	Restated 2017	Restated* 1 July 2016
ASSETS				
Current assets				
Cash and cash equivalents	6a	17,142	15,303	11,095
Investments	6b	73,501	52,500	46,509
Receivables	7	9,709	9,843	8,042
Inventories	8a	190	191	231
Other	8b	2,057	2,423	2,231
Non-current assets classified as 'held for sale'	9	–	1,237	–
Total current assets		102,599	81,497	68,108
Non-current assets				
Investments	6b	86,750	76,253	68,254
Receivables	7	107	112	133
Infrastructure, property, plant and equipment	10a	1,352,879	1,245,174	1,242,390
Investment property	11a	37,500	36,720	27,056
Intangible assets	12	294	211	397
Total non-current assets		1,477,530	1,358,470	1,338,230
TOTAL ASSETS		1,580,129	1,439,967	1,406,338
LIABILITIES				
Current liabilities				
Payables	13	14,987	11,923	10,266
Income received in advance	13	1,713	1,808	1,945
Borrowings	13	1,065	1,180	1,584
Provisions	14	10,644	10,745	10,813
Total current liabilities		28,409	25,656	24,608
Non-current liabilities				
Borrowings	13	20,685	21,751	22,344
Provisions	14	496	320	285
Total non-current liabilities		21,181	22,071	22,629
TOTAL LIABILITIES		49,590	47,727	47,237
Net assets		1,530,539	1,392,240	1,359,101
EQUITY				
Accumulated surplus		841,995	809,454	776,315
Revaluation reserves		688,544	582,786	582,786
Total equity		1,530,539	1,392,240	1,359,101

*Refer Note 15

This Statement should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018		2017		Restated Total equity
		Accumulated surplus	IPP&E revaluation reserve	Accumulated surplus	IPP&E revaluation reserve	
Opening balance		809,454	582,786	776,315	506,714	1,283,029
Correction of prior period errors		-	-	-	76,072	76,072
Restated opening balance		809,454	582,786	776,315	582,786	1,359,101
Net operating result for the year prior to correction of errors and changes in accounting policies		32,541	-	-	-	-
Changes in accounting policies		-	-	33,139	-	33,139
Restated net operating result for the year		32,541	-	33,139	-	33,139
Other comprehensive income						
- Gain (loss) on revaluation of IPP&E	10	-	105,758	-	-	-
Other comprehensive income		-	105,758	-	-	-
Total comprehensive income		32,541	105,758	33,139	-	33,139
Equity - balance at end of the reporting period		841,995	688,544	809,454	582,786	1,392,240

This Statement should be read in conjunction with the accompanying Notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Cash flows from operating activities				
Receipts:				
81,630	Rates and annual charges		82,753	80,276
19,089	User charges and fees		22,299	21,319
3,365	Investment and interest revenue received		4,843	4,612
27,340	Grants and contributions		34,868	24,512
–	Bonds, deposits and retention amounts received		1,898	1,743
11,991	Other		17,309	15,470
Payments:				
(40,234)	Employee benefits and on-costs		(39,814)	(38,351)
(35,025)	Materials and contracts		(48,108)	(43,713)
(723)	Borrowing costs		(676)	(194)
	Bonds, deposits and retention amounts refunded		(93)	(102)
(21,269)	Other		(20,249)	(19,551)
46,164	Net cash provided (or used in) operating activities	16b	55,030	46,021
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		52,500	48,938
–	Sale of infrastructure, property, plant and equipment		2,678	775
Payments:				
–	Purchase of investment securities		(83,999)	(62,938)
–	Purchase of investment property		(239)	(37)
(61,951)	Purchase of infrastructure, property, plant and equipment		(22,950)	(26,967)
(61,951)	Net cash provided (or used in) investing activities		(52,010)	(40,229)
Cash flows from financing activities				
Receipts:				
1,800	Proceeds from borrowings and advances		–	–
Payments:				
(1,749)	Repayment of borrowings and advances		(1,181)	(1,584)
51	Net cash flow provided (used in) financing activities		(1,181)	(1,584)
(15,736)	Net increase/(decrease) in cash and cash equivalents		1,839	4,208
16,771	Plus: cash and cash equivalents – beginning of year	16a	15,303	11,095
1,035	Cash and cash equivalents – end of the year	16a	17,142	15,303
Additional Information:				
	plus: Investments on hand – end of year	6b	160,251	128,753
Total cash, cash equivalents and investments			177,393	144,056

This Statement should be read in conjunction with the accompanying Notes.

Contents of the Notes accompanying the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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Note 1 Basis of preparation

FOR THE YEAR ENDED 30 JUNE 2018

These financial statements were authorised for issue by Council on 25/09/2018.

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

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity for the purpose of preparing these financial statements.

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes are clearly marked.

- Income statement
- Statement of cash flows
- Note 20 – Material budget variations

(a) Historical cost convention

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

(b) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

- (i) Estimated fair values of investment properties refer Note 11,
- (ii) Estimated fair values of infrastructure, property, plant and equipment refer Note 10,
- (iii) Employee benefit provisions – refer Note 14.

Note 1 Basis of preparation (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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Significant judgements in applying the Council's accounting policies

(iv) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Thomas Carlyle Children Centre
- Art Centre
- Trade waste
- Gordon Golf Course
- Turramurra Golf Course
- Tennis Courts
- Swimming Pool
- Nursery
- Commercial Leasing

(b) The Trust Fund

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

Goods and Services Tax (GST)

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

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

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

Note 1 Basis of preparation (continued)

FOR THE YEAR ENDED 30 JUNE 2018

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

Effective for annual reporting periods beginning on or after 1 July 2018

- *AASB 9 Financial Instruments*

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses.

Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

Effective for annual reporting periods beginning on or after 1 July 2019

- *AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

While Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards, these standards may affect the timing of the recognition of some grants and donations.

- *AASB 16 Leases*

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

Apart from those listed above, there are no other released standards (with future effective dates) that are expected to have a material impact on Council.

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

Note 2(a) Council functions/activities - financial information

FOR THE YEAR ENDED 30 JUNE 2018

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 and non-current)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Access, Traffic and Transport	5,578	4,058	2,145	1,998	3,433	2,060	1,923	1,092	10	536
Community, People and Culture	12,564	12,053	23,291	24,460	(10,727)	(12,407)	694	382	56,220	50,270
Leadership and Governance	73,009	83,138	20,409	19,506	52,600	63,632	4,440	5,726	298,289	247,482
Local Economy and Employment	5	5	116	121	(111)	(116)	5	5	13,422	10,580
Natural Environment	22,084	21,423	25,562	22,920	(3,478)	(1,497)	685	661	9,326	9,643
Places, Spaces and Infrastructure	42,400	30,134	51,576	48,667	(9,176)	(18,533)	2,192	2,114	1,202,862	1,121,456
Total functions and activities	155,640	150,811	123,099	117,672	32,541	33,139	9,939	9,980	1,580,129	1,439,967

Note 2(b) Council functions/activities - component descriptions

FOR THE YEAR ENDED 30 JUNE 2018

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Details relating to the Council's functions/activities as reported in Note 2(a) are as follows:

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.

Services provided under this theme - Traffic and transport strategy and research, Road safety, Engineering design, Civil works and maintenance.

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. Services provided under this theme - Children's services, Youth services, Aged services, Disability services, Cultural development, Community events, Libraries and Art centre, Community health, safety and wellbeing programs, Community facilities and halls management, Sports grounds and parks bookings and Emergency management support.

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.

Services provided under this theme - Financial management, Integrated planning and reporting, Property and asset management, Revenue accounting, Governance, Procurement, Risk management, Customer services, Communication, Community engagement, Human Resources, Information management, Administration and records and Civic support.

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.

Services provided under this theme - Economic and social development, Marketing and Events coordination.

Natural Environment

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

Services provided under this theme - Environmental Levy programs and initiatives, Corporate sustainability program, Biodiversity and bushland management programs, Bush fire management program, Water conservation, 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.

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.

Services provided under this theme - 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.

Note 3 Income from continuing operations

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
(a) Rates and annual charges		
Ordinary rates		
Residential	28,363	27,648
Business	4,351	4,123
Total ordinary rates	32,714	31,771
Special rates		
Environmental levy	2,729	2,682
Infrastructure levy	25,855	25,200
Total special rates	28,584	27,882
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	20,177	19,668
Stormwater management services	984	971
Section 611 charges	98	147
Total annual charges	21,259	20,786
TOTAL RATES AND ANNUAL CHARGES	82,557	80,439

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and annual charges

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

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

(b) User charges and fees

Other user charges and fees

(i) Fees and charges – statutory and regulatory functions (per s.608)

Building regulation	2,558	2,450
Certificates	688	691
DA advertising fees	71	79
Driveway application fees	566	424
Outstanding notices	215	221
Regulatory application fees	372	436
Tree preservation charges	86	98
Total fees and charges – statutory/regulatory	4,556	4,399

Note 3 Income from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
(b) User charges and fees (continued)		
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Art centre	458	486
Bus shelters	343	337
Golf courses (Gordon and Turramurra)	1,461	1,158
Halls	393	364
Holiday activities	562	455
Leaseback fees – Council vehicles	375	362
Library	101	90
Nursery and wildflower garden	45	54
Parks	1,100	1,121
Restoration charges	1,418	1,435
Showground	474	134
Swimming centre	4,944	4,750
Tennis courts	298	307
Thomas Carlyle children centre and family day care	1,348	1,307
Trade waste charges	1,821	1,774
Other	832	618
Total fees and charges – other	15,973	14,752
TOTAL USER CHARGES AND FEES	20,529	19,151

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

(c) Interest and investment revenue

Interest

– Overdue rates and annual charges (incl. special purpose rates)	120	119
– Cash and investments	4,967	4,515
Amortisation of premiums and discounts		
– ‘Held to maturity’ investments	(1)	(10)
TOTAL INTEREST AND INVESTMENT REVENUE	5,086	4,624
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	120	119
General Council cash and investments	945	968
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	3,422	3,063
Restricted investments/funds – internal:		
Internally restricted assets	599	474
Total interest and investment revenue recognised	5,086	4,624

Accounting policy for interest and investment revenue

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

Note 3 Income from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Notes	2018	2017
(d) Other revenues			
Rental income – investment property	11	1,277	1,662
Rental income – other council properties		4,433	4,526
Fines – parking		2,542	2,019
Fines – other		633	449
Legal fees recovery – rates and charges (extra charges)		48	65
Legal fees recovery – other		174	458
Commissions and agency fees		14	15
Credit card surcharge		137	117
Dog registration fees		98	50
Domestic waste other income		183	167
Licence income		146	196
Program fees		236	223
Recycling income (non-domestic)		964	843
Trade discount		11	20
Other		310	1,336
TOTAL OTHER REVENUE		11,206	12,146

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees and fines are recognised as revenue when the penalty has been applied.

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Note 3 Income from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Notes	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(e) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance		3,670	5,347	–	–
Other					
Pensioners' rates subsidies – general component		233	269	–	–
Total general purpose		3,903	5,616	–	–
Specific purpose					
Pensioners' rates subsidies:					
– Domestic waste management		168	196	–	–
Better waste and recycling fund		126	272	54	–
Community care		58	36	–	–
Community centres		1,372	1,284	–	–
Economic development		5	5	–	–
Environmental protection		161	102	55	–
Library		250	227	49	85
LIRS subsidy		30	41	–	–
NSW rural fire services		62	79	–	–
Recreation and culture		–	–	123	–
Road safety		63	92	–	–
Street lighting		292	287	–	–
Transport		1,204	1,180	1,964	463
Other		–	15	–	–
Total specific purpose		3,791	3,816	2,245	548
Total grants		7,694	9,432	2,245	548
Grant revenue is attributable to:					
– Commonwealth funding		5,240	7,737	776	–
– State funding		2,454	1,695	1,469	548
		7,694	9,432	2,245	548
(f) Contributions					
Developer contributions:					
(s7.4 and s7.11 – EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	24,597	13,447
Total developer contributions – cash		–	–	24,597	13,447

Note 3 Income from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(f) Contributions (continued)				
Other contributions:				
Cash contributions				
Contribution to works	1,103	1,076	82	321
Total other contributions – cash	1,103	1,076	82	321
Total other contributions	1,103	1,076	82	321
Total contributions	1,103	1,076	24,679	13,768
TOTAL GRANTS AND CONTRIBUTIONS	8,797	10,508	26,924	14,316

Accounting policy for contributions

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were un-discharged at reporting date, the unspent grants or contributions are disclosed in Note 3(g).

\$ '000	2018	2017
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	100,475	89,481
Add: operating grants and capital and operating contributions recognised in the current period but not yet spent	32,165	19,296
Less: operating grants and capital and operating contributions recognised in a previous reporting period now spent	(7,132)	(8,302)
Unexpended and held as restricted assets	125,508	100,475

Note 4 Expenses from continuing operations

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
(a) Employee benefits and on-costs		
Salaries and wages	31,409	30,436
Employee leave entitlements (ELE)	5,244	4,903
Superannuation	3,706	3,682
Workers' compensation insurance	629	466
Fringe benefit tax (FBT)	278	331
Training costs (other than salaries and wages)	305	179
Other	88	123
Total employee costs	41,659	40,120
Less: capitalised costs	(1,770)	(1,848)
TOTAL EMPLOYEE COSTS EXPENSED	39,889	38,272

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme. Sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 14 for more information.

(b) Borrowing costs

Interest bearing liability costs

Interest on loans	676	781
Total interest bearing liability costs expensed	676	781
TOTAL BORROWING COSTS EXPENSED	676	781

Accounting policy for borrowing costs

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

Note 4 Expenses from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000	2018	2017
(c) Materials and contracts		
Raw materials and consumables	3,574	3,563
Contractor and consultancy costs	36,464	32,866
Auditors remuneration ⁽²⁾	57	58
Lease expense	403	434
Legal expenses:		
– Legal expenses: planning and development	2,838	2,332
– Legal expenses: other	106	131
Operating leases:		
– Operating lease rentals: minimum lease payments ⁽¹⁾	400	343
Other	325	385
TOTAL MATERIALS AND CONTRACTS	44,167	40,112

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Computers	400	343
	400	343

2. Auditor remuneration

During the year the following fees were paid or payable for services provided by the auditor of Council, related and non-related audit firms.

Auditors of the Council – NSW Auditor-General:

Audit and other assurance services

Audit and review of financial statements	57	58
Remuneration for audit and other assurance services	57	58
Total Auditor-General remuneration	57	58

Note 4 Expenses from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Notes	2018	2017
(d) Depreciation, amortisation and impairment			
Depreciation and amortisation			
Plant and equipment		886	891
Office equipment		179	157
Furniture and fittings		27	27
Land improvements (depreciable)		145	141
Infrastructure:			
– Buildings – non-specialised		1,563	1,517
– Buildings – specialised		491	508
– Other structures		293	274
– Roads		9,277	8,981
– Bridges		163	162
– Footpaths		785	768
– Stormwater drainage		1,657	1,660
– Swimming pools		344	372
– Other open space/recreational assets		3,535	3,400
Other assets:			
– Library books		550	540
– Other		60	54
Intangible assets	12	148	220
Total depreciation and amortisation costs		20,103	19,672
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED			
		20,103	19,672

Accounting policy for depreciation, amortisation and impairment expenses

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Note 4 Expenses from continuing operations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
(e) Other expenses		
Advertising	438	471
Bad and doubtful debts	1,036	450
Bank charges	331	242
Commissions and management fees	560	543
Computer software charges	1,165	1,094
Conferences	139	146
Contributions/levies to other levels of government	—	
– Department of planning levy	428	403
– Emergency services levy (includes FRNSW, SES, and RFS levies)	2,105	2,032
Corporate events	42	49
Councillor expenses – mayoral fee	63	41
Councillor expenses – councillors' fees	240	188
Councillors' expenses (incl. mayor) – other (excluding fees above)	67	37
Donations, contributions and assistance to other organisations (Section 356)	227	253
Election expenses	559	—
Electricity and heating	1,074	1,059
External plant hire	95	24
Family day care (child care assistance)	588	550
Insurance	1,406	1,187
Insurance excess	63	59
Postage	346	329
Rate issue costs	35	42
Rental rebates	2,446	2,417
Street lighting	1,919	2,071
Subscriptions and publications	285	245
Sydney water	337	504
Telephone and communications	440	480
Valuation fees	226	230
Vehicle registration	165	162
Other	1,376	1,349
TOTAL OTHER EXPENSES	18,201	16,657

Accounting policy for other expenses

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

Note 5 Gains or losses from the disposal of assets

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
Property (excl. investment property)		
Proceeds from disposal – property	–	–
Less: carrying amount of property assets sold	–	(2,148)
Net loss on disposal	–	(2,148)
Plant and equipment		
Proceeds from disposal – plant and equipment	797	775
Less: carrying amount of plant and equipment assets sold and written off	(849)	(805)
Net loss on disposal	(52)	(30)
Infrastructure		
Less: carrying amount of infrastructure assets sold and written off	(639)	–
Net loss on disposal	(639)	–
Financial assets		
Proceeds from disposal/redemptions/maturities – financial assets	52,500	48,938
Less: carrying amount of financial assets sold/redeemed/matured	(52,500)	(48,938)
Net gain/(loss) on disposal	–	–
Non-current assets classified as ‘held for sale’		
Proceeds from disposal – non-current assets ‘held for sale’	1,881	–
Less: carrying amount of ‘held for sale’ assets sold/written off	(1,253)	–
Net gain on disposal	628	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	(63)	(2,178)

Accounting policy for disposal of assets

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

Note 6a Cash and cash equivalent assets

FOR THE YEAR ENDED 30 JUNE 2018

Cash and cash equivalents		
Cash on hand and at bank	17,142	15,303
Total cash and cash equivalents	17,142	15,303

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand; deposits held at call with financial institutions and bank overdrafts.

Bank overdraft 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.

Note 6b Investments

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2018	2017	2017
	Current	Non-current	Current	Non-current
Investments				
'Held to maturity'	73,501	86,750	52,500	76,253
Total investments	73,501	86,750	52,500	76,253
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	90,643	86,750	67,803	76,253
Held to maturity investments				
Long Term deposits	69,000	68,000	51,500	53,000
FRN's (with maturities > 3 months)	4,501	18,750	1,000	23,253
Total	73,501	86,750	52,500	76,253

Accounting policy for investments

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables and held-to-maturity investments.

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

(a) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

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

Note 6c Restricted cash, cash equivalents & investments - details

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	90,643	86,750	67,803	76,253
attributable to:				
External restrictions (refer below)	52,992	86,750	36,480	76,253
Internal restrictions (refer below)	34,247	–	27,699	–
Unrestricted	3,404	–	3,624	–
	90,643	86,750	67,803	76,253

\$ '000	2018		2017	
	Details of restrictions			
External restrictions – other				
Developer contributions – general		125,137	100,019	
Specific purpose unexpended grants		371	456	
Domestic waste management		11,400	9,644	
Environmental levy		2,732	2,503	
Specific purpose unexpended loan – LIRS		102	111	
External restrictions – other		139,742	112,733	
Total external restrictions		139,742	112,733	
Internal restrictions				
Employees leave entitlement		2,321	2,294	
Carry over works		2,510	1,442	
Deposits, retentions and bonds		1,199	1,199	
Infrastructure and facilities		22,484	16,434	
Other		5,733	6,330	
Total internal restrictions		34,247	27,699	
TOTAL RESTRICTIONS		173,989	140,432	

Note 7 Receivables

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	2,208	68	2,400	72
Interest and extra charges	212	39	212	40
User charges and fees	3,522	–	2,350	–
Accrued revenues				
– Interest on investments	1,876	–	1,631	–
– Other income accruals	1,251	–	2,471	–
Government grants and subsidies	1,196	–	343	–
Net GST receivable	1,108	–	1,059	–
Other debtors	4	–	24	–
Total	11,377	107	10,490	112
Less: provision for impairment				
User charges and fees	(1,668)	–	(647)	–
Total provision for impairment – receivables	(1,668)	–	(647)	–
TOTAL NET RECEIVABLES	9,709	107	9,843	112

There are no restrictions applicable to the above assets.

Movement in provision for impairment of receivables

	2018	2017
Balance at the beginning of the year	647	203
+ new provisions recognised during the year	1,021	444
Balance at the end of the year	1,668	647

Accounting policy for receivables

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 7.5% (2017 8%).
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 19 for issues concerning credit risk and fair value disclosures.

Note 8 Inventories and other assets

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(a) Inventories				
Inventories at cost				
Stores and materials	168	–	171	–
Trading stock	22	–	20	–
Total inventories at cost	190	–	191	–
TOTAL INVENTORIES	190	–	191	–
(b) Other assets				
Prepayments	2,057	–	2,423	–
TOTAL OTHER ASSETS	2,057	–	2,423	–

Externally restricted assets

There are no restrictions applicable to the above assets.

Accounting policy

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 basis of weighted average costs.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Note 9 Non-current assets classified as held for sale (and disposable groups)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Non-current assets and disposal group assets				
Non-current assets 'held for sale'				
Land	–	–	1,237	–

Accounting policy for non-current assets classified as 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 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 other assets in the balance sheet.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Note 10 Infrastructure, property, plant and equipment

FOR THE YEAR ENDED 30 JUNE 2018

Asset class	as at 30/6/2017*			Asset movements during the reporting period								as at 30/6/2018				
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Transfers	Other Adjustments	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	
\$ '000																
Capital work in progress	9,233	-	9,233	5,313	2,218	-	-	(3,788)	(49)	(108)	-	-	12,819	-	12,819	
Plant and equipment	12,438	6,139	6,299	2,062	-	(780)	(886)	(3)	(3)	(15)	-	-	12,259	5,567	6,692	
Office equipment	1,838	912	926	186	27	(69)	(179)	6	(41)	(1)	-	-	1,563	722	841	
Furniture and fittings	451	285	166	19	-	-	(27)	6	-	-	-	-	474	311	163	
Land:																
- Operational land	51,295	-	51,295	-	705	-	-	46	24,537	-	-	82,966	159,549	-	159,549	
- Community land	427,427	-	427,427	-	-	-	-	-	(24,523)	1	-	-	402,905	-	402,905	
- Crown Land	72,727	-	72,727	-	-	-	-	-	-	-	-	-	72,727	-	72,727	
- Land under roads (post 30/6/08)	408	-	408	-	-	-	-	-	-	-	-	-	408	-	408	
Land improvements - depreciable	3,536	780	2,756	-	-	-	(145)	34	-	(624)	-	-	2,946	925	2,021	
Infrastructure:																
- Buildings - non-specialised	109,171	61,486	47,685	937	3	(543)	(1,563)	88	(41,887)	(404)	(851)	-	7,627	3,981	3,646	
- Buildings - specialised	15,169	2,341	12,828	-	36	-	(491)	55	56,500	64	-	21,771	149,841	59,259	90,582	
- Other structures	13,572	5,607	7,965	127	2	-	(293)	717	24	(14)	-	-	14,047	5,519	8,528	
- Roads	477,991	223,526	254,465	6,948	109	(54)	(9,277)	577	1,078	(276)	-	-	484,193	230,623	253,570	
- Bridges	11,419	5,195	6,224	320	-	-	(163)	16	-	(1)	-	-	11,754	5,358	6,396	
- Footpaths	46,951	15,586	31,365	518	346	-	(785)	281	311	(2)	-	-	48,405	16,371	32,034	
- Bulk earthworks (non-depreciable)	59,726	-	59,726	36	-	-	-	5	(937)	221	-	-	59,051	-	59,051	
- Stormwater drainage	237,113	76,431	160,682	524	58	-	(1,657)	264	197	(12)	-	849	236,539	75,634	160,905	
- Swimming pools	25,094	4,815	20,279	-	216	-	(344)	13	(18,925)	32	-	1,023	2,777	483	2,294	
- Other open space/recreational assets	115,279	46,963	68,316	1,661	540	(42)	(3,535)	1,671	3,633	1,017	-	-	125,132	51,871	73,261	
Other assets:																
- Library books	14,102	11,261	2,841	667	-	-	(550)	9	-	-	-	-	6,046	3,079	2,967	
- Other	5,907	4,346	1,561	24	-	-	(60)	-	-	(5)	-	-	5,932	4,412	1,520	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	1,710,847	465,673	1,245,174	19,342	4,250	(1,488)	(19,955)	-	(85)	(127)	(851)	106,609	1,816,994	464,115	1,352,879	

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

Note 10 Infrastructure, property, plant and equipment (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Accounting policy for infrastructure, property, plant and equipment

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

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

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Stormwater assets	Years
Office equipment	10	Pipes	150
Office furniture	5 to 10	Pit	50 to 100
Computer equipment	10		
Vehicles	10		
Heavy plant/road making equipment	10		
Other plant and equipment	5 to 15		
Transportation assets		Other assets	
Road Surface	10 to 120	Bulk earthworks	N/A
Road structure and Furniture	10 to 100	Swimming pools	100
Bridge	10 to 100	Library Books	10
Road pavements	55 to 120	Other Asset (Art Works)	N/A
Kerb, gutter and footpaths	40 to 100		
Other equipment			
Playground equipment	5 to 50		
Benches, seats etc.	15 to 30		
Buildings			
Buildings	25 to 100		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

Note 10 Infrastructure, property, plant and equipment (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Accounting policy for infrastructure, property, plant and equipment (continued)

Land under roads

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

Land under roads acquired on or after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

Note 11 Investment property

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000	2018	2017
(a) Investment property at fair value		
Investment property on hand	37,500	36,720
Reconciliation of annual movement:		
Opening balance	36,720	27,056
– Acquisitions	239	37
– Net gain/(loss) from fair value adjustments	541	9,627
CLOSING BALANCE – INVESTMENT PROPERTY	37,500	36,720

(b) Valuation basis

The basis of valuation of investment property is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2018 revaluations were based on independent assessments made by: Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.

(d) Leasing arrangements – Council as lessor

Details of Leased investment properties are as follows;
leases with rentals payable monthly.

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	1,271	963
Later than 1 year but less than 5 years	2,559	2,536
Total minimum lease payments receivable	3,830	3,499

(e) Investment property income and expenditure – summary

Rental income from investment property:		
– Minimum lease payments	1,277	1,662
Direct operating expenses on investment property:		
– that generated rental income	(723)	(769)
Net revenue contribution from investment property	554	893
plus:		
Fair value movement for year	541	9,627
Total income attributable to investment property	1,095	10,520

Note 12 Intangible assets

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	1,421	1,387
Accumulated amortisation (1/7)	(1,210)	(990)
Net book value – opening balance	211	397
Movements for the year		
– Purchases and transfers from office equipments	320	34
– Amortisation charges	(148)	(220)
– Transfers and adjustment to amortisation charges	(89)	–
– Gross book value written off	(9)	–
– Accumulated amortisation charges written off	9	–
Closing values:		
Gross book value (30/6)	1,732	1,421
Accumulated amortisation (30/6)	(1,438)	(1,210)
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE ¹	294	211
¹ The net book value of intangible assets represents:		
Software	294	211
	294	211

Accounting policy for 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.

Note 13 Payables and borrowings

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	5,422	–	4,958	–
Goods and services – capital expenditure	2,831	–	1,928	–
Security bonds, deposits and retentions ¹	6,109	–	4,211	–
Other	625	–	826	–
Total payables	14,987	–	11,923	–
Income received in advance				
Payments received in advance	1,713	–	1,808	–
Total income received in advance	1,713	–	1,808	–
Borrowings				
Loans – secured ²	1,065	20,685	1,180	21,751
Total borrowings	1,065	20,685	1,180	21,751
TOTAL PAYABLES AND BORROWINGS	17,765	20,685	14,911	21,751

(a) Payables and borrowings relating to restricted assets

¹ Council holds \$2.38million of security bonds. The status of these security bonds is currently being analysed and advice sought in regards to their appropriate treatment.

² 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 19.

(b) Current payables and borrowings not anticipated to be settled within the next twelve months

The following payables and borrowings, even though classified as current, are not expected to be settled in the next 12 months.

Payables – security bonds, deposits and retentions	5,963	4,111
	5,963	4,111

(c) Changes in liabilities arising from financing activities

Class of borrowings	2017		Non-cash changes			2018
	Opening balance as at 1/7/17	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance as at 30/6/18
Loans – secured	22,931	(1,181)	–	–	–	21,750
TOTAL	22,931	(1,181)	–	–	–	21,750

Note 13 Payables and borrowings (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018	2017
(d) Financing arrangements		
(i) Unrestricted access was available at balance date to the following lines of credit:		
Bank overdraft facilities ⁽¹⁾	1,980	2,520
Credit cards/purchase cards	100	100
Total financing arrangements	2,080	2,620
Undrawn facilities as at balance date:		
– Bank overdraft facilities	1,980	2,520
– Credit cards/purchase cards	100	100
Total undrawn financing arrangements	2,080	2,620

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

Accounting policy for payables and borrowings

Payables

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

Borrowings

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

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

Note 14 Provisions

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	3,119	–	3,085	–
Sick leave	269	–	309	–
Long service leave	6,775	496	6,870	320
Gratuities	481	–	481	–
Sub-total – aggregate employee benefits	10,644	496	10,745	320
TOTAL PROVISIONS	10,644	496	10,745	320

(a) Provisions relating to restricted assets

Refer to Note 6c for restricted assets (internal) related to provisions.

\$ '000	2018	2017
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(b) Current provisions not anticipated to be settled within the next twelve months

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	6,171	7,522
	6,171	7,522

Note 14 Provisions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(c) Description of and movements in provisions

2018	ELE provisions				Other employee benefits	Total
	Annual leave	Sick leave	Long service leave			
At beginning of year	3,085	309	7,190		481	11,065
Additional provisions	2,761	–	1,279		–	4,040
Amounts used (payments)	(2,727)	(40)	(1,198)		–	(3,965)
Total ELE provisions at end of year	3,119	269	7,271		481	11,140

2017	ELE provisions				Other employee benefits	Total
	Annual leave	Sick leave	Long service leave			
At beginning of year	3,058	323	6,999		718	11,098
Additional provisions	2,563	–	1,078		–	3,641
Amounts used (payments)	(2,536)	(14)	(887)		(237)	(3,674)
Total ELE provisions at end of year	3,085	309	7,190		481	11,065

Employee benefits

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.

Note 14 Provisions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Employee benefits (continued)

These provisions are measured at the amounts expected to be paid when the liabilities are settled. 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.

Other long-term employee benefit 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.

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.

Note 14 Provisions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, named the Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a “multi-employer fund” for purposes of AASB 119 *Employee benefits*.

Sufficient reliable information is not available to account for the Scheme as a defined benefit plan in accordance with AASB119 because the assets to the Scheme are pooled together for all Councils.

The scheme's 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.

In relation to further disclosure below, under item d (iii) the expected contributions by Council to the Fund for the next annual reporting period are \$633,540.52.

Based on the past service liabilities methodology, for item (d) (iv) (information about the deficit or surplus in the plan that may affect the amount of future contributions), the share of the surplus that can be attributed to Council is 0.84%.

The requirement for additional contributions (currently \$40M per annum) is assessed annually by the Actuary and is designed to not only restore the Funds to a satisfactory financial position but to allow the Trustee, on behalf of the employers, to commence de-risking the asset allocation and consequently reduce the market exposure risk to growth assets.

To enable this de-risking of the asset allocation to commence, additional contributions are estimated to remain in place until 30 June 2021. It is advised that under item (d) (v), it is estimated that there are \$1.01 million additional contributions remaining. However, the Trustee will be reviewing the financial position of the fund on an annual basis and will provide updates to you accordingly.

The amount of Council's contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2018 was \$682,354.73. The last valuation of the Fund was performed by the Actuary, Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ending 30 June 2017.

Council received further disclosure requirements under paragraph 148 of the AASB119 which are detailed below:

- (a) *A description of the funding arrangements, including the method used to determine the entity's rate of contribution and any minimum funding requirements.*

Pooled Employers are required to pay standard employer contribution and additional lump sum contributions to the Fund.

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

Note 14 Provisions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Division B	1.9 times employee contribution
Division C	2.5% Salaries
Division D	1.64 times employee contributions

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The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2017. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2017.

(b) A description of the extent to which the entity can be liable to the plant other entities' obligations under the terms and conditions of the multi-employer plan.

As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses. However, there is not relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

(c) A description of any agreed allocation of a deficit or surplus on:

(i) Wind-up the plan

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

(ii) The entity's withdrawal from the plan

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

(d) Further information relating to reasons for accounting for the pooled employer fund as a defined contribution plan:

(i) The fact that the plan is defined benefit plan.

We confirm the plan is defined benefit plan.

(ii) The reason why sufficient information is not available to enable the entity to account for the plan as a defined benefit plan.

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

Note 14 Provisions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Given the factors set out above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by the members). As such there is insufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would be for a single employer sponsored defined benefit plan.

(iii) *The expected contributions to the plan for the next annual reporting period.*

The expected contributions by Council to the Fund for the next annual reporting period are \$633,540.52.

(iv) *Information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.*

The estimated employer reserves financial position for the Pooled Employers at 30 June 2018 is:

Employer reserves only*	\$millions	Asset Coverage
Assets	1,817.80	
Passive Service Liabilities	1,787.50	101.70%
Vested Benefits	1,778.00	102.20%

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

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

Investment return	6.0% Per annum
Salary inflation*	3.5% Per annum
Increased in CPI	2.5% per annum

*Plus promotional increases

Council's additional contribution requirements are estimated to remain in place to 30 June 2021 and total \$1.01 million. However, the Trustee will be reviewing the financial position of the fund on an annual basis and will provide updates accordingly.

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

(v) *An indication of level of participation of the entity in the plan compared with other participating entities.*

Council's participation in the Scheme compared with other entities is about 1.58% based on the Council's current level of annual additional contributions of \$0.63M against total contributions of \$40M.

Note 15 Changes in accounting policies, changes in accounting estimates and errors

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

Correction of errors relating to a previous reporting periods

	Original Balance 30 June 2016	Impact Increase/ (decrease)	Restated Balance 1 July 2016
Statement of financial position (extract)			
Infrastructure, Property, Plant and Equipment (extract)			
Crown Land ¹	–	72,727	72,727
Operational Land ²	48,292	6,393	51,295
Operational Land ³		(3,390)	
Land Under Roads ³	66	342	408
Total Infrastructure, Property, Plant and Equipment	1,166,318	76,072	1,242,390
Net Assets	1,283,029	76,072	1,359,101
Asset revaluation reserve	506,714	76,072	582,786
Total equity	1,283,029	76,072	1,359,101

	Original Balance 30 June 2017	Impact Increase/ (decrease)	Restated Balance 30 June 2017
Statement of financial position (extract)			
Infrastructure, Property, Plant and Equipment (extract)			
Crown Land ¹	–	72,727	72,727
Operational Land ²	48,292	6,393	51,295
Operational Land ³		(3,390)	
Land Under Roads ³	66	342	408
Total Infrastructure, Property, Plant and Equipment	1,169,102	76,072	1,245,174
Net Assets	1,316,168	76,072	1,392,240
Asset revaluation reserve	506,714	76,072	582,786
Total equity	1,316,168	76,072	1,392,240

Crown Land recognised as assets of the Council

Council identified a number of Crown land reserves which are under Council care, management and control.

While ownership of reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purpose to which reserves are dedicated. As a result, Council recognised these assets in the community land asset register retrospectively.

Operational Land not previously recognised

As part of the revaluation of Operational land Council undertook a detailed review of assets classified as Operational Land. As a result, an adjustment has been made to the Asset Revaluation Reserve in the prior period to recognise assets not previously recognised.

Land under Road

In 2016 Council constructed a road (Beans Farm Road, Gordon) on two parcels of operational land. This asset is classified as Land under Road and is recognised in Council's asset register in accordance with AASB 116 - Property, Plant and Equipment. The two parcels of Operational land have been transferred to Land under Road and revalued accordingly.

Note 16 Statement of cash flows – additional information

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	17,142	15,303
Balance as per the Statement of Cash Flows		17,142	15,303
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		32,541	33,139
Adjust for non-cash items:			
Depreciation and amortisation		20,103	19,672
Net losses/(gains) on disposal of assets		63	2,178
– investment property		(541)	(9,627)
Amortisation of premiums, discounts and prior period fair valuations			
– ‘Held to maturity’ financial assets		1	10
+/- Movement in operating assets and liabilities and other cash items:			
Increase in receivables		(666)	(2,224)
Decrease in provision for doubtful debts		1,021	444
Decrease in inventories		1	40
Decrease/Increase in other assets		366	(192)
Increase in payables- operating		464	370
Increase in other liabilities		1,602	2,244
Increase/Decrease in employee leave entitlements		75	(33)
Net cash provided from operating activities from the Statement of Cash Flows		55,030	46,021

Note 17 Commitments for expenditure

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000	2018	2017
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(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	932	2,029
Other	5,494	5,207
Total commitments	6,426	7,236
These expenditures are payable as follows:		
Within the next year	6,426	7,236
Total payable	6,426	7,236
Sources for funding of capital commitments:		
Unrestricted general funds	6,426	7,236
Total sources of funding	6,426	7,236

(b) 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	338	335
Later than one year and not later than 5 years	348	488
Total non-cancellable operating lease commitments	686	823

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.

Note 18 Contingencies and other liabilities/assets not recognised

FOR THE YEAR ENDED 30 JUNE 2018

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) Statewide Limited

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

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

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

(ii) 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.

(iii) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

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

Council has reserved a number of privately owned land parcels for local open space and 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.

Note 19 Financial risk management

FOR THE YEAR ENDED 30 JUNE 2018

\$ '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	
	2018	2017	2018	2017
Financial assets				
Cash and cash equivalents	17,142	15,303	17,142	15,303
Investments				
– 'Held to maturity'	160,251	128,753	160,251	129,010
Receivables	9,816	9,955	9,816	9,955
Total financial assets	187,209	154,011	187,209	154,268
Financial liabilities				
Payables	14,987	11,923	14,987	11,923
Loans/advances	21,750	22,931	21,750	22,931
Total financial liabilities	36,737	34,854	36,737	34,854

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** - Exclude payments received in advance.

Note 19 Financial risk management (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000

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 advisers.

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

The risks associated with the investments held are:

- **Price risk** – these 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.

(a) Market risk – price risk and interest rate risk

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
2018				
Possible impact of a 10% movement in market values	1,718	1,718	(1,718)	(1,718)
Possible impact of a 1% movement in interest rates	172	172	(172)	(172)
2017				
Possible impact of a 10% movement in market values	2,425	2,425	(2,425)	(2,425)
Possible impact of a 1% movement in interest rates	243	243	(243)	(243)

Note 19 Financial risk management (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '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.

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

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

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

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	97%	80%	97%	77%
Overdue	3%	20%	3%	23%
	100%	100%	100%	100%

(ii) Ageing of receivables – value

Rates and annual charges

	2018	2017
Current	2,208	2,400
< 1 year overdue	2	5
1 – 2 years overdue	6	6
2 – 5 years overdue	20	61
> 5 years overdue	40	–
	2,276	2,472

Other receivables

Current	6,893	6,288
0 – 30 days overdue	113	290
31 – 60 days overdue	269	129
61 – 90 days overdue	233	423
> 91 days overdue	1,700	1,000
	9,208	8,130

Note 19 Financial risk management (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '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	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 – 5 Years	> 5 Years		
2018							
Trade/other payables		6,109	8,878	–	–	14,987	14,987
Loans and advances	4.17%	–	1,775	20,983	–	22,758	21,750
Total financial liabilities		6,109	10,653	20,983	–	37,745	36,737
2017							
Trade/other payables		4,211	7,712	–	–	11,923	11,923
Loans and advances	4.14%	–	1,852	22,249	373	24,474	22,931
Total financial liabilities		4,211	9,564	22,249	373	36,397	34,854

Note 20 Material budget variations

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000

Council's original financial budget for 2017/18 was adopted by the Council on 27 June 2017 and is not required to be audited.

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	2018 Budget	2018 Actual	2018 ----- Variance* -----	
Interest and investment revenue	3,365	5,086	1,721	51% F
Council's investment portfolio performed strongly due to an increased investment portfolio size and better than expected interest rates during the financial year.				
Operating grants and contributions	7,624	8,797	1,173	15% F
Favourable variance in operating grants and contributions is attributed to additional grants received, mainly for transport, better waste recycling, and environmental protection.				
Capital grants and contributions	19,714	26,924	7,210	37% F
Council received higher than anticipated developer contribution income during the financial year largely contributing to the variation in this category.				
Other expenses	16,442	18,201	(1,759)	(11%) U
The unfavourable variation to budget is mainly due to an allowance for doubtful debt provision not budgeted for.				
Net losses from disposal of assets	-	63	(63)	0% U
Council made a loss on disposal of plant and equipment and infrastructure asset this was partly offset by a gain on disposal of property.				

Note 20 Material budget variations (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----	
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Budget variations relating to Council's Cash Flow Statement include:

Cash flows from operating activities	46,164	55,030	8,866	19.2%	F
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Receipts from developer contributions were higher than anticipated.

Cash flows from investing activities	(61,951)	(52,010)	9,941	(16.0%)	F
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The delay of a number of major projects lead to a larger than anticipated investment portfolio resulting in higher net investment during the financial year.

Cash flows from financing activities	51	(1,181)	(1,232)	(2415.7%)	U
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Council budgeted to borrow funds for a specific project, however due to delays in project commencement, the loan was not drawn, causing a large variation in this category.

Note 21 Fair value measurement

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

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

- Infrastructure, property, plant and equipment
- Investment property

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:

2018	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 property					
Investment properties	30/06/18	–	37,500	–	37,500
Total investment property		–	37,500	–	37,500
Infrastructure, property, plant and equipment					
Operational Land	30/06/18	–	–	159,549	159,549
Community Land	30/06/16	–	–	402,905	402,905
Land Under Roads	30/06/14	–	–	408	408
Land Improvements Depreciable	30/06/16	–	–	2,021	2,021
Stormwater Drainage	30/06/18	–	–	160,905	160,905
Structure (Car Parks)	30/06/15	–	–	8,528	8,528
Buildings - Non Specialised	30/06/18	–	–	3,646	3,646
Buildings - Specialised	30/06/18	–	–	90,582	90,582
Furniture & Fittings	30/06/15	–	–	163	163
Library Books	30/06/15	–	–	2,967	2,967
Office Equipment	30/06/15	–	–	841	841
Plant & Equipment (e.g. Fleet & Small Plant)	30/06/15	–	–	6,692	6,692
Crown Land	30/06/15	–	–	72,727	72,727
Other (Artworks, Sculptures)	30/06/16	–	–	1,520	1,520
Roads	30/06/15	–	–	240,071	240,071
Bridges	30/06/15	–	–	6,396	6,396
Footpaths	30/06/15	–	–	32,034	32,034
Kerb & Gutter	30/06/15	–	–	66,817	66,817
Road Structure & Street Furniture	30/06/15	–	–	5,733	5,733
Recreational Facilities	30/06/15	–	–	73,261	73,261
Swimming Pools	30/06/18	–	–	2,294	2,294
Total infrastructure, property, plant and equipment		–	–	1,340,060	1,340,060

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

2017	Date of latest	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in	Level 2 Significant observable	Level 3 Significant unobservable	
Recurring fair value measurements					
Investment property					
Investment properties	30/06/17	–	36,720	–	36,720
Total investment property		–	36,720	–	36,720
Infrastructure, property, plant and equipment					
Operational Land	30/06/13	–	–	51,295	51,295
Community Land	30/06/16	–	–	427,427	427,427
Land Under Roads	30/06/14	–	–	408	408
Land Improvements Depreciable	30/06/16	–	–	2,756	2,756
Stormwater Drainage	30/06/15	–	–	160,682	160,682
Structure (Car Parks)	30/06/15	–	–	7,965	7,965
Buildings - Non Specialised	30/06/13	–	–	47,685	47,685
Buildings - Specialised	30/06/13	–	–	12,828	12,828
Furniture & Fittings	30/06/15	–	–	166	166
Library Books	30/06/15	–	–	2,841	2,841
Office Equipment	30/06/15	–	–	926	926
Plant & Equipment (e.g. Fleet & Small Plant)	30/06/15	–	–	6,299	6,299
Crown Land	30/06/15	–	–	72,727	72,727
Other (Artworks, Sculptures)	30/06/16	–	–	1,560	1,560
Roads	30/06/15	–	–	313,137	313,137
Bridges	30/06/15	–	–	6,224	6,224
Footpaths	30/06/15	–	–	31,365	31,365
Kerb & Gutter	30/06/15	–	–	772	772
Road Structure & Street Furniture	30/06/15	–	–	283	283
Recreational Facilities	30/06/13	–	–	68,316	68,316
Swimming Pools	30/06/13	–	–	20,279	20,279
Total infrastructure, property, plant and equipment		–	–	1,235,941	1,235,941
Non-recurring fair value measurements					
Non-current assets classified as 'held for sale'					
Land Asset	30/06/16	–	–	980	980
Other Asset	30/06/16	–	–	257	257
Total NCA's classified as 'held for sale'		–	–	1,237	1,237

(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 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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(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 (ie. 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 property

Council obtains an independent valuation of its investment property on an annual basis and at the end of each reporting period the financial statements reflect the most up to date valuation.

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

- Current prices in an active market for different types of properties or similar properties in a less active market.
- Income that may arise out of renting the property based on direct capitalisation method.

The investment property held by Council has been valued by the valuer using valuation techniques that are appropriate and for which sufficient data was available to measure fair value, maximising the use of observable inputs and minimising unobservable inputs namely Level 2 inputs (based on the per square metres).

The market approach was used to value the investment property. It was valued on 30 June 2018 by Scott Fullarton FAPI, Certified Practising Valuer, and Registered Valuer No 2144.

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.

Crown Land

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Crown Land is valued on the Unimproved Capital Value provided by the Valuer General.

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 82,222m². Council's operational land is valued regularly with a comprehensive valuation completed and revalued every five years. Scott Fullarton Valuation Pty Ltd. completed the last valuation in June 2018. 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.

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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(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. Two locations were 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.

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 2018.

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.

This year the Stormwater Drainage Assets were imported into Council's corporate system. In order to import the drainage assets (mainly pits and pipes) into council's corporate system.

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

(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 Scott Fullarton Valuation Pty Ltd to value all buildings in 2018. The approach estimated the replacement cost of each building and componentising of significant parts of specific buildings with different useful lives and taking into account a range of factors. Where the unit rates could be supported by market evidence, Level 2 inputs were utilised. Other outputs (such as estimates of residual value, useful life, asset condition and componentisation) required extensive professional judgment and impacted significantly on the final determination of fair value. As such, these assets have been valued utilising Level 3 inputs.

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 in consultation with consultant Morrison Low, 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. In 2015 all the road assets data stored in the Pavement Management System (SMEC) was 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 was 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.

Council conducted the assessment to the road assets to ensure the carrying amount does not differ materially from that would be determined using fair value at the end of the reporting period, according to the Code of Accounting Practice and Financial Reporting.

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

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 and 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.

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.

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

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.

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

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.

Note 21 Fair value measurement (continued)

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(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

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.

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.

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(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 – 1/7/16	428,406	408	2,195	161,750	592,759
Transfers from/(to) another asset class	(979)	–	(157)	292	(844)
Purchases (GBV)	–	–	859	300	1,159
Depreciation and impairment	–	–	(141)	(1,660)	(1,801)
Closing balance – 30/6/17	427,427	408	2,756	160,682	591,273
Transfers from/(to) another asset class	(24,523)	–	–	197	(24,326)
Purchases (GBV)	–	–	34	846	880
Depreciation and impairment	–	–	(145)	(1,657)	(1,802)
Class Correction	1	–	(624)	(12)	(635)
Revaluation	–	–	–	849	849
Closing balance – 30/6/18	402,905	408	2,021	160,905	566,239

	Structures (Car Parks)	Buildings Specialised	Other	Roads	Total
Opening balance – 1/7/16	7,662	13,184	1,379	238,552	260,777
Transfers from/(to) another asset class	2	–	235	2,415	2,652
Purchases (GBV)	575	153	–	9,589	10,317
Depreciation and impairment	(274)	(508)	(54)	(7,423)	(8,259)
Closing balance – 30/6/17	7,965	12,829	1,560	243,133	265,487
Transfers from/(to) another asset class	24	5	(5)	54	78
Purchases (GBV)	846	91	25	6,826	7,788
Depreciation and impairment	(293)	(672)	(60)	(7,712)	(8,737)
Class Correction	(14)	59	–	(2,231)	(2,186)
Revaluation	–	78,270	–	–	78,270
Closing balance – 30/6/18	8,528	90,582	1,520	240,070	340,700

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '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)

	Bridges	Footpaths	Kerb and Gutter	Road Structure and Street Furniture	Total
Opening balance – 1/7/16	6,386	31,066	67,979	3,583	109,014
Transfers from/(to) another asset class	–	539	9	31	579
Purchases (GBV)	–	528	763	252	1,543
Depreciation and impairment	(162)	(768)	(1,331)	(224)	(2,485)
Closing balance – 30/6/17	6,224	31,365	67,420	3,642	108,651
Transfers from/(to) another asset class	–	311	22	66	399
Purchases (GBV)	336	1,144	713	134	2,327
Disposals (WDV)	–	–	–	(54)	(54)
Depreciation and impairment	(163)	(784)	(1,338)	(225)	(2,510)
Class Correction	(1)	(2)	–	2,170	2,167
Closing balance – 30/6/18	6,396	32,034	66,817	5,733	110,980

	Recreational Facilities	Swimming Pools	Held for Sale Comm Land & LIMP)	Crown Land	Total
Opening balance – 1/7/16	66,525	20,651	–	72,727	159,903
Transfers from/(to) another asset class	2,822	–	979	–	3,801
Purchases (GBV)	2,369	–	258	–	2,627
Depreciation and impairment	(3,400)	(372)	–	–	(3,772)
Closing balance – 30/6/17	68,316	20,279	1,237	72,727	162,559
Transfers from/(to) another asset class	3,633	(18,925)	–	–	(15,292)
Purchases (GBV)	3,872	229	16	–	4,117
Disposals (WDV)	(42)	–	(1,455)	–	(1,497)
Depreciation and impairment	(3,535)	(344)	–	–	(3,879)
Class Correction	1,017	32	–	–	1,049
Revaluation	–	1,023	202	–	1,225
Closing balance – 30/6/18	73,261	2,294	–	72,727	148,282

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '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)

	Buildings Non Specialised	Furniture and Fittings	Office Equipment	Plant and Equipment	Total
Opening balance – 1/7/16	48,142	193	973	6,049	55,357
Transfers from/(to) another asset class	547	–	–	–	547
Purchases (GBV)	2,662	–	156	1,896	4,714
Disposals (WDV)	(2,149)	–	(46)	(758)	(2,953)
Depreciation and impairment	(1,517)	(27)	(157)	(891)	(2,592)
Closing balance – 30/6/17	47,685	166	926	6,296	55,073
Transfers from/(to) another asset class	14,613	–	(41)	(2)	14,570
Purchases (GBV)	1,028	25	219	2,062	3,334
Disposals (WDV)	(406)	–	(69)	(780)	(1,255)
Depreciation and impairment	(1,382)	(27)	(179)	(886)	(2,474)
Class Correction	(404)	(1)	(15)	3	(417)
Revaluation	(57,488)	–	–	–	(57,488)
Closing balance – 30/6/18	3,646	163	841	6,693	11,343

	Operational Land	Library Books	Total
Opening balance – 1/7/16	51,295	2,807	54,102
Purchases (GBV)	–	574	574
Depreciation and impairment	–	(540)	(540)
Closing balance – 30/6/17	51,295	2,841	54,136
Transfers from/(to) another asset class	24,537	–	24,537
Purchases (GBV)	751	676	1,427
Depreciation and impairment	–	(550)	(550)
Revaluation	82,966	–	82,966
Closing balance – 30/6/18	159,549	2,967	162,516

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. 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 (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E					
Community Land and Crown Land	475,632	Cost Approach	Unimproved Capital Value provided by Valuer General Total area (7,543,326.86m ²)	Unit Rates: (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	407	Cost Approach	Total area (85,374,620m ²) Total Value of land (\$40,788,577,960) Total area LUR (4288m ²) Englobo valuation basis (AASB116)	\$477.76 (per square metre)	Increase/decrease in the price per square metre will result in changes in fair value
Land Improvements Depreciable	2,021	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 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E (continued)					
Stormwater Drainage	160,905	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: 10 - 135yrs	
			Residual Value	Residual Value: 0% to 10%	
Buildings - Specialised	90,582	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: 20- 99yrs	
			Components	Components: Structure Roof Floor Mechanical Fire and Security, Internal finishes and Electrical	

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E (continued)					
Other Structures	8,528	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)	1,520	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 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E (continued)					
Roads	240,072	Cost Approach	Replacement Cost	Unit Rates - Surface: \$25-\$32 - Pavement: \$50-\$100 (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	
			Residual Value	Residual Value: 0%	
Bridges	6,396	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: 10 - 99 yrs	

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E (continued)					
Footpaths	32,034	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	66,817	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 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E (continued)					
Road Structure and Street Furniture	5,733	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	73,261	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	2,294	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 21 Fair value measurement (continued)

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\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
Buildings Non Specialised	3,646	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: 20 - 80yrs	
			Components	Components Structure Internal Finish Electrical Services Mechanical Services Fire/Security Services, Transportation and Roof	
Furniture and Fittings, Office Equipment and Plant and Equipment (e.g. Fleet and Small Plant)	7,696	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%	

Note 21 Fair value measurement (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs	Range of Inputs (incl. probable)	Relationship of unobservable inputs to Fair Value
IPP&E (continued)					
Operational Land	159,549	Market Value / Cost Approach	Total area (82,222m ²) Total Value of land (\$159,549,000)	Unit Rates: (per square metre)	Increase/decrease in the price per square metre will result in changes in fair value
Library Books	2,967	Cost Approach	Replacement 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
			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.

Note 22 Related party transactions

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

a. Key management personnel

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. KMP defined for this disclosure are elected members, general manager, directors and some managers (based on their responsibility and financial delegations).

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

	2018	2017
Compensation:		
Short-term benefits	3,274	3,080
Other long-term benefits	256	39
Total	3,530	3,119

b. Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed. There are no other disclosures to be made by KMP.

Note 23 Statement of developer contributions

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

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					
Traffic facilities	19,832	7,720	-	813	(812)	-	27,553	-
Parking	892	-	-	27	(38)	-	881	-
Open space	70,138	13,164	-	2,270	(672)	-	84,900	-
Community facilities	7,409	1,591	-	229	(1,328)	-	7,901	-
Other	6	6	-	-	(6)	-	6	-
S7.11 contributions – under a plan	98,277	22,481	-	3,339	(2,856)	-	121,241	-
S7.12 levies – under a plan	1,742	2,116	-	83	(45)	-	3,896	-
Total S7.11 and S7.12 revenue under plans	100,019	24,597	-	3,422	(2,901)	-	125,137	-
Total contributions	100,019	24,597	-	3,422	(2,901)	-	125,137	-

Note 23 Statement of developer contributions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

S7.11 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	892	-	-	27	(38)	-	881	
Community facilities	129	-	-	2	(131)	-	-	
Total	1,021	-	-	29	(169)	-	881	-

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	1,476	-	-	45	(27)	-	1,494	
Community facilities	686	-	-	11	(653)	-	44	
Total	2,162	-	-	56	(680)	-	1,538	-

Note 23 Statement of developer contributions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

\$7.11 CONTRIBUTIONS – UNDER A PLAN

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					
Traffic facilities	-	6	-	-	-	-	6	
Open space	1,787	566	-	56	(37)	-	2,372	
Community facilities	3,302	32	-	103	(3)	-	3,434	
Other	17	6	-	-	(6)	-	17	
Total	5,106	610	-	159	(46)	-	5,829	-

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	-	-	-	-	-	-	-	
Traffic facilities	19,832	7,714	-	813	(812)	-	27,547	
Open space	66,551	12,598	-	2,159	(608)	-	80,700	
Community facilities	3,292	1,559	-	113	(541)	-	4,423	
Other	(11)	-	-	-	-	-	(11)	
Total	89,664	21,871	-	3,085	(1,961)	-	112,659	-

Note 23 Statement of developer contributions (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN

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	324	-	-	10	-	-	334	-
Total	324	-	-	10	-	-	334	-

S7.12 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	1,742	2,116	-	83	(45)	-	3,896	-
Total	1,742	2,116	-	83	(45)	-	3,896	-

Note 24(a) Statement of performance measures – consolidated results

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2018	2018	2017	2016	
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	5,139	4.01%	8.97%	5.98%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	128,175				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	119,378	76.97%	82.42%	72.15%	> 60.00%
Total continuing operating revenue ⁽¹⁾	155,099				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	49,607	3.05x	3.21x	2.58x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	16,275				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	25,918	13.96x	13.46x	6.58x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,857				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	2,527	2.96%	3.27%	3.16%	<5%
Rates, annual and extra charges collectible	85,449				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	154,142	16.80 mths	13.9 mths	11.9 mths	> 3 mths
Payments from cash flow of operating and financing activities	9,177				

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.

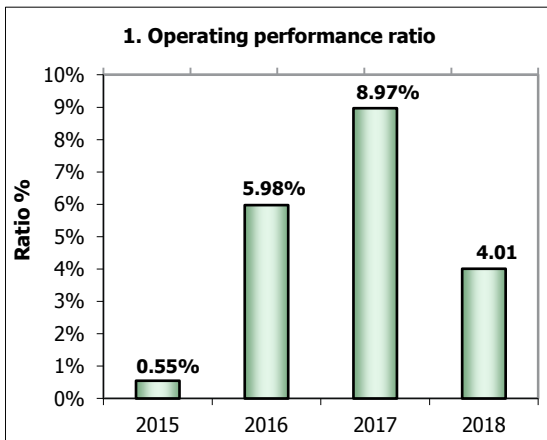
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Notes 13 and 14.

⁽⁴⁾ Refer to Note 13(b) and 14(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Note 24(b) Statement of performance measures – consolidated results (graphs)

FOR THE YEAR ENDED 30 JUNE 2018



Benchmark: — Minimum $\geq 0.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of operating performance ratio

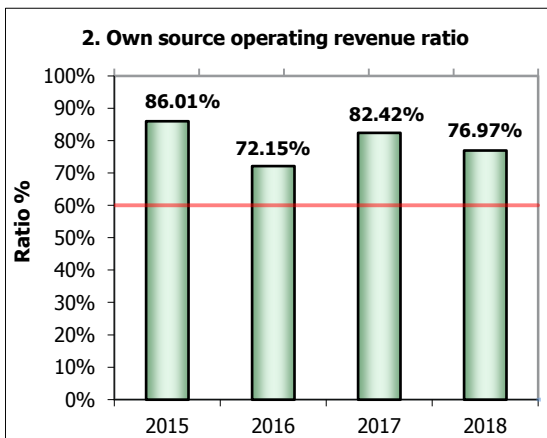
This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2017/18 result

2017/18 ratio 4.01%

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 decrease from previous year is mainly due to reduced installments for FAG grant and higher operational expenses.

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Benchmark: — Minimum $\geq 60.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of own source operating revenue ratio

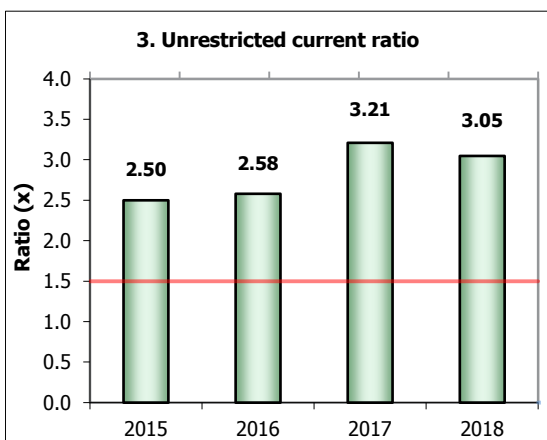
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2017/18 result

2017/18 ratio 76.97%

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.

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Benchmark: — Minimum ≥ 1.50

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

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 2017/18 result

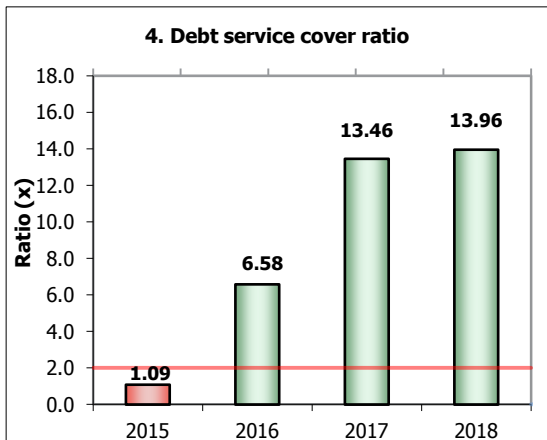
2017/18 ratio 3.05x

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.

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Note 24(b) Statement of performance measures – consolidated results (graphs)

FOR THE YEAR ENDED 30 JUNE 2018



Benchmark: Minimum ≥ 2.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of debt service cover ratio

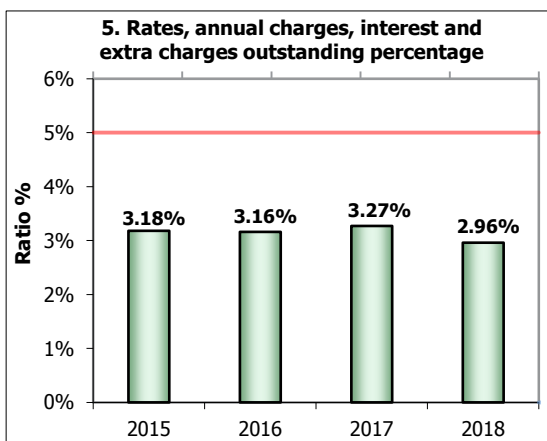
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2017/18 result

2017/18 ratio 13.96x

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 and increased revenue 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 #26

Purpose of rates and annual charges outstanding ratio

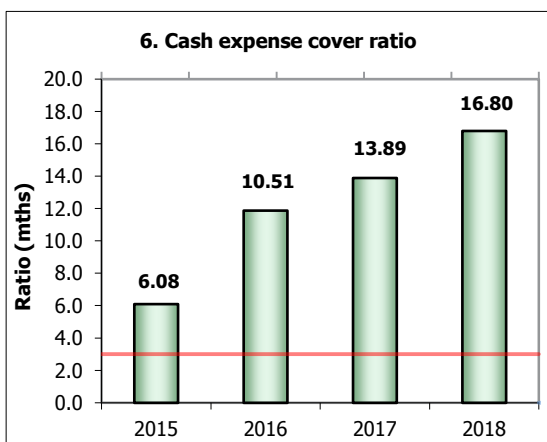
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2017/18 result

2017/18 ratio 2.96%

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 2.96% 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 #26

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 2017/18 result

2017/18 ratio 16.80 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



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial report
Ku-ring-gai Council

To the Councillors of the Ku-ring-gai Council

Opinion

I have audited the accompanying financial report of Ku-ring-gai Council (the Council), which comprise the Income Statement and the Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Weini Liao
Director

28 September 2018
SYDNEY

Ms Jennifer Anderson
Mayor
Ku-ring-gai Municipal Council
818 Pacific Highway
Gordon NSW 2072

Contact: Weini Liao
Phone no: 02 9275 7432
Our ref: D1821992/1748

28 September 2018

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2018
Ku-ring-gai Council**

I have audited the general purpose financial statements of the Ku-ring-gai Municipal Council (the Council) for the year ended 30 June 2018 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2018 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2018 \$m	2017 \$m	Variance %
Rates and annual charges revenue	82.6	80.4	↑ 2.7
Grants and contributions revenue	35.7	24.8	↑ 44.0
Operating result for the year	32.5	33.1	↓ 1.2
Net operating result before capital amounts	5.6	18.8	↓ 70.2

Council's operating result (\$32.5 million including the effect of depreciation and amortisation expense of \$20.1 million) was \$0.6 million lower than the 2016–17 result. This reflected a significant increase in materials and contractor costs (\$4 million), employee benefit expenses (\$1.6 million) and other expenses (\$1.5 million) offset by increases in grants and contribution revenues (\$10.9 million) and rates income (\$2.2 million).

The net operating result before capital grants and contributions (\$5.6 million) was \$13.2 million lower than the 2016–17 result. This was significantly impacted by one-off fair value increments (\$9.6 million) in the 2016–17 financial year along with increases in total expenses (\$5.4 million).

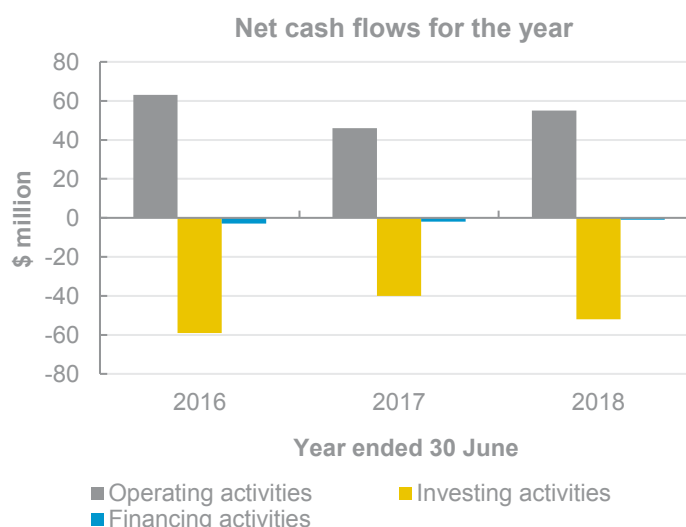
Rates and annual charges revenue (\$82.6 million) increased by \$2.2 million (2.7 per cent) in 2017-2018.

Grants and contributions revenue (\$35.7 million) increased by \$10.9 million (\$44.0 per cent) in 2017-2018 due to:

- \$7.11 developer contributions increasing by \$11.2 million
- \$1.8 million of 2017–2018 financial assistance grants received in 2016–17.

STATEMENT OF CASH FLOWS

- Cash flows from operating activities increased from FY 2016-17 as a result of increased rate income, user fees and charges and contributions.
- Council's section 7.11 contributions increased by \$11.2 million compared to the previous year, which substantially improved its net cash flows.
- Council's cash outflow from investing activities increased as a result of an increase in net purchases of investment securities



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	139.7	112.7	External restrictions increased significantly as a result of a build-up of unspent section 7.11 developer contributions. Internal restrictions for infrastructure and facilities have increased. Council's unrestricted cash balance is relatively consistent and healthy.
Internal restrictions	34.2	27.7	
Unrestricted	3.4	3.6	
Cash and investments	177.4	144.1	

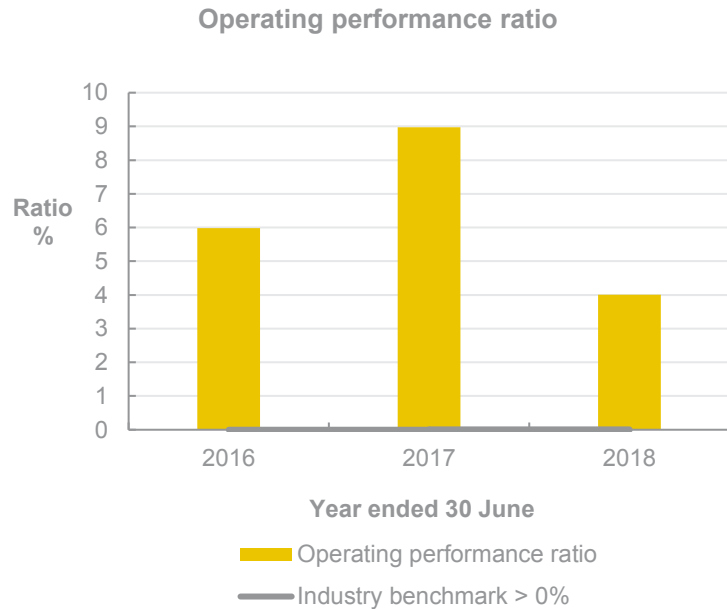
PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 24 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's Special Schedule 7 which has not been audited.

Operating performance ratio

- Council has exceeded the benchmark of zero per cent for the last three years. This has resulted from the Council running an operating surplus.
- The operating performance ratio has declined from last year as higher proportion of income has been derived from capital grants and contributions this year. In addition, operating expenditure growth exceeded revenue growth during the year.

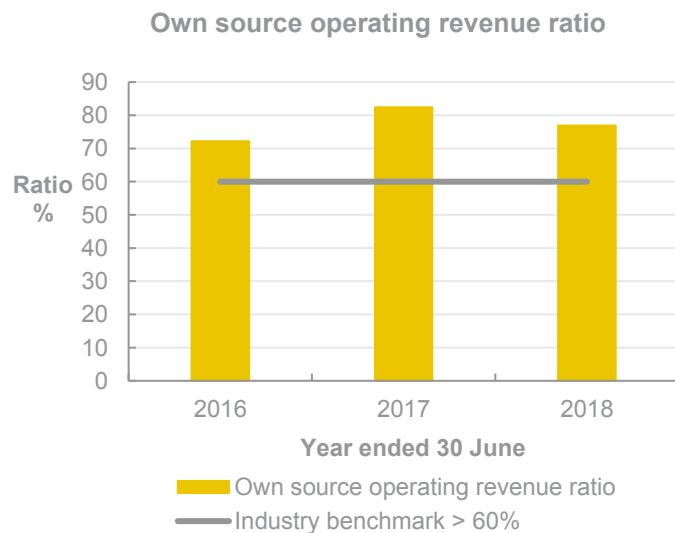
The 'operating performance ratio' measures how well Council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than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



Own source operating revenue ratio

- Council has exceeded the benchmark of 60 per cent for the last three years. This reflects the significance of rates and user charges as funding sources for Council.
- The decline in this ratio during the year reflects a large increase in section 7.11 contributions during the year.

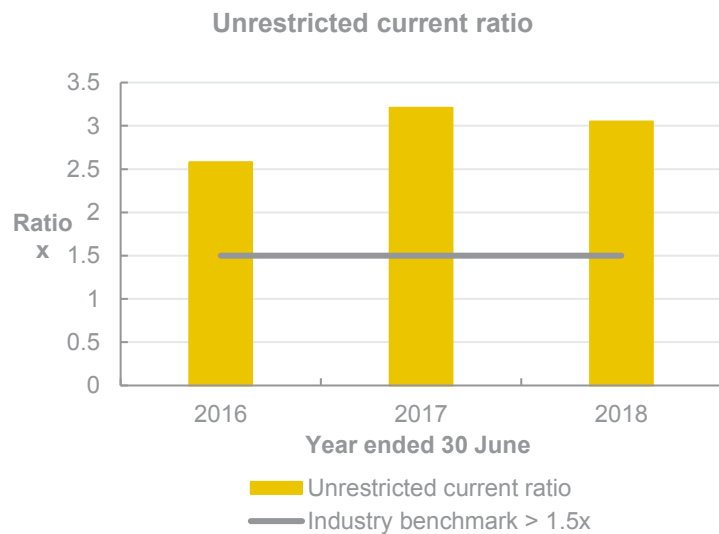
The 'own source operating revenue ratio' measures Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

- Council has exceeded the benchmark of 1.5 times for the last three years.
- There has been a slight decrease in this ratio during the year, reflecting an increased reliance on externally restricted funding sources (grants and contributions).
- The unrestricted current ratio differs from a current ratio calculation by taking into account external restrictions on the use of current assets.

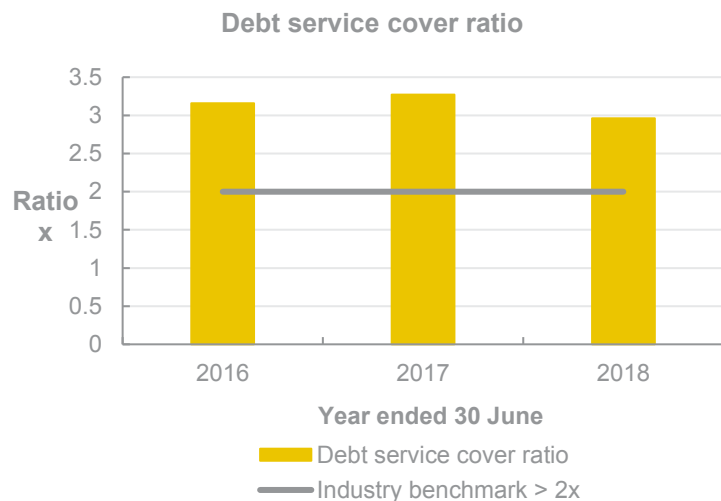
The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

- Council has exceeded the benchmark of two for the last three years.
- There has been a slight decrease in the ratio over the last year as Council's operating results before capital amounts has dropped.

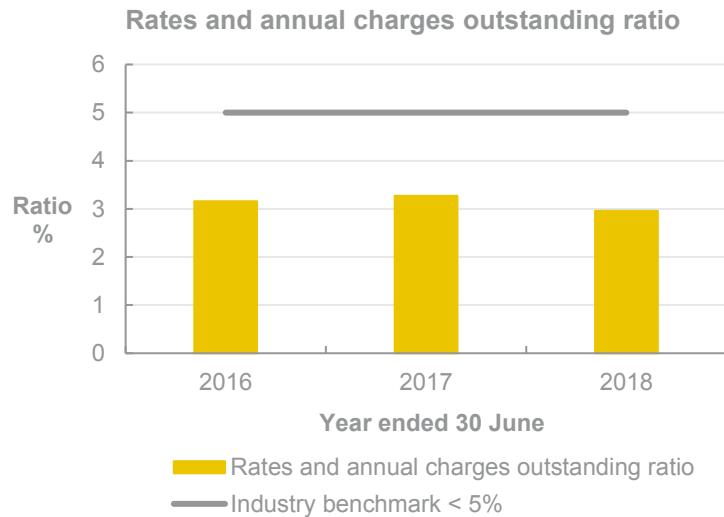
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding ratio

- Council has exceeded the benchmark of less than 5 per cent (for metropolitan Councils) for the last three years.
- Rate collection rates have remained stable over the period 2016-2018.

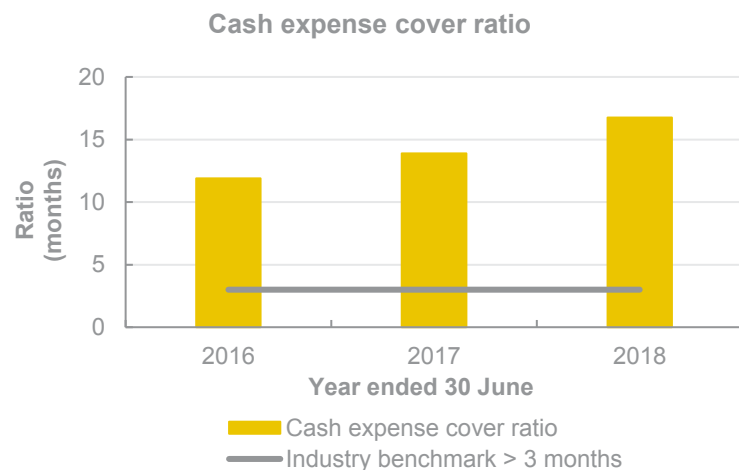
The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metro Councils.



Cash expense cover ratio

- Council has exceeded the benchmark of three months for the last three years.
- Council's cash expense cover ratio has increased as unspent section 7.11 contributions have built up.

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

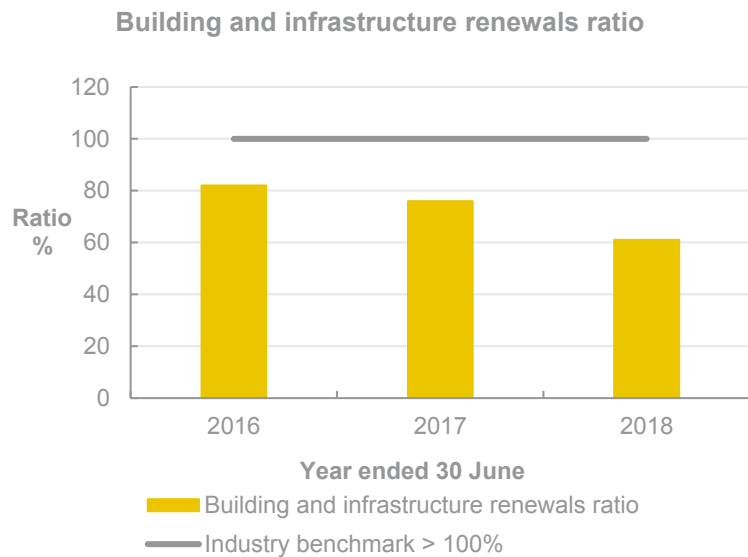


Building and infrastructure renewals ratio (unaudited)

- Council has failed to meet the benchmark of 100 per cent renewals for the past three years.
- Council's building and infrastructure renewals ratio has declined over the past three years as total capital renewals have declined, and a greater proportion of renewals has been capitalised. (excluded from this ratio).

The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from council's Special Schedule 7 which has not been audited.



OTHER MATTERS

New accounting standards implemented

AASB 2016-2 'Disclosure Initiative – Amendments to AASB 107'

Effective for annual reporting periods beginning on or after 1 January 2017

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 13.

Legislative compliance

The Council is currently seeking a legal opinion on its compliance with *Unclaimed Money Act 1995* in relation to \$2.4 million in infrastructure bonds and other amounts it currently holds on deposit. My audit procedures did not identify instances of other non-compliance with legislative requirements.

The audit team identified a number of prior period errors including:

- \$72.7 million in Crown land under Council's care and control but not recognised as assets
- \$6.4 million in Operational land controlled by Council but not previously recognised;
- \$3.1 million reduction of land under road due to the land use restrictions.

These material deficiencies were corrected in the General Purpose Financial Statements.

The Council's:

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



Weini Liao
Director, Financial Audit Services

cc: Mr John McKee, General Manager
Mr John Gordon, Chair of Audit and Risk Committee
Mr Tim Hurst, Acting Chief Executive of the Office of Local Government



Special Purpose Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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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, and **(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).
- (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 YEAR ENDED 30 JUNE 2018

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

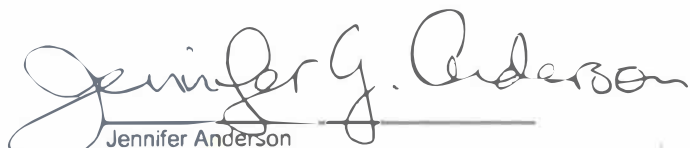
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,

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 25 September 2018.



Jennifer Anderson
Mayor



Jeff Pettett
Deputy Mayor



David Marshall
Acting General manager



Angela Apostol
Responsible accounting officer

Income statement of council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Thomas Carlyle Children Centre		Art Centre	
	2018	2017	2018	2017
Income from continuing operations				
User charges	1,161	1,141	465	496
Grants and contributions provided for non-capital purposes	463	373	–	–
Total income from continuing operations	1,624	1,514	465	496
Expenses from continuing operations				
Employee benefits and on-costs	1,135	952	311	587
Materials and contracts	221	235	313	65
Depreciation, amortisation and impairment	21	18	27	25
Other expenses	83	78	53	36
Total expenses from continuing operations	1,460	1,283	704	713
Surplus (deficit) from continuing operations before capital amounts	164	231	(239)	(217)
Surplus (deficit) from continuing operations after capital amounts	164	231	(239)	(217)
Surplus (deficit) from all operations before tax	164	231	(239)	(217)
Less: corporate taxation equivalent (30%) [based on result before capital]	(49)	(69)	–	–
SURPLUS (DEFICIT) AFTER TAX	115	162	(239)	(217)
Plus opening retained profits	933	968	4,332	4,006
Plus adjustments for amounts unpaid:				
– Corporate taxation equivalent	49	69	–	–
Add:				
– Subsidy paid/contribution to operations	–	–	–	543
Less:				
– Dividend paid	–	(266)	–	–
Closing retained profits	1,097	933	4,093	4,332
Return on capital %	12.8%	22.3%	-4.2%	-4.8%
Subsidy from Council	–	–	397	324

Income statement of council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Trade Waste		Gordon Golf Course	
	2018	2017	2018	2017
Income from continuing operations				
User charges	1,821	1,774	643	377
Other income	103	92	103	128
Total income from continuing operations	1,924	1,866	746	505
Expenses from continuing operations				
Employee benefits and on-costs	86	81	675	492
Materials and contracts	1,321	1,225	568	249
Depreciation, amortisation and impairment	–	–	118	118
Other expenses	22	6	478	327
Total expenses from continuing operations	1,429	1,312	1,839	1,186
Surplus (deficit) from continuing operations before capital amounts	495	554	(1,093)	(681)
Surplus (deficit) from continuing operations after capital amounts	495	554	(1,093)	(681)
Surplus (deficit) from all operations before tax	495	554	(1,093)	(681)
Less: corporate taxation equivalent (30%) [based on result before capital]	(149)	(166)	–	–
SURPLUS (DEFICIT) AFTER TAX	347	388	(1,093)	(681)
Plus opening retained profits	324	(230)	8,242	8,225
Plus adjustments for amounts unpaid:				
– Corporate taxation equivalent	149	166	–	–
Add:				
– Subsidy paid/contribution to operations	–	–	384	698
Closing retained profits	819	324	7,533	8,242
Return on capital %	50.4%	116.4%	-14.9%	-9.0%
Subsidy from Council	–	–	1,297	861

Income statement of council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Turramurra Golf Course		Tennis Courts	
	2018	2017	2018	2017
Income from continuing operations				
User charges	818	781	300	307
Other income	34	29	–	–
Total income from continuing operations	852	810	300	307
Expenses from continuing operations				
Employee benefits and on-costs	463	451	3	3
Materials and contracts	251	266	7	19
Depreciation, amortisation and impairment	505	380	517	580
Loss on sale of assets	100	–	2	–
Other expenses	296	237	33	29
Total expenses from continuing operations	1,615	1,334	562	631
Surplus (deficit) from continuing operations before capital amounts	(763)	(524)	(262)	(324)
Surplus (deficit) from continuing operations after capital amounts	(763)	(524)	(262)	(324)
Surplus (deficit) from all operations before tax	(763)	(524)	(262)	(324)
SURPLUS (DEFICIT) AFTER TAX	(763)	(524)	(262)	(324)
Plus opening retained profits	17,747	18,013	4,125	4,404
Add:				
– Subsidy paid/contribution to operations	128	258	6	45
Closing retained profits	17,112	17,747	3,869	4,125
Return on capital %	-2.9%	-2.9%	-4.4%	-7.8%
Subsidy from Council	1,506	950	426	422

Income statement of council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Swimming Pool		Nursery	
	2018	2017	2018	2017
Income from continuing operations				
User charges	4,944	4,750	27	20
Other income	–	–	–	14
Total income from continuing operations	4,944	4,750	27	34
Expenses from continuing operations				
Employee benefits and on-costs	–	–	73	83
Materials and contracts	3,977	3,734	7	20
Depreciation, amortisation and impairment	364	392	10	10
Other expenses	599	612	16	49
Total expenses from continuing operations	4,940	4,738	106	162
Surplus (deficit) from continuing operations before capital amounts	4	12	(79)	(128)
Surplus (deficit) from continuing operations after capital amounts	4	12	(79)	(128)
Surplus (deficit) from all operations before tax	4	12	(79)	(128)
Less: corporate taxation equivalent (30%) [based on result before capital]	(1)	(4)	–	–
SURPLUS (DEFICIT) AFTER TAX	3	8	(79)	(128)
Plus opening retained profits	20,150	20,635	(1)	32
Plus adjustments for amounts unpaid:				
– Corporate taxation equivalent	1	4	–	–
Add:				
– Subsidy paid/contribution to operations	–	–	–	95
Less:				
– Dividend paid	–	(497)	–	–
Closing retained profits	20,154	20,150	(80)	(1)
Return on capital %	0.0%	0.1%	-85.9%	-474.1%
Subsidy from Council	563	471	82	129

Income statement of council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000	Commercial Leasing	
	2018	2017
Income from continuing operations		
User charges	1,738	2,062
Other income	375	323
Total income from continuing operations	2,113	2,385
Expenses from continuing operations		
Employee benefits and on-costs	266	222
Materials and contracts	577	615
Depreciation, amortisation and impairment	29	28
Other expenses	247	315
Total expenses from continuing operations	1,119	1,180
Surplus (deficit) from continuing operations before capital amounts	994	1,205
Surplus (deficit) from continuing operations after capital amounts	994	1,205
Surplus (deficit) from all operations before tax	994	1,205
Less: corporate taxation equivalent (30%) [based on result before capital]	(298)	(362)
SURPLUS (DEFICIT) AFTER TAX	696	844
Plus opening retained profits	38,140	22,081
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	298	362
Add:		
– Subsidy paid/contribution to operations	20	14,854
Closing retained profits	39,154	38,140
Return on capital %	49.6%	3.2%

Statement of financial position

- council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Thomas Carlyle Children Centre		Art Centre	
	2018	2017	2018	2017
ASSETS				
Current assets				
Receivables	-	5	1	-
Total current assets	-	5	1	-
Non-current assets				
Infrastructure, property, plant and equipment	1,286	1,038	5,665	4,504
Total non-current assets	1,286	1,038	5,665	4,504
TOTAL ASSETS	1,286	1,043	5,666	4,504
LIABILITIES				
Current liabilities				
Payables	19	38	149	132
Provisions	109	72	46	40
Total current liabilities	128	110	195	172
TOTAL LIABILITIES	128	110	195	172
NET ASSETS	1,158	933	5,471	4,332
EQUITY				
Accumulated surplus	1,097	933	4,093	4,332
Revaluation reserves	61	-	1,378	-
TOTAL EQUITY	1,158	933	5,471	4,332

Statement of financial position

- council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

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\$ '000	Trade Waste		Gordon Golf Course	
	2018	2017	2018	2017
ASSETS				
Current assets				
Receivables	-	-	745	745
Total current assets	-	-	745	745
Non-current assets				
Infrastructure, property, plant and equipment	982	476	7,318	7,570
Total non-current assets	982	476	7,318	7,570
TOTAL ASSETS	982	476	8,063	8,315
LIABILITIES				
Current liabilities				
Payables	112	120	2	3
Provisions	51	32	40	70
Total current liabilities	163	152	42	73
TOTAL LIABILITIES	163	152	42	73
NET ASSETS	819	324	8,021	8,242
EQUITY				
Accumulated surplus	819	324	7,533	8,242
Revaluation reserves	-	-	488	-
TOTAL EQUITY	819	324	8,021	8,242

Statement of financial position

- council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Turramurra Golf Course		Tennis Courts	
	2018	2017	2018	2017
ASSETS				
Current assets				
Receivables	28	-	-	-
Total current assets	28	-	-	-
Non-current assets				
Infrastructure, property, plant and equipment	26,646	17,880	5,893	4,138
Total non-current assets	26,646	17,880	5,893	4,138
TOTAL ASSETS	26,674	17,880	5,893	4,138
LIABILITIES				
Current liabilities				
Payables	3	9	4	13
Provisions	133	124	-	-
Total current liabilities	136	133	4	13
TOTAL LIABILITIES	136	133	4	13
NET ASSETS	26,538	17,747	5,889	4,125
EQUITY				
Accumulated surplus	17,112	17,747	3,869	4,125
Revaluation reserves	9,426	-	2,020	-
TOTAL EQUITY	26,538	17,747	5,889	4,125

Statement of financial position

- council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

334

\$ '000	Swimming Pool		Nursery	
	2018	2017	2018	2017
ASSETS				
Current assets				
Receivables	367	398	–	–
Total current assets	367	398	–	–
Non-current assets				
Infrastructure, property, plant and equipment	20,336	20,311	92	27
Total non-current assets	20,336	20,311	92	27
TOTAL ASSETS	20,703	20,709	92	27
LIABILITIES				
Current liabilities				
Payables	549	559	–	–
Provisions	–	–	81	28
Total current liabilities	549	559	81	28
TOTAL LIABILITIES	549	559	81	28
NET ASSETS	20,154	20,150	11	(1)
EQUITY				
Accumulated surplus	20,154	20,150	(80)	(1)
Revaluation reserves	–	–	69	–
TOTAL EQUITY	20,154	20,150	(11)	(1)

Statement of financial position

- council's other business activities

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Commercial Leasing	
	2018	2017
ASSETS		
Current assets		
Receivables	108	-
Total current assets	108	-
Non-current assets		
Infrastructure, property, plant and equipment	2,004	1,470
Investment property	37,500	36,720
Total non-current assets	39,504	38,190
TOTAL ASSETS	39,612	38,190
LIABILITIES		
Current liabilities		
Payables	126	3
Provisions	32	47
Total current liabilities	158	50
TOTAL LIABILITIES	158	50
NET ASSETS	39,454	38,140
EQUITY		
Accumulated surplus	39,454	38,140
TOTAL EQUITY	39,454	38,140



Special Purpose Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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Note 1 Significant accounting policies

FOR THE YEAR ENDED 30 JUNE 2018

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

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements 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 these Special Purpose Financial Statements 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 prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW government policy statement titled '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 a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

In accordance with *Pricing 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 Councils Swimming Pool.

Note 1 Significant accounting policies (continued)

FOR THE YEAR ENDED 30 JUNE 2018

b. Commercial Leasing

Comprising the whole of the operations and assets of Commercial Leasing.

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. Turramurra Golf Course

Comprising the whole of the operations and assets of Turramurra 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.

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. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose 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:

Corporate income tax rate – 30%

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Note 1 Significant accounting policies (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the 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 the SPFS.

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 NCP 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 actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return 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 2.63% at 30/6/18.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

Ku-ring-gai Council

To the Councillors of the Ku-ring-gai Council

Opinion

I have audited the accompanying special purpose financial report (the financial report) of Ku-ring-gai Council's (the Council) Declared Business Activities, which comprise the Income Statement of each Declared Business Activity for the year ended 30 June 2018, the Statement of Financial Position of each Declared Business Activity as at 30 June 2018, notes comprising a summary of Significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Thomas Carlyle Children Centre
- Art Centre
- Trade Waste
- Gordon Golf Course
- Turramurra Golf Course
- Tennis Courts
- Swimming Pool
- Nursery
- Commercial Leasing.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2018, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial report may not be suitable for another purpose.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules.

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report and for determining that the accounting policies, described in Note 1 to the financial report, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

A handwritten signature in blue ink, appearing to be 'W. Liao', with a vertical line extending downwards from the end of the signature.

Weini Liao
Director, Financial Audit Services

28 September 2018
SYDNEY



Special Schedules¹

FOR THE YEAR ENDED 30 JUNE 2018

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Special Schedule No. 2	Independent Auditors Report.....	347
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¹Special Schedules are not audited (with the exception of Special Schedule 2).

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 1 - Net cost of services

FOR THE YEAR ENDED 30 JUNE 2018

\$'000

Function or activity	Expenses from continuing operations.	Income from continuing operations		Net cost of services.
		Non-capital.	Capital.	
Governance	832	9	–	(823)
Administration	25,818	38,306	25,002	37,490
Public order and safety				
Fire service levy, fire protection, emergency services	2,994	–	62	(2,932)
Enforcement of local government regulations	1,517	363	–	(1,154)
Animal control	177	118	–	(59)
Total public order and safety	4,688	481	62	(4,145)
Health	424	109	8	(307)
Environment				
Other environmental protection	1,272	1,822	–	550
Solid waste management	18,743	21,347	179	2,783
Street cleaning	1,644	1	–	(1,643)
Drainage	2,347	1	–	(2,346)
Stormwater management	3,762	196	70	(3,496)
Total environment	27,768	23,367	249	(4,152)
Community services and education				
Administration and education	3,091	4,162	112	1,183
Aged persons and disabled	282	50	142	(90)
Children's services	3,946	4,179	14	247
Total community services and education	7,319	8,391	268	1,340
Housing and community amenities				
Street lighting	1,938	10	292	(1,636)
Town planning	2,694	644	17	(2,033)
Other community amenities	173	198	–	25
Total housing and community amenities	4,805	852	309	(3,644)

Special Schedule 1 - Net cost of services (continued)

FOR THE YEAR ENDED 30 JUNE 2018

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\$'000

Function or activity	Expenses from continuing operations.	Income from continuing operations		Net cost of services.
		Non-capital.	Capital.	
Recreation and culture				
Public libraries	4,523	131	307	(4,085)
Art galleries	693	465	–	(228)
Community centres and halls	2,240	1,000	–	(1,240)
Other cultural services	338	46	–	(292)
Sporting grounds and venues	6,465	748	–	(5,717)
Swimming pools	4,940	4,944	–	4
Parks and gardens (lakes)	8,912	339	–	(8,573)
Other sport and recreation	369	3,000	(2,941)	(310)
Total recreation and culture	28,480	10,673	(2,634)	(20,441)
Mining, manufacturing and construction				
Building control	6,592	3,101	–	(3,491)
Total mining, manufacturing and const.	6,592	3,101	–	(3,491)
Transport and communication				
Urban roads (UR) – local	13,991	2,523	3,660	(7,808)
Parking areas	816	2,400	–	1,584
Footpaths	1,397	–	276	(1,121)
Total transport and communication	16,204	4,923	3,936	(7,345)
Economic affairs				
Other economic affairs	169	(53)	–	(222)
Total economic affairs	169	(53)	–	(222)
Totals – functions	123,099	90,159	27,200	(5,740)
General purpose revenues ⁽¹⁾	–	38,281	–	38,281
NET OPERATING RESULT ⁽²⁾	123,099	128,440	27,200	32,541

(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 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 2 - Permissible income for general rates

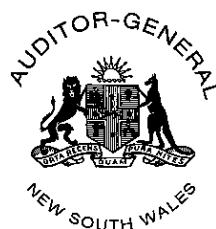
FOR THE YEAR ENDED 30 JUNE 2018

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\$'000		Calculation 2018/19	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	61,665	60,358
Plus or minus adjustments ⁽²⁾	b	1,031	405
Notional general income	c = (a + b)	62,696	60,763
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.30%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	–	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	1,442	911
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	64,139	61,674
Plus (or minus) last year's carry forward total	l	0	–
Less valuation objections claimed in the previous year	m	(1)	(10)
Sub-total	n = (l + m)	(1)	(10)
Total permissible income	o = k + n	64,138	61,664
Less notional general income yield	p	64,151	61,665
Catch-up or (excess) result	q = o – p	(13)	(1)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	13	1
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	0	0

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 2 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

Ku-ring-gai Council

To the Councillors of Ku-ring-gai Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Ku-ring-gai Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter – Basis of Accounting

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

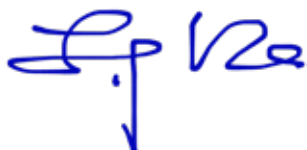
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

My opinion does *not* provide assurance:

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



Weini Liao
Director

28 September 2018
SYDNEY

Special Schedule 7 – Report on infrastructure assets

FOR THE YEAR ENDED 30 JUNE 2018

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard ^b	Estimated cost to bring to the agreed level of service set by Council ^c	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	All Council Buildings	1,210	6,912	3,150	3,292	94,228	157,468	25%	26%	45%	4%	0%
	Sub-total	1,210	6,912	3,150	3,292	94,228	157,468	25%	26%	45%	4%	0%
Other Structures		384	1,521	570	208	8,528	14,047	23%	30%	36%	9%	2%
	Sub-total	384	1,521	570	208	8,528	14,047	23%	30%	36%	9%	2%
Roads	Roads	16,602	54,186	2,260	1,383	181,020	342,363	13%	40%	31%	11%	5%
	Bridges	49	155	60	–	6,396	11,754	3%	51%	45%	1%	0%
	Footpaths	649	2,914	940	1,057	32,034	48,405	37%	19%	38%	5%	1%
	Other Road Assets (Incl. Bulk Earthworks)	388	1,489	740	1,322	131,601	200,881	33%	7%	59%	1%	0%
	Sub-total	17,688	58,744	4,000	3,762	351,051	603,403	21%	28%	41%	7%	3%

Special Schedule 7 – Report on infrastructure assets (continued)

FOR THE YEAR ENDED 30 JUNE 2018

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard ^b	Estimated cost to bring to the agreed level of service set by Council ^c	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater Drainage	Stormwater Drainage	60	340	830	1,438	160,905	236,539	32%	56%	11%	0%	1%
	Sub-total	60	340	830	1,438	160,905	236,539	32%	56%	11%	0%	1%
Open Space/ Recreational Assets	Swimming Pools & Recreational Assets	675	3,145	5,730	7,668	75,555	127,909	42%	33%	23%	2%	0%
	Sub-total	675	3,145	5,730	7,668	75,555	127,909	42%	33%	23%	2%	0%
	TOTAL – ALL ASSETS	20,017	70,662	14,280	16,368	690,267	1,139,366	26%	34%	33%	5%	2%

Notes:

- a Required maintenance is the amount identified in Council's asset management plans.
- b The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset that is currently not at the condition determined to be satisfactory by the Council and community.
- c The estimated cost to renew or rehabilitate existing assets that have reached the condition-based intervention level adopted by Council.

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Special Schedule 7 – Report on infrastructure assets (continued)

FOR THE YEAR ENDED 30 JUNE 2018

\$ '000	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Infrastructure asset performance indicators * consolidated					
1. Buildings and infrastructure renewals ratio					
Asset renewals ⁽¹⁾	11,071	61%	76%	82%	>= 100%
Depreciation, amortisation and impairment	18,108				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	20,017	3%	4%	6%	< 2.00%
Net carrying amount of infrastructure assets	690,267				
3. Asset maintenance ratio					
Actual asset maintenance	16,368	115%	104%	107%	> 100%
Required asset maintenance	14,280				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	70,662	6%	7%	8%	
Gross replacement cost	1,139,366				

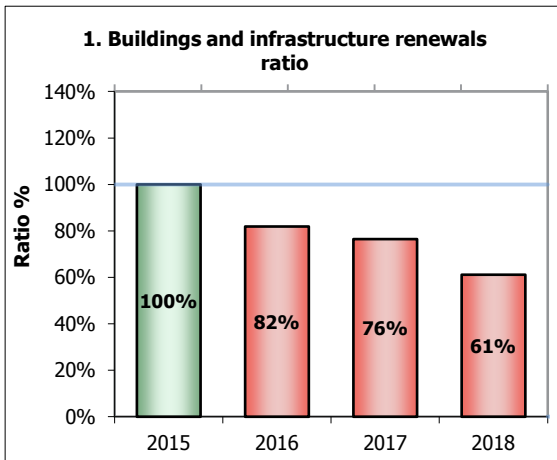
Notes

* 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.
Excluded work in progress (WIP).

Special Schedule 7 – Report on infrastructure assets (continued)

FOR THE YEAR ENDED 30 JUNE 2018



Benchmark: ——— Minimum $\geq 100.00\%$
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of asset renewals ratio

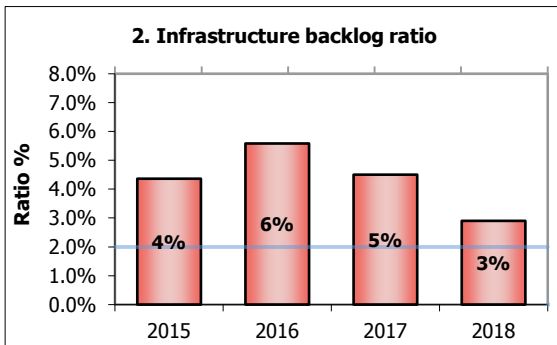
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2017/18 result

2017/18 Ratio 61%

A ratio of 61% indicates that amount spent on renewing infrastructures assets is lower than the amount of depreciation on those assets. This is due to incomplete projects at end of year. Council's long term financial plan provides for infrastructure renewal to meet the benchmark of 100% in future years. Council will continue to focus on appropriate asset standards for renewal and maintenance of its assets and prioritise renewal capital work programs.

Ratio achieves benchmark
 Ratio is outside benchmark



Benchmark: ——— Maximum $< 2.00\%$
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of infrastructure backlog ratio

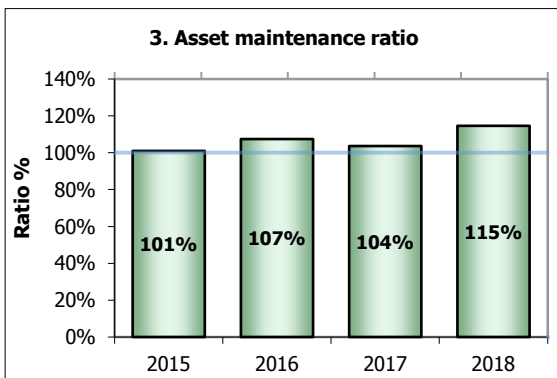
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2017/18 result

2017/18 Ratio 3%

Council achieved a backlog ratio of 3% at the end of 2017/18 financial year, which is an improvement 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 $> 100.00\%$
 Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of asset maintenance ratio

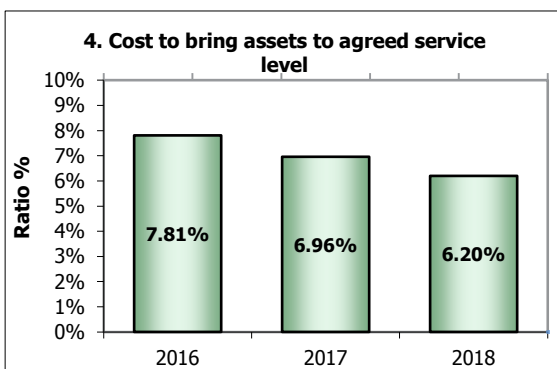
Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on 2017/18 result

2017/18 Ratio 115%

A ratio of above 100% indicates that the Council is investing enough funds within the year to ensure assets reach their useful lives. The benchmark is greater than 100%. 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



Purpose of agreed service level ratio

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

Commentary on 2017/18 result

2017/18 Ratio 6%

The cost to bring to level of service is an estimate of the cost to renew existing assets that have reached the condition-based intervention level. Council is committed to increase expenditure on assets renewal in future years and reduce the cost to bring to level of service and this is reflected in Council's Long Term Financial Plan and Asset Management Strategy.



*Echidna in the streets of St Ives.
Photographer: Tasha Scholtz.*

Indexes and glossary



The Sphinx Memorial, Ku-ring-gai Chase National Park, North Turrumurra. This image won third prize in a photography competition celebrating the Ku-ring-gai community and environment for the Ku-ring-gai edition of the game of Monopoly. Photographer: Zach Pattison



Global reporting initiative Content index

The Global Reporting Initiative (GRI) is an independent international organisation which, since being established in 1997, has developed guidelines to assist businesses and governments to understand their contribution toward sustainable development.

Council is currently working towards compliance with the G4 Sustainability Reporting Guidelines.

The following table outlines the GRI Indicators which have been discussed within Council's 2017/18 Annual Report.

More information about the GRI is available at www.globalreporting.org

GRI.4 section	General standard disclosures	Report section
Strategy and analysis		
G4-1	Statement from Council's most senior decision-maker of the organisation	General Manager's report
G4-2	Description of key impacts, risks and opportunities	Community democracy Theme 6: Leadership and Governance
Organisational profile		
G4-3	Name of the organisation	Ku-ring-gai Council
G4-4	Primary brands, products and/or services	The year in review Performance summary
G4-5	Location of organisation's headquarters	Inside front cover
G4-6	Jurisdiction of areas in which Council operates	Snapshot of Ku-ring-gai
G4-7	Nature of ownership and legal form	Our organisation
G4-8	Markets of Council	Community democracy
G4-9	Scale of Council	Performance summary Community democracy Financial reporting Theme 6: Leadership and Governance
G4-10	Size and compilation of workforce	Our organisation Theme 6: Leadership and Governance
G4-11	Percentage of total employees covered by collective bargaining agreements	Our organisation Theme 6: Leadership and Governance

G4-12	Supply chain of Council	Local Government Reporting - contracts awarded
G4-13	Significant changes of size, structure, ownership or supply chain	Performance - delivering the vision
G4-15	Externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or endorses	Performance - delivering the vision
G4-16	Memberships in associations and/or national/international advocacy organisations in which the organisation: has positions in governance bodies; participates in projects or committees; provides substantive funding beyond routine membership dues; or views membership as strategic	Our organisation Performance - delivering the vision

Identified material aspects and boundaries

G4-17	Organisational entities included in financial statements	Financial reporting
G4-18	Process for defining report content	Integrated planning and reporting framework
G4-20	Aspect boundary and limitations within the organisation	Performance summary Financial reporting
G4-21	Aspect boundary and limitations outside the organisation	Performance summary Financial reporting

Stakeholder engagement

G4-24	List of stakeholder groups engaged by the organisation	Community democracy
G4-25	Basis for identification and selection of stakeholders with whom to engage	Community democracy
G4-26	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	Community democracy
G4-27	Issues and concerns raised through stakeholder engagement and how the organisation has responded	Performance - delivering the vision

Report profile

G4-28	Reporting period for information provided	Year in review Performance summary Performance – delivering the vision
G4-29	Date of most recent previous report	Annual Report 2016/17
G4-30	Reporting cycle	1 July 2017 - 30 June 2018
G4-31	Contact point for questions regarding Annual Report	Inside front and back cover
G4-32	Table identifying the location of the standard disclosures in the report	Global Reporting Initiative - content index
G4-33	Policy and current practice regarding seeking external assurance for the report	Community democracy Local government reporting Financial reporting

Governance

G4-34	Governance structure of the organisation, including committees under the highest governance body	Community democracy Our organisation
G4-36	Appointment of executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Community democracy Our organisation
G4-37	Process for consultation between stakeholders and highest governance body	Community democracy Our organisation
G4-38	The composition of the highest governance body and committees	Community democracy Our organisation
G4-39	Indicate whether the Chair of the highest governance body is also an executive officer	Community democracy Our organisation
G4-40	The selection and nomination process for the highest governance body	Community democracy Our organisation
G4-41	The processes for the highest governance body to ensure conflicts of interest are avoided and managed	Community democracy Our organisation
G4-44	Processes for evaluating the highest governance body's own performance particularly with respect to economic, environmental and social performance	Performance summary Financial reporting

G4-46	The highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	Community democracy Our organisation
G4-51	Remuneration policies for the highest governance body and senior executives	Local government reporting

Ethics and Integrity

G4-56	Council values, principles and code of conduct	Community democracy Our organisation
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GRI.4 section

Specific standard disclosures

Report section

Economic

G4-EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings and payments to capital providers and governments	Performance summary Financial reporting
G4-EC2	Financial Implications and other risks and opportunities for the organisations activities due to climate change	Performance - delivering the vision Theme 2: Natural Environment
G4-EC4	Financial assistance received from government	Performance - delivering the vision Financial reporting
G4-EC7	Development and impact of infrastructure investments and services supported	Performance - delivering the vision Financial reporting

Environmental

G4-EN3	Energy consumption within the organisation	Theme 2: Natural Environment
G4-EN6	Energy saved due to conservation and efficiency improvements	Theme 2: Natural Environment
G4-EN13	Habitats protected or restored	Theme 2: Natural Environment
G4-EN16/17	Indirect greenhouse gas emissions by weight	Theme 2: Natural Environment
G4-EN19	Reduction of greenhouse gas emissions	Theme 2: Natural Environment
G4-EN23	Total weight of waste by type and disposal method	Theme 2: Natural Environment

G4-EN27	Initiatives to mitigate environmental impacts of products and services, and the extent of impact mitigation	Theme 2: Natural Environment
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Social

G4-LA1	Total number and rates of new employee hires and employee turnover	Our organisation Theme 6: Leadership and Governance
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G4-LA6	Rates of injury and lost days	Our organisation Theme 6: Leadership and Governance
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G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Our organisation
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G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity	Our organisation
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G4-LA13	Ratio of basic salary and remuneration of women and men	Our organisation
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Society

G4-SO1	Sections with implemented local community engagement, impact assessments, and development programs	Theme 5: Local Economy and Employment Theme 6: Leadership and Governance
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Glossary and acronyms

Aboriginal Heritage Office (AHO)

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 six partnering councils are North Sydney, Willoughby, Lane Cove, Northern Beaches, Ku-ring-gai and Strathfield. 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. The office recently moved from its home in Northbridge to new premises in Manly.

ABS

Australian Bureau of Statistics.

ACCC

Australian Competition and Consumer Commission.

Advocacy

Proactively communicating to support for a recommendation of a cause or policy.

ARA

Australasian Reporting Awards.

Asset management

Managing the ongoing maintenance of existing Council assets and development of new assets, to ensure they meet the community's needs and expectations now and into the future.

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.

Better Business Partnership (BBP)

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 three local government areas of Ku-ring-gai, North Sydney and Willoughby City. For information visit: www.betterbusinesspartnership.com.au

Bi-annual review

Review of progress in meeting the Delivery Program objectives and budget forecasts.

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.

CBD

Central business district.

CDC

Complying Development Certificate.

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 land

Land that is controlled under an adopted Plan of Management and must be kept for community use only.

Community strategic plan (CSP)

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

Cooperative Research Centre.

Critical action (CA)

The four year result which contributes to the progress of Council's nominated term achievements.

Crown land

Land managed by Council that is owned by State Government.

DA

Development Application.

Delivery program (DP)

The Delivery Program outlines what Council intends to do towards achieving the Community Strategic Plan's long-term objectives and priorities during the normal four 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 including ERP

Demographic statistics in this report are taken from Australian Bureau of Statistics Census figures for Ku-ring-gai and Greater Sydney. The statistics can be readily accessed through Council's website. ERP refers to 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.

Destination management plan 2017-2020

The Destination Management Plan 2017-2020 was adopted by Council in July 2017. It outlines strategies to increase economic development and visitor numbers to Ku-ring-gai as well as overall sustainable management practices for tourism. It focuses on five themes; nature-based tourism, major events, Aboriginal heritage, cultural and recreational experiences and architectural heritage.

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 decisions across the local government area.

EAM

Enterprise Asset Management.

EAP

Employee Assistance Program.

EEO

Equal Employment Opportunity.

End of term report (EoT)

The End of Term Report is one of the key accountability mechanisms between Council and the community and is prepared in accordance with Section 428(2) of the *Local Government Act, 1993* and the Office of Local Government's Integrated Planning and Reporting guidelines.

The Report focuses on the effectiveness of the Community Strategic Plan 2030 in progressing Ku-ring-gai's long term social, environmental, economic and civic leadership objectives over the four year period 2013-2017. It can be found at kmc.nsw.gov.au/integratedplanning.

EOI

Expression of Interest.

FAG

Financial Assistance Grants provided by Australian Government.

Financial year

The financial year for this Annual Report 2017/18 is the period from 1 July 2017 to 30 June 2018.

FFTF

Fit for the Future.

FTE

Full time equivalent.

GHG

Greenhouse Gas.

GIPA

The *Government Information (Public Access) Act, 2009*, which has replaced Freedom of Information legislation.

GIS

Geographical Information System.

Global Reporting Initiative

Program that introduces globally applicable guidelines that enable organisations to understand their contribution towards sustainable development.

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.

Greater Sydney Commission

The role of the Commission is to coordinate and align planning that will shape the future of Greater Sydney.

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.

HCA

Heritage Conservation Area.

HPE Records Manager

Councils electronic document record management system that registers incoming/outgoing correspondence and documentation and provides ready access to files.

ICAC

Independent Commission Against Corruption.

Independent Pricing and Regulatory Tribunal of NSW (IPART)

The tribunal sets the local government rate peg and assesses applications for special rate variations and council contributions plans.

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.

Issue

A key area of concern or priority identified by the community and Council that needs to be addressed.

KFAC

Ku-ring-gai Fitness and Aquatic Centre.

KFFR

Ku-ring-gai Flying-Fox Reserve.

KLEP

Ku-ring-gai Local Environmental Plan.

KLPP

Ku-ring-gai Local Planning Panel.

KYDS

Ku-ring-gai Youth Development Services Inc.

Leachate

Water carrying impurities that have percolated through the earth, primarily at rubbish tips.

LGA

Local Government Area.

Local environmental plan (LEP)

An environmental planning instrument that contains legally binding provisions relating to development.

Long term objective (LTO)

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.

LTI

Lost Time Injuries.

MoU

Memorandum of Understanding

National Institute of Economic and Industry Research Pty Ltd (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.

Northern Sydney Regional Organisation of Councils (NSROC)

Comprising the Councils of Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, City of Ryde and Willoughby.

Objective

An objective is a specific, measurable condition that must be attained in order to accomplish a particular program goal.

Office of Local Government (OLG)

The Office of Local Government is responsible for local government across NSW. The Office has a policy, legislative, investigative and program focus in matters ranging from local government finance, infrastructure, governance, performance, collaboration and community engagement. The Office strives to work collaboratively with the Local Government sector and is the key adviser to the NSW Government on local government matters.

Operational land

Land that serves an operational function or land being retained for strategic reasons.

Operational plan (OP)

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.

PCYC

Police Citizens Youth Club.

Performance indicator (PI)

A measure that assists in the assessment of overall performance towards the community's term achievements and long term objectives and also tell us whether we are heading in the right direction.

Performance reporting

The performance of Council against the delivery of the activities is measured through levels of indicators. Performance indicators (PIs) represent a measure of the standard or outcome of an organisation's services or activities. The PIs are designed to encapsulate the performance and outcomes of Council and are reported on every six months. Tied to this bi-annual reporting on the Delivery Program, 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.

PIPPA

Privacy and Personal Information Protection Act, 1998.

Plan of management (PoM)

A document which regulates the use and management of community land.

Principal activity

Key areas in which Council sets objectives, delivers tasks, projects, programs and services and utilises performance indicators in order to measure performance.

Projected population

Our current population of 122,472 (2016 ABS Census) is expected to reach over 144,000 by 2038 with the largest increases in both school aged children and seniors over 65 years as well as increasing cultural diversity. Within the seniors group there will be particular increase in the over 85 year age group.

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 (LTFP)
- 10-year Asset Management Strategy (AMS)
- Four-year Workforce Management Strategy (WMS)

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.

RISI

Rail Industry Safety Induction.

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.

RMS

Roads and Maritime Services.

Service NSW Easy to do Business Program

This program is designed to support business by removing barriers to make it faster and easier to start, grow and run a small business.

SRV

Special rate variation.

Stakeholder

Any individual or group having a particular interest in a project or action.

State of the Environment Report (SoE)

Mechanism for providing details on the current status of the main environmental issues utilising the pressure, state, response model. It can be found as Part 3 to the Annual Report 2016/17 www.kmc.nsw.gov.au/annualreport

Sustainability

Sensitive use of natural resources without harming the ecological balance of the region.

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.

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.

S96

An application to modify a development consent.

S82a

Request to review determination.

Target (annual)

A numerical goal against which performance is measured.

Term achievement (TA)

The four year result that Council nominates as the achievement to be reached within its term. It also describes how far Council will progress each long term objective during its four year term.

Theme

A topic heading that groups issues, long term objectives and term achievements together. The six themes in the Community Strategic Plan are:

1. Community, people and culture
2. Natural environment
3. Places, spaces and infrastructure
4. Access, traffic and transport

5. Local economy and employment

6. Leadership and governance

Together the six themes, containing issues, objectives and term achievements, represent a comprehensive view of Ku-ring-gai's future directions.

TfNSW

Transport for NSW.

UTS

University of Technology Sydney.

Values (corporate)

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.

Ward

Ku-ring-gai covers the area from Roseville cinemas in the south to Wahroonga Park in the north and from St Ives Showground in the east to Lane Cove National Park in the west. This area is broken up into five wards, each represented by two councillors.

WHS

Workplace, health and safety.

WSU

Western Sydney University.

YMCA

Young Men's Christian Association.

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