



**ORDINARY MEETING OF COUNCIL
TO BE HELD ON TUESDAY, 14 OCTOBER 2008 AT 7.00PM
LEVEL 3, COUNCIL CHAMBERS**

A G E N D A
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NOTE: For Full Details, See Council's Website –
www.kmc.nsw.gov.au under the link to business papers

APOLOGIES

DECLARATIONS OF INTEREST

CONFIRMATION OF REPORTS TO BE CONSIDERED IN CLOSED MEETING

ADDRESS THE COUNCIL

NOTE: Persons who address the Council should be aware that their address will be tape recorded.

DOCUMENTS CIRCULATED TO COUNCILLORS

CONFIRMATION OF MINUTES

Minutes of Ordinary Meeting of Council

File: S02131
Meeting held 30 September 2008
Minutes numbered 332 to 336

MINUTES FROM THE MAYOR

MM.1 **Ward Summit**

1

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File: S02380

As the newly elected 2008 Council of Ku-ring-gai, our first task is to establish strong links with our community. We must set up communication channels with our residents that will demonstrate our intention to listen to their views and to involve them in our decision-making.

To begin this process, I would like to hold a summit of around 25 people in each Ward within the next 6 weeks, with invited representatives from the local sporting codes, action groups, scouts and guides, Chambers of Commerce and neighbourhood shopping areas, P and C organisations, church leaders, large businesses and other interest groups.

The aim of such a summit would be to ascertain matters of concern in each area, and to discover the priorities and interests specific to each part of our Council area. We would also canvass Ku-ring-gai-wide issues in the remaining time available. To that extent the summits will mainly involve input from the residents.

Each Ward summit will be jointly chaired by the Mayor and Ward Councillors. Where possible, it should be held within the Ward itself, and matters raised at the summits will be the subject of a further meeting of Councillors and Staff to determine how Council can deal with the issues raised.

The summits will be recorded and notes taken of the proceedings.

PETITIONS

PT.1 **Objections to Proposed Changes of Bus Route 560 in Gordon & West Pymble - (Seventy-Eight [78] Signatures)**

2

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File: S02027

"We, the undersigned, object to the removal of Bus 560 which is being removed through Kiparra, Dunoon, Bandalong, Bolwarra and Wyuna.

It will seriously affect the aged who depend entirely on this service continuing to get to and from medical and shopping and use it daily coming home from Macquarie. People in Wyuna will have to cross 6 lanes of traffic on Ryde Road."

PT.2 **Petition to Retain Bus Route No 571 in South Turrumurra - (Two Hundred & Fourteen [214] Signatures)** **3**

File: S02027

"We, the undersigned, wish Bus Route 571 to be continued. It is extremely important for us to have a bus which travels to and from Turrumurra train station and shops. Bus Route 571 takes residents to and from South Turrumurra and the Southern side of Turrumurra to Turrumurra shops and train station. The proposed bus Network (Region 12) which will travel from Hornsby to Macquarie University will not meet the needs of the people".

GENERAL BUSINESS

- i. The Mayor to invite Councillors to nominate any item(s) on the Agenda that they wish to have a site inspection.*
- ii. The Mayor to invite Councillors to nominate any item(s) on the Agenda that they wish to adopt in accordance with the officer's recommendation and without debate.*

GB.1 **Disclosure of Interests Returns Register** **4**

File: S02167

To table Council's Disclosure of Interests Returns Register in accordance with the Local Government Act.

Recommendation:

That the tabling of the Disclosure of Interests Returns Register be noted.

GB.2 **Representation on Community Committees/Organisations** **6**

File: S02355

For Council to make appointments to community committees/organisations for 2008/2009.

Recommendation:

That Council make appointments to community committees/organisations as required and that the community committees and organisations be informed of Council's representatives.

GB.3 **Ku-ring-gai Access Advisory Committee - Minutes of 19 June & 21 August 2008** **9**

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File: S02116

To provide Council with the Minutes of the Ku-ring-gai Access Advisory Committee of 19 June 2008 and 21 August 2008.

Recommendation:

That the Minutes of the Ku-ring-gai Access Advisory Committee of 19 June 2008 and 21 August 2008 be received and noted.

GB.4 **Draft Financial Statements for year ended 30 June 2008** **19**

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File: S05983

To present to Council the Draft Financial Statements for the year ended 30 June 2008 for certification and referral to Council's external auditors, Spencer Steer Chartered Accountants.

Recommendation:

That Council receive, certify and refer the Draft Financial Statements for the year ended 30 June 2008 to Council's external auditors Spencer Steer Chartered Accountants.

GB.5 **Investment Report as at 31 August 2008** **100**

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File: S05273

To present to Council investment allocations and returns on investments for August 2008.

Recommendation:

Council's investments are made in accordance with the Local Government Act (1993), the Local Government (General) Regulation 2005 and Council's Investment Policy which was adopted by Council on 28 August 2007 (Minute No. 319).

GB.6 **275 Mona Vale Road, St Ives - Modification of Consent to DA0949/03 Seeking Modification of Condition 69 & Deletion of Condition 70** 123

.
File: MOD0307/08

Ward: St Ives
Applicant: Barry Cotten
Owner: Ezygold Investments Pty Limited

To determine modification application No. MOD0307/08, which seeks deletion of Condition 70 and modification of Condition 69 imposed in the consent to DA0949/03 relating to the southern boundary fence and retaining walls associated with the driveway.

Recommendation:

Approval.

GB.7 **Policy on Private Use of Road Reserves** 139

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File: S03467

For Council to adopt the policy for the Private Use of Road Reserves.

Recommendation:

That Council adopts the policy for the Private Use of Road Reserves.

GB.8 **Annual Tender for Supply, Supply & Delivery and Supply, Delivery & Laying of Asphaltic Concrete** 152

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File: S05465

To seek Council's approval to accept the NSROC tender for the schedule of rates for the supply, supply and delivery and supply, delivery and laying of asphaltic concrete, including the associated road profiling and heavy patching works for the period 2008/09.

Recommendation:

That the tender rates be accepted, tenderers be advised of Council's decision and that the Common Seal be affixed to the contract.

GB.9 Capital Works & Major Project Budget Review

156

File: S06351

To seek the approval of Council to amend the capital works budget for 1: the purpose of incorporating projects funded by approved external grants, community club contributions and section 94 contributions funding, and 2: including the notification of budget transfers funded from the Environmental Levy.

Recommendation:

That Council both approve the change to the capital works and major projects budget for 2008/09 and Environmental Levy transfers as listed in this report. Further, future variations to budget as a consequence of additional income such as external grants, community club contributions and section 94 funded projects be reported within the quarterly budget review process, rather than by separate report to Council.

EXTRA REPORTS CIRCULATED AT MEETING

MOTIONS OF WHICH DUE NOTICE HAS BEEN GIVEN

NM.1 Tree Preservation Order - Policy Changes

162

File: S02052

Notice of Motion from Councillors Tony Hall & Carlyne Hardwick dated 7 October 2008.

A significant number of residents have expressed concerns to us about the restrictive nature of Council's Tree Preservation Policy (TPO) under the KPSO and procedures for assessing tree removals. Whilst we appreciate that the tree canopy of Ku-ring-gai is extremely important to this community, there are some species that are protected under the TPO which could possibly be considered as exempt.

Also there are some procedures that are required to be followed by Council staff in the assessment of TPO applications that have caused stress to our residents applying for tree removals and reiterated in letters published in the local media.

Therefore, we would appreciate that a report be prepared for Council to consider a review of the policy and procedures associated with TPO applications and exemption of some tree species, including Leighton Greens.

We move:

"That Council be provided with a report to amend the current TPO policy and procedures to more sympathetically assess tree removals/pruning and to include a list of trees that are

exempt under the policy and could be exempt from that policy. The report is to be provided to the first meeting of Council in November, 2008".

BUSINESS WITHOUT NOTICE - SUBJECT TO CLAUSE 241 OF GENERAL REGULATIONS

QUESTIONS WITHOUT NOTICE

INSPECTIONS COMMITTEE - SETTING OF TIME, DATE AND RENDEZVOUS

CONFIDENTIAL BUSINESS TO BE DEALT WITH IN CLOSED MEETING - PRESS & PUBLIC EXCLUDED

The Item listed hereunder is recommended for consideration in Closed Meeting, Press & Public excluded for the reason stated below:

C.1 Salary Increase for Council Staff

1

File: S05387

Report by General Manager & Director Corporate dated 1 October 2008.

In accordance with the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*, in the opinion of the General Manager, the following business is of a kind as referred to in section 10A(2)(c) of the Act, and should be dealt with in a part of the meeting closed to the public.

Section 10A(2)(c) of the Act permits the meeting to be closed to the public in respect of information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

This matter is classified confidential because it deals with staff salaries. Unions representing staff, or staff, may seek to negotiate this matter.

It is not in the public interest to release this information as it may prejudice negotiations with Unions and/or staff.

John McKee
GENERAL MANAGER

*** ** ** ** **

Environmental Planning & Assessment Act 1979 (as amended)

Section 79C

1. Matters for consideration - general

In determining a development application, a consent authority is to take into consideration such of the following matters as are of relevance to the development the subject of the development application:

a. The provisions of:

- i. any environmental planning instrument, and*
- ii. any draft environmental planning instrument that is or has been placed on public exhibition and details of which have been notified to the consent authority, and*
- iii. any development control plan, and*
- iv. any matters prescribed by the regulations,*

that apply to the land to which the development application relates,

- b. the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality,*
- c. the suitability of the site for the development,*
- d. any submissions made in accordance with this Act or the regulations,*
- e. the public interest.*

MAYORAL MINUTE

WARD SUMMIT

As the newly elected 2008 Council of Ku-ring-gai, our first task is to establish strong links with our community. We must set up communication channels with our residents that will demonstrate our intention to listen to their views and to involve them in our decision-making.

To begin this process, I would like to hold a summit of around 25 people in each Ward within the next 6 weeks, with invited representatives from the local sporting codes, action groups, scouts and guides, Chambers of Commerce and neighbourhood shopping areas, P and C organisations, church leaders, large businesses and other interest groups.

The aim of such a summit would be to ascertain matters of concern in each area, and to discover the priorities and interests specific to each part of our Council area. We would also canvass Ku-ring-gai-wide issues in the remaining time available. To that extent the summits will mainly involve input from the residents.

Each Ward summit will be jointly chaired by the Mayor and Ward Councillors. Where possible, it should be held within the Ward itself, and matters raised at the summits will be the subject of a further meeting of Councillors and Staff to determine how Council can deal with the issues raised.

The summits will be recorded and notes taken of the proceedings.

RECOMMENDATION

That Council support the concept of holding these meetings and that the Mayor and the General Manager organise times and dates in accordance with the Mayoral Minute.

Cr Elaine Malicki
Mayor

PETITION

OBJECTIONS TO PROPOSED CHANGES OF OF BUS ROUTE 560 IN GORDON & WEST PYMBLE - (SEVENTY-EIGHT [78] SIGNATURES)

"We, the undersigned, object to the removal of Bus 560 which is being removed through Kiparra, Dunoon, Bandalong, Bolwarra and Wyuna.

It will seriously affect the aged who depend entirely on this service continuing to get to and from medical and shopping and use it daily coming home from Macquarie. People in Wyuna will have to cross 6 lanes of traffic on Ryde Road."

RECOMMENDATION

That the Petition be received and referred to the appropriate officer of Council for attention.

PETITION

PETITION TO RETAIN BUS ROUTE NO 571 IN SOUTH TURRAMURRA - (TWO HUNDRED & FOURTEEN [214] SIGNATURES)

"We, the undersigned, wish Bus Route 571 to be continued. It is extremely important for us to have a bus which travels to and from Turrumurra train station and shops. Bus Route 571 takes residents to and from South Turrumurra and the Southern side of Turrumurra to Turrumurra shops and train station. The proposed bus Network (Region 12) which will travel from Hornsby to Macquarie University will not meet the needs of the people".

RECOMMENDATION

That the Petition be received and referred to the appropriate officer of Council for attention.

PETITION

PETITION AGAINST REMOVAL OF NORFOLK PINE TREE - REAR 95 SPRINGDALE ROAD, KILLARA - (NINETEEN [19] SIGNATURES)

The following Petition was presented to Council by Councillor Elise Keys:

"The local residents object to its removal for the following reasons:

1. It is a healthy mature tree.
2. It is of significant aesthetic value to the area and adds character to the landscape.
3. Its removal would be a great loss to our native birds.

RECOMMENDATION

That the Petition be received and referred to the appropriate officer of Council for attention.

DISCLOSURE OF INTERESTS RETURNS REGISTER

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To table Council's Disclosure of Interests Returns Register in accordance with the Local Government Act.

BACKGROUND:

The Act requires that the Disclosure of Interests Returns Register be tabled at the first meeting after 30 September 2008.

COMMENTS:

The Register will be tabled at the meeting.

RECOMMENDATION:

That the tabling of the Disclosure of Interests Returns Register be noted.

PURPOSE OF REPORT

To table Council's Disclosure of Interests Returns Register in accordance with the Local Government Act.

BACKGROUND

As Councillors are aware, Section 449 of the Local Government Act 1993 requires the lodgement of returns disclosing interests of Councillors and Designated Persons.

Under Section 450A(2)(b) of the Act, returns for the period ending 30 June 2008 must be tabled at the first Council meeting held after the last day of lodgement (30 September 2008).

COMMENTS

Not applicable.

CONSULTATION

Not applicable.

FINANCIAL CONSIDERATIONS

Not applicable.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

Not applicable.

RECOMMENDATION

That the tabling of the Disclosure of Interests Returns Register be noted.

Geoff O'Rourke
Senior Governance Officer

John McKee
General Manager

REPRESENTATION ON COMMUNITY COMMITTEES/ORGANISATIONS

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

For Council to make appointments to community committees/organisations for 2008/2009.

BACKGROUND:

Not applicable.

COMMENTS:

Council is represented on a number of community bodies, which include community organisations of which Council is a stakeholder and Advisory Committees for various government departments.

RECOMMENDATION:

That Council make appointments to community committees/organisations as required and that the community committees and organisations be informed of Council's representatives.

PURPOSE OF REPORT

For Council to make appointments to community committees/organisations for 2008/2009.

BACKGROUND

Not applicable.

COMMENTS

Council is represented on the following community bodies and committees. Council is required to nominate representatives for each of these bodies.

Committee/Organisation	Number to be appointed
The Ku-ring-gai Police and Community Safety Committee	1
Ku-ring-gai Meals on Wheels Inc	1 Plus 1 Alternate
Eryldene Trust	2
RTA-Sydney Region Combined Consultative Forum	1
Hornsby/Ku-ring-gai Bushfire Management Committee	1 Plus 1 Alternate
Metropolitan Public Libraries Association	1
Rural Fire Service District Liaison Committee	1
Hawkesbury/Nepean Local Government Advisory Group	1 plus 1 Alternate
Northern Sydney Regional Organisation of Councils (NSROC)	Mayor plus 1 plus 1 Alternate
Ku-ring-gai Youth Development Service Inc Management Committee	1
Sydney Adventist Hospital, Wahroonga Community Reference Group	2 plus 1 Alternate
Rosedale Road is the Rosedale Road Steering Committee	2
St Ives is St Ives Showground Consultative Committee	Any interested Councillor

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

All Departments have reviewed the list of committees and bodies currently requiring representation.

SUMMARY

Councillor representation on the external committees identified in this report is an important component of representing Council and the community's views on a range of matters relevant to Ku-ring-gai.

RECOMMENDATION

- A. That Council make appointments to community committees/organisations as listed in the report.
- B. That the community committees/organisations be informed of Council's representatives.

Geoff O'Rourke
Senior Governance Officer

John McKee
General Manager

KU-RING-GAI ACCESS ADVISORY COMMITTEE - MINUTES OF 19 JUNE & 21 AUGUST 2008

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To provide Council with the Minutes of the Ku-ring-gai Access Advisory Committee of 19 June 2008 and 21 August 2008.

BACKGROUND:

The Ku-ring-gai Access Advisory Committee provides a forum between Ku-ring-gai Council, the community representatives and service providers on access issues in the Ku-ring-gai area. The committee meets every two months.

COMMENTS:

General access issues were discussed during the meeting with a number of actions flowing from the Ku-ring-gai Access Advisory Committee meeting.

RECOMMENDATION:

That the Minutes of the Ku-ring-gai Access Advisory Committee of 19 June 2008 and 21 August 2008 be received and noted.

PURPOSE OF REPORT

To provide Council with the Minutes of the Ku-ring-gai Access Advisory Committee of 19 June 2008 and 21 August 2008.

BACKGROUND

The Ku-ring-gai Access Advisory Committee provides a forum between Ku-ring-gai Council, the community representatives and service providers on access issues in the Ku-ring-gai area. The Committee meets every two months.

COMMENTS

General access issues were discussed during the meeting with a number of actions flowing from the Ku-ring-gai Access Advisory Committee meeting.

CONSULTATION

Representatives from all departments of Council have input in agenda items and provide reports to the Committee.

FINANCIAL CONSIDERATIONS

Not applicable.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

Not applicable.

RECOMMENDATION

That the Minutes of the Ku-ring-gai Access Advisory Committee of 19 June 2008 and 21 August 2008 be received and noted.

Martin Butcher
**Community Development Officer
Aged & Disability Services**

Janice Bevan
Director Community

Attachments: **Minutes of 19 June 2008 - 2008/010827**
 Minutes of 21 August 2008 - 2008/016254



KU-RING-GAI ACCESS ADVISORY COMMITTEE

818 Pacific Highway, Gordon NSW 2072 | Locked Bag 1056, Pymble NSW 2073

T 02 9424 0770 **F** 02 9424 0880 **DX** 8703 Gordon

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Thursday 19 June 2008

2.30pm to 4.00pm

Ante Room, Level 3, 818 Pacific Hwy, Gordon

Minutes

1. Welcome Present/Apologies

Present

Cr Michael Lane (Chair)

Kate Boyd

Ivan Crib

Joyce Cribb

Arthur Gillott

Loch Townsend

Lyn Kerlake

In Attendance

Martin Butcher – Community (Minute Taker)

Tom Cooper - Development and Regulation

Apologies:

Greg Piconi

Danny Houseas

Janice Bevan

Eileen Lyons

Roger Faulkner - Strategy

Beverley Schultz

2. Declaration of Conflict of Interest

a) Members did not declare any conflict of interest with any of the items on the agenda.

3. Adoption of previous minutes.

The minutes of the meeting held on 19 June were received as a true and accurate record

Moved: Kate Boyd/Joyce Cribb

4. Business Arising

a) Queue message to Customer Service

Martin Butcher has spoken with Mary Gillies, Manager Customer Service. When customers call the main number they are given three options:

1. customer service
2. clean ups
3. transfer to a Council officer

After customers have made their selection they will be placed in a queue and their call will be answered by the first available customer service officer. If the call is not answered after 4 minutes the customer will be given an option to be transferred to the after hours call service to leave a message or to hold on for a Council officer. This will be repeated every minute.

b) Uneven Footpath 90 Wellington Road

Ivan and Joyce Cribb have reported that the repairs have been made. However, additional work is required on the path and due to the scope of the works, it needs to be included in the major maintenance program.

c) Turramurra Shopping Area

A CRS was lodged regarding cleanliness around the Turramurra station and the upkeep of the gardens. Council staff have undertaken cleaning work around the car park behind Coles and gardens adjacent to the new station entrance.

d) Smokers Outside Turramurra Seniors Centre

Martin Butcher has spoken with the chef at Ku-ring-gai Meals on Wheels requesting that staff not smoke outside the door of the Turramurra Seniors Centre. It has been observed that staff are now taking their breaks away from the door.

5. Operations Department

a) Audit of Bus Stops and Taxi Ranks

Council has corresponded with the Human Rights Equal Opportunity Commission regarding developing a standards checklist for the bus stops and shelters. Until the checklist is completed the audit will be put on hold.

6. Strategy Department

A number of the Access Committee members attended Council's sustainability forum. Council is looking at purchasing open space around town centres to cater for new residents. Section 94 developer contributions have been identified for this purpose. 3 properties have been purchased in Dumaresq Street, Gordon, behind the Council Chambers. This will be turned into parkland.

7. Development & Regulation Department

The intent of the Government is to have standardised exempt and complying development policies across the state. The policies will be progressively rolled out based on the size of the residential allotments.

The Government is intended to increase the number of complying development applications that can be dealt with by both Council and Private Certifiers in a timely manner (7 days) and reduce the number of development applications

before Council to improve the time frame for dealing with larger more complex developments.

The NSW Government has placed on exhibition draft exempt and complying development policies for single residential and minor commercial works for comment. The policies will provide for works on an increased scale and provide parameters that control that scale.

The policies are rough around the edges and do not consider the individual character of specific areas and is vague in sections. The current documents can be misleading to the average person on the street and could lead to more confusion and unauthorised work occurring.

By increasing complying development applications there is less consultation with the surrounding neighbours about the proposed works. Council has made a lengthy representation to the Department on the pitfalls and impacts these documents would have on Ku-ring gai.

a) Development Applications Lodged with Council

Consistent with Council's DA assessment process, the Access Committee have requested the opportunity to provide comments on the following development applications:

- The relocation of Prouille Primary School at Chilton Parade, Wahroonga
- New conference and meeting facilities at Naamaroo Conference Centre at Lady Game Drive.

Martin tabled the applications and gave the Access Committee an opportunity to make comments.

8. Community Department

a) Council's TTY Diverted to the National Relay Service

The DDA Action Plan has identified the need to replace Council's Telephone Typewriter (TTY). Council has decided not to replace the TTY but instead will promote other methods for people with hearing impairment or who are deaf. Council will now be connected to the National Relay Service (NRS). The NRS has trained TTY operators who are better able to relay messages between Council and people with TTYs. The NRS can also provide additional services including assisting people with speech impediments. Council consulted with the service for Hard of Hearing (SHHH) based at Turramurra before the final decision was made.

The Access Committee do not have any objections.

9. Correspondence In:

- i. HREOC CD The Good, the Bad and the Ugly

10. Correspondence Out:

Nil

11. General Business

Loch Townsend requested an update regarding the access to the front of the Council Chambers. *Response.* Council has plans to build an internal ramp to

provide access. It has been included in Council's 2008 -2009 maintenance schedule.

12. Dates for future meetings:

21 August 2008

16 October 2008

11 December 2008 (if required)



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Thursday 21 August 2008

2.30pm to 4.00pm

Ante Room, Level 3, 818 Pacific Hwy, Gordon

Minutes

1. Welcome Present/Apologies

Present

Cr Michael Lane (Chair)
Kate Boyd
Ivan Cribb
Joyce Cribb
Arthur Gillott
Loch Townsend
Lyn Kerslake

In Attendance

Martin Butcher – Community (Minute Taker)
Rob Starr – Strategy
Matthew Gollan - Strategy

Apologies:

Greg Piconi
Danny Houseas
Janice Bevan
Eileen Lyons
Beverley Schultz
Bill Higman

2. Declaration of Conflict of Interest

a. Members did not declare any conflict of interest with items on the agenda.

3. Acceptance of the Minutes

The Committee accepted the minutes as a true and accurate record.
Moved Kate Boyd/Arthur Gillott

4. Operations Department

a. Audit of bus stops and taxi ranks.

Martin Butcher reported that Council was still negotiating with Human Rights and Equal Opportunity Commission regarding the development of guidelines and checklist for Council owned bus stops. It was also noted that the Ministry of Transport are reviewing bus routes. The Committee recommend that Council do not undertake an audit of bus stops until the bus routes are finalised and the location of bus stops are known.

5. Strategy Department

a. Town Centre Planning.

The Ku-ring-gai Planning Panel has been appointed by the Minister for Planning to finalise Council's Town Centre's draft LEP. The Panel have resolved to prepare a new draft LEP encompassing the land area covered by Council's 2006 draft LEP as well as the surrounding additional areas, for which the Panel has been given planning jurisdiction. At present the Panel is reviewing Council's Plan and its surrounds.

The Panel has determined to engage the Community by providing a series of information sessions. These are currently ongoing on a weekly basis. Sessions have been held over the last four Wednesday evenings, with a general overview on the first evening, then individually for the Centres of St Ives, Turramurra, Pymble/Gordon, and next week will be Lindfield/Roseville. These sessions have been facilitated by an independent mediator.

Staff have provided a presentation of the current planning principles for each Centre, followed by a question and answer session with staff and the Panel responding. Submissions/comments from the public have been specifically invited by the Panel. The ongoing Panel review is with a view to finalising a draft LEP for public exhibition at the end of November 2008. The sessions have been well attended by the community.

6. Development & Regulation Department

No report

7. Community Department

a. Council elections and accessible polling booths.

Council Elections will be held on 13 September 2008. The following booths have been designated as being accessible for people with disabilities:

- Council Chamber Gordon. (All Wards)
- St Mathew Anglican Church Killara - Gordon Ward
- Roseville Public School - Roseville Ward
- St Ives North Public School – St Ives Ward
- Pymble North Public School - Wahroonga Ward
- Turramurra Uniting Church – Wahroonga Ward

Every booth will have portable facilities and staff at the booths will be advised to assist anyone needing assistance. Residents can also elect to use the postal vote system.

b. International Day of People with a Disability.

The Committee discussed having an access walk at Lindfield during the first week of December to mark the beginning of International Day for People with a

Disability. Focus on Ability Art exhibition will also be organised in the library and at Council.

c. Launch of New Talking Book Collection on MP3

Turrumurra Library will be launching a new collection of talking books in MP3 CDs on Wednesday 27 August, starting at 3.00pm and members of the Committee are invited to attend.

Ku-ring-gai Council is one of the first Councils in Sydney to purchase a substantial collection of talking books in the new MP3 formats.

8. Correspondence In:

Ministry of Transport (MoT). Changes to Bus Routes.

The MoT is proposing changes to region 12, which is based around the Hornsby and Ku-ring-gai area.

As a result of the recommendations that came out of the NSW Government's Review of Bus Services, a major review of bus services needs to be carried out.

The review of bus services is critical to ensure local people are connected with local places and with other bus routes or modes of transport. It is also important that we provide fast, frequent and direct bus services.

MoT is providing opportunity for people to provide input during their consultation period which ends on 12 September 2008.

More information regarding the review is available in the following website www.nswbusnetwork.com.au/index.php/r12/key-parts-of-the-proposed-networkTM.html

Loch Townsend raised concerns that changes to bus routes in West Pymble will have a significant impact on residents in the Dunoon Ave area; the majority are veterans or war widows.

Action Martin Butcher to meet with Loch to draft a letter to be sent to MoT on behalf of the Committee.

9. Correspondence Out:

Nil

10. General Business

New nominations for Committee and process for calling for nominations.

Issues Paper - Accessible Change Room

Bill Higman (via email) requested that an issues paper be tabled asking that all levels of governments, including councils and businesses take action to provide suitable change rooms in public facilities to accommodate the needs of people with disabilities and their parent/carers. The paper argues that the current standards for accessible facilities do not take into consideration the need of high support incontinent disabled persons who require assistance by parent/carers and may require specialised equipment, including a hoist and change tables. The paper asked that owners of facilities, including councils, take immediate action to address this issue.

Final Meeting in Council Term

Cr Lane thanked the outgoing Committee for their participation over the past 4½ years and wished members well. He hoped to see most of the Committee again later in the year once the new Committee is formed.

Dates for 2008 meetings:

To be advised

DRAFT FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2008

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To present to Council the Draft Financial Statements for the year ended 30 June 2008 for certification and referral to Council's external auditors, Spencer Steer Chartered Accountants.

BACKGROUND:

In accordance with Section 413(2)(C) of the Local Government Act 1993, Council must prepare a statement on the General Purpose Financial Reports as to its opinion on the reports prior to referring them to audit.

COMMENTS:

The signing of these statements is an administrative function that is required before Council can formally call its external auditors in to audit the Financial Statements.

RECOMMENDATION:

That Council receive, certify and refer the Draft Financial Statements for the year ended 30 June 2008 to Council's external auditors Spencer Steer Chartered Accountants.

PURPOSE OF REPORT

To present to Council the Draft Financial Statements for the year ended 30 June 2008 for certification and referral to Council's external auditors, Spencer Steer Chartered Accountants.

BACKGROUND

In accordance with Section 413(2)(C) of the Local Government Act 1993, Council must prepare a statement on the General Purpose Financial Reports as to its opinion on the reports prior to referring them to audit.

The Local Government Code of Accounting Practice requires the Mayor, one other Councillor, the General Manager and Responsible Accounting Officer to certify the following:

That Council's Annual Financial Statements have been prepared in accordance with:

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

And that to the best of Council's knowledge and belief that the statements:

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

COMMENTS

The signing of these statements is an administrative function and is required before Council can formally call its external auditors in to audit the Financial Statements.

The Draft Financial Statements for the year ended 30 June 2008 have been prepared in accordance with the Local Government Act 1993 and the Australian equivalents to International Financial Reporting Standards (AIFRS). It should be noted that the Financial Statements are presented to Council in draft form at this stage. These draft Financial Statements are required to be audited in accordance with sections 415, 416 and 417 of the Local Government Act 1993.

When the audit is finalised, the Financial Statements and the audit report will be presented to Council in accordance with Section 418 of the Local Government Act 1993. It is intended that the public meeting will be conducted at the Ordinary Meeting of Council on 11 November 2008. A representative from Council's external auditor, Spencer Steer Chartered Accountants will be present at the public meeting.

A copy of the Draft Financial Statements has been forwarded to Councillors under separate cover.

Item 4

S05983
25 August 2008

Annual Financial Reports Process

The process that Council must follow in the production, audit, adoption and the advertising of the Financial Statements is prescribed in detail by the Local Government Act 1993. The following timetable will allow these processes to be satisfied and for the Financial Statements to be adopted by Council.

- | | |
|------------------|---|
| 14 October 2008 | Ordinary Meeting of Council – 2007/2008 Financial Statements presented to Council seeking Council to resolve to certify the draft statements and refer them for audit. |
| 15 October 2008 | Auditors' report anticipated to be received by Council and Financial Statements submitted to the Department of Local Government. |
| 24 October 2008 | Public advertising commences for seven days which notifies that the Financial Statements are available for inspection at the Council Chambers, libraries and Council's website until 31 October 2008. The advertisement also advises that the Financial Statements will be formally presented to Council on 11 November 2008 and submissions will be received until 18 November 2008. |
| 11 November 2008 | Ordinary Meeting of Council – Council's Auditors report on the Financial Statements formally presented at Council and respond to any public submissions. Council considers a response to any public submissions received to date on the Financial Statements. |
| 18 November 2008 | Closing date for public submissions on the Financial Statements. All submissions received must be referred to Council's Auditor for consideration (Section 420). |

CONSULTATION

Prior to the public meeting of 11 November 2008 further information will be provided.

FINANCIAL CONSIDERATIONS

Not applicable.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

The draft Financial Statements have been prepared in accordance with the Local Government Act 1993, Local Government Code of Accounting Practice, Local Government Asset Accounting Manual and Australian equivalents to International Financial Reporting Standards (AIFRS).

On 11 November 2008 the audited financial reports, together with the Auditors' reports, will be formally presented to Council at which time Council's Auditors will be present to answer questions in relation to their report.

RECOMMENDATION

- A. That Council receive and certify the Draft Financial Statements for the year ended 30 June 2008.
- B. That the Draft Financial Statements be referred to Council's external Auditor, Spencer Steer Chartered Accountants to provide an opinion on the Draft Financial Statements and to report to Council.
- C. That the Draft Financial Statements be certified by the Mayor, Deputy Mayor or Chairperson of the Finance Forum, the General Manager and the Responsible Accounting Officer in accordance with Section 413(2)(C) of the Local Government Act 1993.
- D. That Tuesday, 11 November 2008 be fixed as the date for the public meeting to present the audited Financial Statements and the audit reports for the year ended 30 June 2008 as required by Section 419 of the Local Government Act 1993, and that Council's external Auditors be present to answer questions.

Tino Caltabiano
Manager Finance

John Clark
Director Corporate

Attachments: Draft Financial Statements

Ku-ring-gai Council

General Purpose Financial Report for the financial year ended 30 June 2008

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- On the Financial Report (Sect 417 [2])	gg
- On the Conduct of the Audit (Sect 417 [3])	hh

Overview

- (i) This Financial Report covers the consolidated operations for Ku-ring-gai Council.
- (ii) Ku-ring-gai Council is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Section 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

A description of nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in this Financial Report represent Australian Currency.
- (iv) This Financial Report was authorised for issue by the Council on 14/10/2008.
Council has the power to amend and reissue the financial report.
-

Ku-ring-gai Council

General Purpose Financial Report

for the financial year ended 30 June 2008

Statement by Councillors and Management

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

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

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

To the best of our knowledge and belief, this Report:

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

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

Signed in accordance with a resolution of Council made on 14 October 2008.

Place name here...

MAYOR

Place name here...

COUNCILLOR

John McKee

GENERAL MANAGER

Tino Caltabiano

RESPONSIBLE ACCOUNTING OFFICER

Ku-ring-gai Council

Income Statement

for the financial year ended 30 June 2008

Budget ⁽¹⁾ 2008	\$ '000	Notes	Actual 2008	Actual 2007
Income from Continuing Operations				
<i>Revenue:</i>				
51,909	Rates & Annual Charges	3a	51,882	50,185
14,843	User Charges & Fees	3b	14,530	14,269
3,919	Interest & Investment Revenue	3c	2,359	3,357
2,148	Other Revenues	3d	2,667	2,152
5,020	Grants & Contributions provided for Operating Purposes	3e,f	5,655	5,417
9,451	Grants & Contributions provided for Capital Purposes	3e,f	17,507	17,659
<i>Other Income:</i>				
	Net gains from the disposal of assets	5	220	-
	Share of interests in Joint Ventures & Associated Entities using the Equity Method	19	-	-
<u>87,290</u>	Total Income from Continuing Operations		<u>94,820</u>	<u>93,039</u>
Expenses from Continuing Operations				
31,068	Employee Benefits & On-Costs	4a	28,288	26,461
629	Borrowing Costs	4b	640	666
21,933	Materials & Contracts	4c	25,952	24,741
7,056	Depreciation & Amortisation	4d	7,368	7,097
	Impairment	4d	-	-
11,072	Other Expenses	4e	10,892	10,248
	Interest & Investment Losses	3c	-	-
	Net Losses from the Disposal of Assets	5	-	109
<u>71,758</u>	Total Expenses from Continuing Operations		<u>73,140</u>	<u>69,322</u>
<u>15,532</u>	Operating Result from Continuing Operations		<u>21,680</u>	<u>23,717</u>
Discontinued Operations				
	Net Profit/(Loss) from Discontinued Operations	24	-	-
<u>15,532</u>	Net Operating Result for the Year		<u>21,680</u>	<u>23,717</u>
15,532	Net Operating Result attributable to Council		21,680	23,717
	Net Operating Result attributable to Minority Interests		-	-
<u>6,081</u>	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		<u>4,173</u>	<u>6,058</u>

(1) Original Budget as approved by Council - refer Note 16

Ku-ring-gai Council

Balance Sheet

as at 30 June 2008

\$ '000	Notes	Actual 2008	Actual 2007
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	4	5,030
Investments	6b	40,855	49,563
Receivables	7	4,999	5,631
Inventories	8	229	166
Other	8	328	224
Non-current assets classified as "held for sale"	22	3,187	1,288
Total Current Assets		49,602	61,902
Non-Current Assets			
Investments	6b	31,825	6,015
Receivables	7	213	195
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	1,650,797	1,612,958
Investments Accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	-	-
Other	8	-	-
Total Non-Current Assets		1,682,835	1,619,168
TOTAL ASSETS		1,732,437	1,681,070
LIABILITIES			
Current Liabilities			
Payables	10	14,232	10,560
Borrowings	10	2,057	1,927
Provisions	10	7,126	6,518
Total Current Liabilities		23,415	19,005
Non-Current Liabilities			
Payables	10	-	-
Interest Bearing Liabilities	10	7,718	8,585
Provisions	10	420	230
Total Non-Current Liabilities		8,138	8,815
TOTAL LIABILITIES		31,553	27,820
Net Assets		1,700,884	1,653,250
EQUITY			
Retained Earnings	20	1,674,225	1,653,250
Revaluation Reserves	20	26,659	-
Council Equity Interest		1,700,884	1,653,250
Minority Equity Interest		-	-
Total Equity		1,700,884	1,653,250

Ku-ring-gai Council

Statement of Changes in Equity

for the financial year ended 30 June 2008

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2008						
Opening Balance (as per Last Year's Audited Accounts)		1,653,250	-	1,653,250	-	1,653,250
a. Correction of Prior Period Errors	20 (c)	(705)		(705)		(705)
b. Changes in Accounting Policies (prior year effects)	20 (d)	-		-		-
Revised Opening Balance (as at 1/7/07)		1,652,545	-	1,652,545	-	1,652,545
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)		26,659	26,659		26,659
- Transfers to/(from) Other Reserves	20b (ii)		-	-		-
- Other Income/Expenses recognised	20b (ii)		-	-		-
- Other Adjustments	20b (ii)		-	-		-
Net Income Recognised Directly in Equity		-	26,659	26,659	-	26,659
d. Net Operating Result for the Year		21,680		21,680	-	21,680
Total Recognised Income & Expenses (c&d)		21,680	26,659	48,339	-	48,339
e. Distributions to/(Contributions from) Minority Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,674,225	26,659	1,700,884	-	1,700,884

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2007						
Opening Balance (as per Last Year's Audited Accounts)		1,629,533	-	1,629,533	-	1,629,533
a. Correction of Prior Period Errors	20 (c)	-		-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-		-	-	-
Revised Opening Balance (as at 1/7/06)		1,629,533	-	1,629,533	-	1,629,533
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	-	-	-	-
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	-	-	-	-	-
Net Income Recognised Directly in Equity		-	-	-	-	-
d. Net Operating Result for the Year		23,717	-	23,717	-	23,717
Total Recognised Income & Expenses (c&d)		23,717	-	23,717	-	23,717
e. Distributions to/(Contributions from) Minority Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,653,250	-	1,653,250	-	1,653,250

Ku-ring-gai Council

Cash Flow Statement

for the financial year ended 30 June 2008

Budget 2008	\$ '000	Notes	Actual 2008	Actual 2007
Cash Flows from Operating Activities				
Receipts:				
51,230	Rates & Annual Charges		51,815	50,065
14,100	User Charges & Fees		13,902	14,630
3,567	Interest & Investment Revenue Received		3,857	3,069
20,453	Grants & Contributions		23,101	22,873
6,560	Other		7,369	5,833
Payments:				
(28,564)	Employee Benefits & On-Costs		(27,490)	(26,546)
(22,540)	Materials & Contracts		(20,424)	(29,602)
(724)	Borrowing Costs		(683)	(626)
(14,265)	Other		(16,468)	(10,983)
29,817	Net Cash provided (or used in) Operating Activities	11b	34,979	28,713
Cash Flows from Investing Activities				
Receipts:				
30,200	Sale of Investment Securities		41,557	62,924
1,500	Sale of Infrastructure, Property, Plant & Equipment		1,028	806
Payments:				
(45,210)	Purchase of Investment Securities		(60,252)	(81,802)
(19,870)	Purchase of Infrastructure, Property, Plant & Equipment		(21,601)	(9,683)
(33,380)	Net Cash provided (or used in) Investing Activities		(39,268)	(27,755)
Cash Flows from Financing Activities				
Receipts:				
1,000	Proceeds from Borrowings & Advances		1,000	1,000
Payments:				
(1,924)	Repayment of Borrowings & Advances		(1,924)	(1,644)
(924)	Net Cash Flow provided (used in) Financing Activities		(924)	(644)
(4,487)	Net Increase/(Decrease) in Cash & Cash Equivalents		(5,213)	314
5,500	plus: Cash & Cash Equivalents - beginning of year	11a	5,030	4,716
1,013	Cash & Cash Equivalents - end of the year	11a	(183)	5,030

Please refer to Note 11 for information on the following:

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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

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Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies

Ku-Ring-Gai Council has its principal business office at 818 Pacific Highway Gordon NSW 2072. Council is empowered by the New South Wales Local Government Act (LGA) 1993 and its Charter as specified in Section 8 of the Act.

The principal accounting policies adopted by Council in the preparation of this financial report are set out below in order to assist in its general understanding.

(a) Basis of preparation

(i) Background

This financial report is a general purpose financial report which has been prepared in accordance with:

- applicable Australian equivalents to International Financial Reporting Standards (AIFRSs),
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulations and
- the Local Government Code of Accounting Practice and Financial Reporting.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Australian Accounting Standards (AASB's) include Australian equivalents to International Financial Reporting Standards (IFRS's).

Because AASB's are sector neutral, some standards either (i) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's or (ii) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Local Government from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &

- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

Accordingly in preparing this Financial Report and Accompanying Notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act, Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

(iii) Application of AAS 27

Council is required to comply with AAS 27 – "Financial Reporting by Local Government", and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied.

Where AAS 27 makes reference to another Australian accounting standard, the new Australian IFRS equivalent standards will apply and in particular any specific "not for profit" reporting requirements.

(iv) Basis of Accounting

These financial statements have been prepared on an **historical cost basis** except for (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, (ii) the write down of any Asset on the basis of Impairment (if warranted) and (iii) certain classes of Infrastructure, property, plant & equipment.

The accrual basis of accounting has also been applied in their preparation.

(v) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(vi) Critical Accounting Estimates

The preparation of this financial report (and financial statements) in conformity with AIFRS 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.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

Income from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, and (i) it is probable that the economic benefits comprising the contribution will flow to the Council and (ii) the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contributions required from developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of Development Consents Orders, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant or payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required.

A detailed Note relating to developer contributions can be found at Note 17.

User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

A provision for doubtful debt is recognised when collection in full is no longer probable.

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

These Financial Reports incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30/6/08) and (ii) all the related operating results (for the financial year ended the 30th June 2008).

(i) The Consolidated Fund

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

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either Finance or Operating Leases.

Finance Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

At the end of the financial year Council had not entered into any finance lease arrangements.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash on hand,
- deposits held at call with financial institutions,
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

Each classification depends on the purpose/intention for which the investment was acquired.

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss are financial assets held for trading.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with Section 625 of the Local Government Act and S212 of the LG (General) Regulations 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing council funds.

(g) Fair value estimation

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

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

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

(i) Inventories**Raw Materials and Stores, Work in Progress and Finished Goods**

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all stated at the lower of cost and net realisable value.

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

(j) Infrastructure, property, plant and Equipment (I,PP&E)**Acquisition of assets**

Council's non current assets are being progressively revalued to fair value in accordance with a staged implementation as advised by the Department of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)

The remaining asset classes to be revalued in future reporting periods include;

- **2008/09:** Roads, bridges, footpaths and drainage, land improvements, other structures and other assets
- **2009/10:** Community land

Until these designated future reporting periods, the above asset classes are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial report at their fair value at acquisition date - being the amount that the asset could have been

exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

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

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Revaluations

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

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

Capitalisation Thresholds

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by Council for each type of asset. In determining (and annually reviewing) such thresholds, regard are had to the nature of the asset and its estimated service life.

Depreciation

Depreciation on Councils infrastructure, property, plant and equipment assets is calculated using the

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

straight line method in order to allocate an assets cost (net of their residual values) over its estimated useful life.

Land is not depreciated.

The range of estimated useful lives for Councils assets include:

- Roads	100 years
- Drain Structures	33.3 years
- Drain grates, inlets and pipes	100 years
- Buildings	60 years*
- Motor vehicles	10 years
- Plant and Equipment	10 years
- Office Equipment	10 years

* As per the external valuation prepared by Liquid Pacific Holdings Pty Ltd.

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) is classified on purchase as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

(l) Land under roads

Council has elected not to recognise land under roads in accordance with the deferral arrangements available to it under AASB 1045.

These deferral arrangements cease to apply as of 1 July 2008.

(m) Non-current assets held for sale

Non-current assets are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis.

Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets classified as "Non Current Assets Held for Sale", an impairment loss is recognised where the assets carrying value is greater than its fair value less costs to sell.

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

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

(n) Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, drains, public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as it's written down replacement cost.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(o) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

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

(q) Borrowing costs

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

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Council's outstanding borrowings during the year.

(r) Provisions

Provisions for legal claims and service warranties are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

(s) Employee benefits**(i) Wages & salaries, annual leave and sick leave**

Liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave, are recognised in the provision for employee benefits in respect of employees' services up to the reporting date.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Calculations therefore incorporate (where the leave is expected to be paid more than 12 months after the reporting date) the use of discounted cash flows.

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 & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.

Long Service Leave is measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 5 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

5 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

Accordingly, Councils contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 19th June 2007 and covers the period ended 30 June 2006.

This valuation found that the Schemes assets were \$3,291.1 million and its past service liabilities were \$2,980.3 million, giving it a Surplus of \$310.8 million.

Whilst the existence of this surplus resulted in Council contributing at half the normal level of contributions during the 07/08 year, investment market conditions experienced in the last 12 months has resulted in the Board requiring all Councils to contribute at the full "notional" contribution rate from 1/7/08.

The financial position of the Scheme is monitored annually.

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.

(t) Allocation between current and non-current

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are classified as current even if not expected to be realised in the next 12 months.

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2008

Note 1. Summary of Significant Accounting Policies (continued)

(u) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

(v) Rounding of amounts

Unless otherwise indicated, amounts in the financial report have been rounded off to the nearest thousand dollars.

(w) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within this Financial Report and/or the Notes.

(x) Disclaimer

Nothing contained within this report may be taken to be an admission of any liability to any person under any circumstance.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 2(a). Functions / Activities - Financial Disclosures

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2008	Actual 2008	Actual 2007	Original Budget 2008	Actual 2008	Actual 2007	Original Budget 2008	Actual 2008	Actual 2007	Actual 2008	Actual 2007	Actual 2008	Actual 2007
	Governance	2	2	2	273	2,192	2,118	(271)	(2,190)	(2,116)	-	-	-
Administration	8,675	7,621	9,011	17,728	17,553	17,568	(9,053)	(9,932)	(8,557)	85	98	106,037	91,959
Public Order & Safety	307	308	272	3,574	3,607	3,381	(3,267)	(3,299)	(3,109)	92	46	3,466	3,557
Health	121	54	68	501	490	509	(380)	(436)	(441)	-	-	3,490	3,410
Community Services & Education	4,681	5,106	3,456	3,822	4,052	3,424	859	1,054	32	835	801	5,587	5,459
Housing & Community Amenities	12,208	14,194	12,062	14,558	18,350	16,577	(2,350)	(4,156)	(4,515)	345	243	30,214	29,340
Water Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation & Culture	10,653	16,104	19,928	17,232	12,626	11,754	(6,579)	3,478	8,174	397	266	181,318	177,163
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	3,124	2,905	2,549	5,016	4,889	4,767	(1,892)	(1,984)	(2,218)	-	-	928	907
Transport & Communication	3,298	5,527	4,298	8,839	9,280	9,080	(5,541)	(3,753)	(4,782)	1,685	729	1,401,397	1,369,275
Economic Affairs	133	69	87	215	101	144	(82)	(32)	(57)	-	-	-	-
Total Functions & Activities	43,202	51,890	51,733	71,758	73,140	69,322	(28,556)	(21,250)	(17,589)	3,439	2,183	1,732,437	1,681,070
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	44,088	42,930	41,306	-	-	-	44,088	42,930	41,306	3,069	2,986	-	-
Operating Result from Continuing Operations	87,290	94,820	93,039	71,758	73,140	69,322	15,532	21,680	23,717	6,508	5,169	1,732,437	1,681,070

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Non-Capital General Purpose Grants & Unrestricted Interest & Investment Income.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 2(b). Components of Functions / Activities

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

GOVERNANCE

Costs relating to the Council's role as a component of democratic government, including elections, members fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance, together with related administration costs.

ADMINISTRATION

Costs not otherwise attributed to other functions / activities.

PUBLIC ORDER & SAFETY

Fire protection, animal control, beach control, enforcement of local government regulations, emergency services, other.

HEALTH

Administration and inspection, immunisations, food control, insect/vermin control, noxious plants, health centres, other.

COMMUNITY SERVICES & EDUCATION

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

HOUSING & COMMUNITY AMENITIES

Housing, town planning, domestic waste management services, other waste management services, street cleaning, other sanitation and garbage, urban stormwater drainage, environmental protection, public cemeteries, public conveniences, other community amenities.

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

FUEL & ENERGY - Gas Supplies

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries and pits, other.

TRANSPORT & COMMUNICATION

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RTA works, street lighting, other.

ECONOMIC AFFAIRS

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards & markets, real estate development, commercial nurseries, other business undertakings.

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2008	Actual 2007
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		36,344	35,015
Business		2,601	2,410
Total Ordinary Rates		38,945	37,425
Special Rates			
Environmental Levy		1,882	1,832
Infrastructure Levy		1,840	1,791
Total Special Rates		3,722	3,623
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		9,215	9,137
Total Annual Charges		9,215	9,137
TOTAL RATES & ANNUAL CHARGES		51,882	50,185

Council has used 2005 year valuations provided by the NSW Valuer General in calculating its rates.

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2008	Actual 2007
(b). User Charges & Fees			
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Building Regulation		1,983	1,847
Certificates		475	469
DA Advertising Fees		88	65
Driveway Application Fees		371	869
Outstanding Notices		118	117
Regulatory Application Fees		381	387
Section 611 Charges		56	56
Tree Preservation Orders		92	97
Total Fees & Charges - Statutory/Regulatory		3,564	3,907
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Art Centre		455	440
Family Day Care		794	729
Golf Courses		1,216	1,260
Halls		222	245
Holiday Activities		135	117
Leaseback Fees - Vehicles		445	341
Library		61	59
Nursery		69	88
Parks		501	404
Rent & Hire of Council Properties		2,536	2,307
Restoration Charges		2,032	2,059
Sale of Documents		15	16
Showground		117	112
Tennis Courts		352	355
Trade Waste Charges		1,628	1,499
Other		388	331
Total Fees & Charges - Other		10,966	10,362
TOTAL USER CHARGES & FEES		14,530	14,269

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2008	Actual 2007
(c). Interest & Investment Revenue (incl. losses)			
Interest on Overdue Rates & Annual Charges		88	72
Interest earned on Investments (interest & coupon payment income)		3,864	2,952
Fair Valuation Movements in Investments (unrealised capital gains/(losses))		(1,593)	333
TOTAL INTEREST & INVESTMENT REVENUE		2,359	3,357
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		88	72
General Council Cash & Investments		601	846
Restricted Investments/Funds - External:			
Development Contributions - Section 94		1,443	2,013
Restricted Investments/Funds - Internal:			
Internally Restricted Assets		227	426
Total Interest & Investment Revenue Recognised		2,359	3,357
(d). Other Revenues			
Parking Fines		699	823
Other Fines		194	100
Legal Fees Recovery - Rates & Charges (Extra Charges)		195	48
Commissions & Agency Fees		19	22
Dog Registration Fees		64	58
Filming Fees		43	33
Credit Card surcharge		108	-
Insurance Contribution		97	180
Program Fees		87	61
Recycling Income (non domestic)		682	652
Recycle Rebate		182	-
Other		297	175
TOTAL OTHER REVENUE		2,667	2,152

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 3. Income from Continuing Operations (continued)

\$ '000	2008 Operating	2007 Operating	2008 Capital	2007 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance	2,747	2,683	-	-
Pensioners' Rates Subsidies - General Component	322	303	-	-
Total General Purpose	3,069	2,986	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	96	96	-	-
Community Centres	542	588	-	-
Library per capita subsidy	201	213	-	-
Noxious Weeds	29	-	-	-
Recreation & Culture	197	-	-	-
Road Safety	92	46	-	-
Street Lighting	249	243	-	-
Transport (Roads to Recovery)	-	-	-	-
Transport (Other Roads & Bridges Funding)	653	730	1,032	-
Other	292	267	56	-
Total Specific Purpose	2,351	2,183	1,088	-
Total Grants	5,420	5,169	1,088	-
Grant Revenue is attributable to:				
- Commonwealth Funding	2,747	2,683	-	-
- State Funding	2,673	2,486	-	-
- Other Funding	-	-	1,088	-
	5,420	5,169	1,088	-
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	192	185	14,094	17,327
Total Developer Contributions	192	185	14,094	17,327
Other Contributions:				
Contributions to Works	43	63	2,325	332
Total Other Contributions	43	63	2,325	332
Total Contributions	235	248	16,419	17,659
TOTAL GRANTS & CONTRIBUTIONS	5,655	5,417	17,507	17,659

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2008	Actual 2007
(g). Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	40,401	22,345
add: Grants and contributions recognised in the current period which have not been spent:	18,648	19,575
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(10,089)	(1,519)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	8,559	18,056
Unexpended at the Close of this Reporting Period and held as Restricted Assets	48,960	40,401
Comprising:		
- Specific Purpose Unexpended Grants	922	345
- Developer Contributions	48,038	40,056
	48,960	40,401

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2008	Actual 2007
(a) Employee Benefits & On-Costs			
Salaries and Wages		22,070	21,583
Employee Leave Entitlements (ELE)		3,678	1,852
Superannuation		2,306	1,927
Workers' Compensation Insurance		501	745
Fringe Benefit Tax (FBT)		158	139
Training Costs (other than Salaries & Wages)		210	264
Other		92	89
Total Employee Costs		29,015	26,599
less: Capitalised Costs		(727)	(138)
TOTAL EMPLOYEE COSTS EXPENSED		28,288	26,461
Number of "Equivalent Full Time" Employees at year end		471	471
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		640	666
Total Interest Bearing Liability Costs		640	666
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		640	666
(ii) Other Borrowing Costs			
Nil		-	-
Total Other Borrowing Costs		-	-
TOTAL BORROWING COSTS EXPENSED		640	666

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2008	Actual 2007
(c) Materials & Contracts			
Raw Materials & Consumables		3,750	3,091
Contractor & Consultancy Costs		19,304	19,199
Auditors Remuneration			
- Council's Auditor:			
i. Audit Services		49	42
Legal Expenses - Planning & Development		1,638	1,308
Legal Expenses - Other		417	322
Operating Lease Rentals - Minimum Lease Payments ¹		502	523
Other		292	256
Total Materials & Contracts		25,952	24,741
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		25,952	24,741
1. Operating Leases are attributable to:			
- Computers		502	523
		502	523

\$ '000	Depreciation/Amortisation		Impairment Costs	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
(d) Depreciation, Amortisation & Impairment				
Plant and Equipment	1,449	1,309	-	-
Office Equipment	87	83	-	-
Furniture & Fittings	18	17	-	-
Land Improvements (depreciable)	91	85	-	-
Buildings - Non Specialised	1,523	1,516	-	-
Other Structures	227	227	-	-
Infrastructure:				
- Roads, Bridges & Footpaths	3,119	3,060	-	-
- Stormwater Drainage	462	458	-	-
Other Assets				
- Library Books	390	340	-	-
- Other	2	2	-	-
Total Depreciation & Impairment Costs	7,368	7,097	-	-
less: Capitalised Costs	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED	7,368	7,097	-	-

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2008	Actual 2007
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		515	401
Bad & Doubtful Debts		40	116
Bank Charges		206	232
Commissions		259	264
Computer Software Charges		531	508
Conferences		71	98
Contributions to Other Levels of Government			
- NSW Fire Brigade Levy		1,984	1,975
- Department of Planning Levy		329	326
- Other Contributions		363	-
Corporate Events		16	12
Councillor Expenses - Mayoral Fee		32	31
Councillor Expenses - Councillors Fees		145	141
Donations, Contributions & Assistance to other organisations (Section 356)		124	118
Electricity & Heating		364	350
External Plant Hire		70	26
Family Day Care (Child Care Assistance)		149	144
Insurance		901	904
Insurance Excess		85	68
Postage		222	243
Rate Issue Costs		20	42
Rental Rebates		1,061	946
Street Lighting		1,488	1,330
Subscriptions & Publications		137	129
Sydney Water		151	182
Telephone & Communications		611	519
Valuation Fees		163	174
Vehicle Registration		118	106
Other		737	863
Total Other Expenses		10,892	10,248
less: Capitalised Costs		-	-
TOTAL OTHER EXPENSES		10,892	10,248

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 5. Gains or Losses on Disposal of Assets

\$ '000	Notes	Actual 2008	Actual 2007
Plant & Equipment			
Proceeds from Disposal		1,028	806
less: Carrying Amount of P&E Assets Sold		(808)	(915)
Net Gain/(Loss) on Disposal		220	(109)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		220	(109)

Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	2008 Actual Current	2008 Actual Non Current	2007 Actual Current	2007 Actual Non Current
Cash & Cash Equivalents (Note 6a)				
Cash on Hand and at Bank	4	-	5,030	-
Total Cash & Cash Equivalents	4	-	5,030	-
Investment Securities (Note 6b)				
- Managed Funds	33,580	-	40,670	-
- Long Term Deposits	-	5,422	559	-
- NCD's, FRN's (with Maturities > 3 months)	-	11,403	-	-
- CDO's	-	9,000	-	4,000
- Structured Securities	-	-	-	2,015
- Other Long Term Maturity Financial Instruments	7,275	6,000	8,334	-
Total Investment Securities	40,855	31,825	49,563	6,015
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	40,859	31,825	54,593	6,015

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents					
a. "At Fair Value through the Profit & Loss"		4	-	5,030	-
Investments					
a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	-	-	-	-
- "Designated At Fair Value on Initial Recognition"	6(b-i)	40,855	-	49,004	-
b. "Held to Maturity"	6(b-ii)	-	31,825	559	6,015
c. "Loans & Receivables"	6(b-iii)	-	-	-	-
d. "Available for Sale"	6(b-iv)	-	-	-	-
Investments		40,855	31,825	49,563	6,015

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 6b. Investments (continued)

\$ '000	2008	2008	2007	2007
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	49,004	-	32,019	-
Revaluations (through the Income Statement)	(1,593)	-	333	-
Additions	33,810	-	77,754	-
Disposals (sales & redemptions)	(40,366)	-	(61,102)	-
Balance at End of Year	40,855	-	49,004	-
Comprising:				
- Managed Funds	33,580	-	40,670	-
- Other Long Term Maturity Financial Assets	7,275	-	8,334	-
Total	40,855	-	49,004	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	559	6,015	2,348	2,000
Additions	573	25,869	33	4,015
Disposals (sales & redemptions)	(1,132)	(59)	(1,822)	-
Balance at End of Year	-	31,825	559	6,015
Comprising:				
- Long Term Deposits	-	5,422	559	-
- NCD's, FRN's (with Maturities > 3 months)	-	11,403	-	-
- CDO's	-	9,000	-	4,000
- Structured Securities	-	6,000	-	2,015
Total	-	31,825	559	6,015
Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 6c. Restricted Cash, Cash Equivalents & Investments

\$ '000	2008	2008	2007	2007
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	40,859	31,825	54,593	6,015
attributable to:				
External Restrictions (refer below)	19,843	31,825	38,808	6,015
Internal Restrictions (refer below)	15,897	-	15,775	-
Unrestricted	5,119	-	10	-
	<u>40,859</u>	<u>31,825</u>	<u>54,593</u>	<u>6,015</u>

2008	Opening	Transfers to	Transfers from	Closing
\$ '000	Balance	Restrictions	Restrictions	Balance

Details of Restrictions

External Restrictions - Other

Developer Contributions - General (D)	40,056	15,729	(7,747)	48,038
Specific Purpose Unexpended Grants (F)	345	1,900	(1,323)	922
Domestic Waste Management (G)	3,997	10,214	(11,736)	2,475
Infrastructure Levy (G)	-	1,968	(1,968)	-
Enviromental Levy (G)	425	1,882	(2,074)	233
External Restrictions - Other	<u>44,823</u>	<u>31,693</u>	<u>(24,848)</u>	<u>51,668</u>
Total External Restrictions	<u>44,823</u>	<u>31,693</u>	<u>(24,848)</u>	<u>51,668</u>

Internal Restrictions

Plant & Vehicle Replacement	109	350	(400)	59
Infrastructure Replacement	796	1,143	(946)	993
Employees Leave Entitlement	1,350	159	-	1,509
Facilities Reserve	6,319	1,023	(1,584)	5,758
Golf Course Levy	1,098	236	(18)	1,316
Other	6,103	5,337	(5,178)	6,262
Total Internal Restrictions	<u>15,775</u>	<u>8,248</u>	<u>(8,126)</u>	<u>15,897</u>

TOTAL RESTRICTIONS

<u>60,598</u>	<u>39,941</u>	<u>(32,974)</u>	<u>67,565</u>
---------------	---------------	-----------------	---------------

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Advances by the Roads and Traffic Authority for works on the State's classified roads.
- C Self Insurance liability resulting from reported claims or incurred claims not yet reported.
- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- E RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 7. Receivables

\$ '000	2008		2007	
	Current	Non Current	Current	Non Current
Purpose				
Rates & Annual Charges	1,290	170	1,238	155
Interest & Extra Charges	98	43	88	40
User Charges & Fees	2,136	-	2,872	-
Accrued Revenues				
- Interest on Investments	257	-	175	-
- Other Income Accruals	178	-	615	-
Government Grants & Subsidies	445	-	384	-
Net GST Receivable	857	-	517	-
Other Debtors	56	-	28	-
Total	5,317	213	5,917	195
less: Provision for Impairment				
User Charges & Fees	(318)	-	(286)	-
Total Provision for Impairment - Receivables	(318)	-	(286)	-
TOTAL NET RECEIVABLES	4,999	213	5,631	195
Externally Restricted Receivables				
Domestic Waste Management	-	-	254	41
Other				
- Environmental Levy	-	-	40	-
- Infrastructure Levy	-	-	42	-
Total External Restrictions	-	-	336	41
Internally Restricted Receivables	-	-	-	-
Unrestricted Receivables	4,999	213	5,295	154
TOTAL NET RECEIVABLES	4,999	213	5,631	195

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 10.00% (2007 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 8. Inventories & Other Assets

\$ '000	2008		2007	
	Current	Non Current	Current	Non Current
Inventories				
Stores & Materials	86	-	87	-
Trading Stock	143	-	79	-
Total Inventories	229	-	166	-
Other Assets				
Prepayments	328	-	224	-
Total Other Assets	328	-	224	-
TOTAL INVENTORIES & OTHER ASSETS	557	-	390	-
 (i) Externally Restricted Assets				
Water				
Nil				
Sewerage				
Nil				
Domestic Waste Management				
Nil				
Other				
Nil				
Total Externally Restricted Assets	-	-	-	-
Total Internally Restricted Assets	-	-	-	-
Total Unrestricted Assets	557	-	390	-
TOTAL INVENTORIES & OTHER ASSETS	557	-	390	-

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2007					Asset Movements during the Reporting Period						as at 30/6/2008					
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV-Asset Disposals	Depreciation Expense	Adjustments & Transfers	Tfrs from/(to) "Held for Sale" category	Revaluation Increases to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value	
			Deprec.	Impairment										Dep'n	Impairment		
Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	11,117	-	5,002	-	6,115	2,559	(808)	(1,449)	-	-	-	-	11,909	5,492	-	-	6,417
Office Equipment	863	-	335	-	528	123	-	(87)	-	-	-	-	986	422	-	-	564
Furniture & Fittings	182	-	112	-	70	-	-	(18)	-	-	-	-	181	129	-	-	52
Plant & Equipment (under Finance Lease)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land:																	
- Operational	7,533	-	-	-	7,533	-	-	-	-	-	18,776	-	26,309	-	-	-	26,309
- Community	184,988	-	-	-	184,988	8,150	-	-	-	-	-	193,138	-	-	-	-	193,138
- Land under Roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Land Improvements - non depreciable	3,862	-	-	-	3,862	-	-	-	-	-	-	3,862	-	-	-	-	3,862
Land Improvements - depreciable	1,578	-	564	-	1,014	1,679	-	(91)	-	-	-	-	3,257	655	-	-	2,602
Buildings - Non Specialised	63,565	-	35,615	-	27,950	923	-	(1,523)	(705)	(1,899)	7,883	-	72,742	40,113	-	-	32,629
Buildings - Specialised	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Structures	5,024	-	3,018	-	2,006	196	-	(227)	-	-	-	5,220	-	3,245	-	-	1,975
Infrastructure:																	
- Roads, Bridges, Footpaths	312,024	-	159,209	-	152,815	7,310	-	(3,119)	-	-	-	319,334	-	162,328	-	-	157,006
- Bulk Earthworks (non-depreciable)	1,202,844	-	-	-	1,202,844	-	-	-	-	-	-	1,202,844	-	-	-	-	1,202,844
- Stormwater Drainage	59,576	-	39,360	-	20,216	429	-	(462)	-	-	-	60,005	-	39,822	-	-	20,183
- Water Supply Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Sewerage Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets:																	
- Heritage Collections	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Library Books	8,644	-	5,860	-	2,784	531	-	(390)	-	-	-	9,175	-	6,250	-	-	2,925
- Other	4,361	-	4,128	-	233	60	-	(2)	-	-	-	4,421	-	4,130	-	-	291
Reinstatement, Rehabilitation & Restoration Assets (refer Note 21):																	
- Tip Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Quarry Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	1,866,161	-	253,203	-	1,612,958	21,960	(808)	(7,368)	(705)	(1,899)	26,659	1,797,999	115,384	262,586	-	-	1,650,797

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 9b. Infrastructure, Property, Plant & Equipment that is Externally Restricted

Council has no Externally Restricted Infrastructure, Property, Plant & Equipment.

Note 9c. Infrastructure, Property, Plant & Equipment Gains/(Losses) arising from the Impairment of Assets

Council did not impair any I,PP&E during the year nor has there been any prior period impairments.

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2008		2007	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - Operating		9,234	-	3,643	-
Goods & Services - Capital Expenditure		359	-	-	-
Payments Received In Advance		192	-	1,588	-
Accrued Expenses;					
- Borrowings		15	-	58	-
Security Bonds, Deposits & Retentions		3,903	-	4,801	-
Other		529	-	470	-
Total Payables		14,232	-	10,560	-
Borrowings					
Bank Overdraft		187	-	-	-
Loans - Secured ¹		1,870	7,718	1,927	8,585
Total Interest Bearing Liabilities		2,057	7,718	1,927	8,585
Provisions					
Employee Benefits;					
Annual Leave		2,271	-	2,124	-
Sick Leave		418	-	409	-
Long Service Leave		3,712	420	3,368	230
Gratuities		725	-	617	-
Sub Total - Aggregate Employee Benefits		7,126	420	6,518	230
Total Provisions		7,126	420	6,518	230
Total Payables, Interest Bearing Liabilities & Provisions		23,415	8,138	19,005	8,815

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 10a. Payables, Interest Bearing Liabilities & Provisions (continued)

\$ '000

(i) Liabilities relating to Restricted Assets	2008		2007	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	-	-	1,139	-
Other	-	-	33	-
Liabilities relating to externally restricted assets	-	-	1,172	-
Total Liabilities relating to restricted assets	-	-	1,172	-

¹. Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

(ii) Current Liabilities not anticipated to be settled within the next 12 months

The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.	2008	2007
Provisions - Employees Benefits	4,172	3,773
Security Bonds, Deposits & Retentions	3,103	3,542
	7,275	7,315

Note 10b. Description of and movements in Provisions

Class of Provision	2007			2008		
	Opening Balance as at 1/7/07	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/08
Annual Leave	2,124	1,900	(1,753)	-	-	2,271
Sick Leave	409	891	(882)	-	-	418
Long Service Leave	3,598	779	(245)	-	-	4,132
Gratuities	617	108	-	-	-	725
TOTAL	6,748	3,678	(2,880)	-	-	7,546

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

b. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.

c. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 11. Cash Flow Statement - Additional Information

\$ '000	Notes	Actual 2008	Actual 2007
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	4	5,030
Less Bank Overdraft	10	(187)	-
BALANCES as per CASH FLOW STATEMENT		(183)	5,030
 (b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		21,680	23,717
Adjust for non cash items:			
Depreciation & Amortisation		7,368	7,097
- Investments classified as "@ Fair Value" or "Held for Trading"		1,593	(333)
Net Losses/(Gains) on Disposal of Assets		(220)	109
Non Cash Capital Grants and Contributions		-	(300)
 +/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		582	(1,479)
Increase/(Decrease) in Provision for Doubtful Debts		32	115
Decrease/(Increase) in Inventories		(63)	(12)
Decrease/(Increase) in Other Current Assets		(104)	(10)
Increase/(Decrease) in Payables		5,591	(1,777)
Increase/(Decrease) in accrued Interest Payable		(43)	-
Increase/(Decrease) in other accrued Expenses Payable		-	40
Increase/(Decrease) in Other Current Liabilities		(2,235)	1,631
Increase/(Decrease) in Employee Leave Entitlements		798	(85)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from CASH FLOW STATEMENT		34,979	28,713

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 11. Cash Flow Statement- Additional Information (continued)

\$ '000	Notes	Actual 2008	Actual 2007
(c) Non-Cash Investing & Financing Activities			
Other Non Cash Items - Operational Land		-	300
Total Non-Cash Investing & Financing Activities		-	300
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ¹		2,000	2,000
Credit Cards / Purchase Cards		20	20
Total Financing Arrangements		2,020	2,020

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

(e) Net Cash Flows Attributable to Discontinued Operations

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2008	Actual 2007
(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 & Equipment			
Plant & Equipment		-	275
Other Structures		360	7,000
Total Commitments		360	7,275
These expenditures are payable as follows:			
Within the next year		360	7,275
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
Total Payable		360	7,275
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		-	275
Sect 64 & 94 Funds/Reserves		360	7,000
Total Sources of Funding		360	7,275
(b) Other Expenditure Commitments (exclusive of GST)			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
DWM & Recycling Services		32,879	37,200
Cleaning Services		134	173
Audit Services		194	45
Fleet Management		-	100
Operating Leases - Cancellable		179	211
Insurance		139	549
Security		-	165
Grass Cutting		480	722
Other		-	513
Total Commitments		34,005	39,678
These expenditures are payable as follows:			
Within the next year		6,005	6,340
Later than one year and not later than 5 years		17,000	21,012
Later than 5 years		11,000	12,326
Total Payable		34,005	39,678

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2008	Actual 2007
(c) Finance Lease Commitments			
Nil			
(d) 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		179	211
Later than one year and not later than 5 years		289	200
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		468	411

b. Non Cancellable Operating Leases include the following assets:

Motor Vehicles, Heavy Plant, Office Rentals.....

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

(e) Investment Property Commitments

Nil

(f) Remuneration Commitments

Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:

Within the next year	1,182	759
Later than one year and not later than 5 years	3,474	2,045
Later than 5 years	-	-
Total Payable	4,656	2,804

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 13. Statement of Performance Measurement

\$ '000	Amounts 2008	Indicator 2008	Prior Periods 2007 2006	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>29,759</u>	1.84 : 1	2.16	2.05
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>16,140</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>2,564</u>	3.43%	3.17%	3.19%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>74,727</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>51,882</u>	54.72%	53.94%	58.21%
Revenue from Continuing Operations	<u>94,820</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>1,601</u>	2.98%	2.94%	2.91%
Rates, Annual & Extra Charges Collectible	<u>53,686</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>8,126</u>	159.21%	132.02%	136.79%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	<u>5,104</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).⁽³⁾ Refer to Note 10(c) - excludes all ELE not expected to be paid in the next 12 months.⁽⁴⁾ Asset Renewals represents Capital Expenditure on the replacement, refurbishment or upgrade to an existing Asset/s.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 14. Investment Properties

\$ '000	Actual 2008	Actual 2007
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Council has not classified any Land or Buildings as "Investment Properties"

Note 15. Financial Risk Management

Risk Management

Council's activities expose it to a variety of financial risks including (i) price risk, (ii) credit risk, (iii) liquidity risk and (iv) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2008	2007	2008	2007
Financial Assets				
Cash and Cash Equivalents	4	5,030	4	5,030
Investments				
- "Designated At Fair Value on Initial Recognition"	40,855	49,004	40,855	49,004
- "Held to Maturity"	31,825	6,574	28,946	6,574
Receivables	5,212	5,826	5,212	5,826
Total Financial Assets	77,896	66,434	75,017	66,434
Financial Liabilities				
Bank Overdraft	187	-	187	-
Payables	14,040	8,972	14,040	8,972
Loans / Advances	9,588	10,512	9,588	10,512
Total Financial Liabilities	23,815	19,484	23,815	19,484

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices at the reporting date or independent valuation.

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2008

Note 14. Investment Properties

\$ '000	Actual 2008	Actual 2007
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Council has not classified any Land or Buildings as "Investment Properties"

Note 15. Financial Risk Management

Risk Management

Council's activities expose it to a variety of financial risks including (i) price risk, (ii) credit risk, (iii) liquidity risk and (iv) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2008	2007	2008	2007
Financial Assets				
Cash and Cash Equivalents	4	5,030	4	5,030
Investments				
- "Designated At Fair Value on Initial Recognition"	40,855	49,004	40,855	49,004
- "Held to Maturity"	31,825	6,574	28,946	6,574
Receivables	5,212	5,826	5,212	5,826
Total Financial Assets	77,896	66,434	75,017	66,434
Financial Liabilities				
Bank Overdraft	187	-	187	-
Payables	14,040	8,972	14,040	8,972
Loans / Advances	9,588	10,512	9,588	10,512
Total Financial Liabilities	23,815	19,484	23,815	19,484

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices at the reporting date or independent valuation.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss",
"Available-for-sale" financial assets & "Held-to-maturity" Investments

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

Council's Finance Section manages it's Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & Ministers Investment Order. This Policy is regularly reviewed by Council and it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) 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 its independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (during 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
2008				
Impact of a 10% movement in Market Values	4,085	4,085	(4,085)	(4,085)
Impact of a 1% movement in Interest Rates	448	448	(448)	(448)
2007				
Impact of a 10% movement in Market Values	4,900	4,900	(4,900)	(4,900)
Impact of a 1% movement in Interest Rates	457	457	(457)	(457)

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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:

	2008	2008	2007	2007
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Aging of Receivables				
Current (not yet overdue)	1,185	3,179	1,133	3,782
Past due by up to 30 days	45	9	70	7
Past due between 31 and 180 days	230	882	190	930
	<u>1,460</u>	<u>4,070</u>	<u>1,393</u>	<u>4,719</u>
(ii) Movement in Provision for Impairment of Receivables			2008	2007
Balance at the beginning of the year			286	171
+ new provisions recognised during the year			32	115
Balance at the end of the year			<u>318</u>	<u>286</u>

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

As well, payment terms can (in extenuating circumstances) be extended and overdraft facilities can be drawn down

The contractual undiscounted cash outflows of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2008									
Bank Overdraft	187	-	-	-	-	-	-	187	187
Trade/Other Payables	14,040	-	-	-	-	-	-	14,040	14,040
Loans & Advances	-	2,461	2,251	2,037	1,753	1,366	3,112	12,980	9,588
Total Financial Liabilities	14,227	2,461	2,251	2,037	1,753	1,366	3,112	27,207	23,815
2007									
Trade/Other Payables	8,972	-	-	-	-	-	-	8,972	8,972
Loans & Advances	-	2,593	2,399	1,571	1,940	1,573	3,444	13,520	10,512
Total Financial Liabilities	8,972	2,593	2,399	1,571	1,940	1,573	3,444	22,492	19,484

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

The following interest rates were applicable to Council's Borrowings at balance date:

	2008		2007	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	187	0.0%	-	-
Trade/Other Payables	14,040	5.8%	8,972	5.6%
Loans & Advances - Fixed Interest Rate	8,548	6.8%	10,512	6.8%
Loans & Advances - Variable Interest Rate	1,040	8.1%	-	-
	<u>23,815</u>		<u>19,484</u>	

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 07/08 was incorporated as part of its Management Plan and was adopted by the Council on 19 June 2008.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act permits Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various movements in 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 result for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Material Variations represent those variances that amount to **10%** or more of the original budgeted figure.

Note that for Variations: F = Favourable Budget Variation, U = Unfavourable Budget Variation

\$ '000	2008 Budget	2008 Actual	2008 Variance*		
REVENUES					
Rates & Annual Charges	51,909	51,882	(27)	(0.1%)	U
User Charges & Fees	14,843	14,530	(313)	(2%)	U
Interest & Investment Revenue	3,919	2,359	(1,560)	(40%)	U
The variation in investment revenue has been caused by the actual earning rates being lower than forecast and volume of investment funds being lower than budgeted due to the recent outlay of funds to purchase land, the budget factoring in the sale of the Depot for the entire year and continuing volatility in the market.					
Other Revenues	2,148	2,667	519	24%	F
Revenue is up by \$519K on budget due to more than anticipated revenue received for legal cost recovered, for non complying work and for the reimbursement of Council's bank charges from previous years.					
Operating Grants & Contributions	5,020	5,655	635	13%	F
Revenue was up by \$635K due to a lower than anticipated budget for operating grants and contributions.					
Capital Grants & Contributions	9,451	17,507	8,056	85%	F
Revenue was up by \$8.05 million on budget (85%) due mainly to a lower than anticipated budget for Sec 94 and contribution to works.					
Net Gains from Disposal of Assets	-	220	220	0%	F

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 16. Material Budget Variations (continued)

\$ '000	2008 Budget	2008 Actual	2008 Variance*		
EXPENSES					
Employee Benefits & On-Costs	31,068	28,288	2,780	9%	F
Borrowing Costs	629	640	(11)	(2%)	U
Materials & Contracts	21,933	25,952	(4,019)	(18%)	U
<p>The major variance of \$4.02 million is due to several factors. Domestic Waste had an overrun of \$550K, this was funded by the Domestic Waste Reserve. A variance of \$450K due to cost incurred for Council's legal challenge which is awaiting determination from the judge regarding costs. Agency and Consulting costs of \$1.5 million, however this was totally offset by savings within employee costs. The remaining variance of approximately \$1.5 million is due to higher than anticipated material and contracts.</p>					
Depreciation & Amortisation	7,056	7,368	(312)	(4%)	U
Other Expenses	11,072	10,892	180	2%	F

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 17. Statement of Developer Contributions

\$ '000

Under Section 94 & Section 94A of the Environmental Planning and Assessment Act 1979, a Council may require (i) the payment of a monetary contribution or dedication of land or (ii) a % levy on the value of development, in relation to development works that are subject to a development consent issued by Council.

These developer contributions (under S94) or developer levies (under S94A) must be spent specifically for the purpose they were levied and any interest applicable to unspent funds must be attributed to the funds and also spent in accordance with the purpose levied.

As well, Council may under Section 93F enter into a Planning Agreement with Developers under which the developer is required to either dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit (or any combination of the three) to be used for or applied towards a public purpose.

S94F funds are also required to be spent on the public purposes nominated within each individual Planning Agreement.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in use by their nature and must be spent for the specific purposes raised.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Received during Year		Interest earned in Yr	Exp. during Yr	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Drainage	-	-	-	-	-	-	-	-	-	-
Roads	-	-	-	-	-	-	-	-	-	-
Traffic Facilities	194	108	-	8	-	-	310	34	(4,429)	(4,085)
Parking	1,035	-	-	35	-	-	1,070	-	(35)	1,035
Open Space	30,492	11,245	-	1,084	(7,032)	-	35,789	14,214	(40,244)	9,759
Community Facilities	6,507	2,504	-	252	(367)	-	8,896	1,069	(24,794)	(14,829)
Other	591	429	-	23	(287)	-	756	271	(4,760)	(3,733)
S94 Contributions - under a Plan	38,819	14,286	-	1,402	(7,686)	-	46,821	15,588	(74,262)	(11,853)
S94A Levies - under a Plan	-	-	-	-	-	-	-	-	-	-
Total S94 Revenue Under Plans	38,819	14,286	-	1,402	(7,686)	-	46,821	15,588	(74,262)	(11,853)
S94 pre 1993 Plans	1,237	-	-	41	(61)	-	1,217	-	(3)	1,214
Total Contributions	40,056	14,286	-	1,443	(7,747)	-	48,038	15,588	(74,265)	(10,639)

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 2 - 1993 Plan

PURPOSE	Opening Balance	Received during Year		Interest earned in Yr	Exp. during Yr	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Traffic Facilities	1	-	-	-	-	-	1	-	-	1
Parking	1,035	-	-	35	-	-	1,070	-	(35)	1,035
Open Space	14	-	-	0	-	-	14	-	-	14
Community Facilities	187	-	-	6	(1)	-	192	-	(6)	186
Total	1,237	-	-	41	(1)	-	1,278	-	(41)	1,237

CONTRIBUTION PLAN NUMBER 3 - 2000 to 2003 Residential Plan

PURPOSE	Opening Balance	Received during Year		Interest earned in Yr	Exp. during Yr	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Open Space	8,723	48	-	285	(196)	-	8,860	-	(333)	8,527
Community Facilities	2,124	8	-	71	(13)	-	2,190	-	(79)	2,111
Other	18	2	-	1	(1)	-	20	-	-	20
Total	10,865	58	-	357	(210)	-	11,070	-	(412)	10,658

CONTRIBUTION PLAN NUMBER 4 - Ku-ring-gai SEPP5 Plan

PURPOSE	Opening Balance	Received during Year		Interest earned in Yr	Exp. during Yr	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Open Space	434	-	-	15	-	-	449	-	(15)	434
Total	434	-	-	15	-	-	449	-	(15)	434

CONTRIBUTION PLAN NUMBER 5 - 2004/2009 Residential Plan

PURPOSE	Opening Balance	Received during Year		Interest earned in Yr	Exp. during Yr	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Traffic Facilities	193	108	-	8	-	-	309	34	(4,429)	(4,086)
Open Space	21,321	11,197	-	784	(6,836)	-	26,466	14,214	(39,896)	784
Community Facilities	4,196	2,496	-	175	(353)	-	6,514	1,069	(24,709)	(17,126)
Other	573	427	-	22	(286)	-	736	271	(4,760)	(3,753)
Total	26,283	14,228	-	989	(7,475)	-	34,025	15,588	(73,794)	(24,181)

S94 CONTRIBUTIONS - PRE 1993 PLAN

PURPOSE	Opening Balance	Received during Year		Interest earned in Yr	Exp. during Yr	Internal Borrowing (to)/from	Held as Restricted Asset	Projections		
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding
Parking	1,116	-	-	37	-	-	1,153	-	-	1,153
Open Space	23	-	-	-	(23)	-	-	-	-	-
Community Facilities	96	-	-	3	(38)	-	61	-	(3)	58
Other	2	-	-	1	-	-	3	-	-	3
Total	1,237	-	-	41	(61)	-	1,217	-	(3)	1,214

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but their knowledge & 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 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(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.

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

StateCover Limited (Continued)

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

(iii) Other Guarantees

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

2. Other Liabilities**(i). Legal costs**

A claim for legal costs has been made by the Minister for Planning in respect of Land & Environment Court proceedings No 40042 of 2008 (*Ku-ring-gai Council v Minister for Planning and Ku-Ring-Gai Planning Panel*). This claim is currently being defended. Council also seeks an order for costs against the Minister for Planning in the same proceedings. Both costs claims are yet to be determined by the Court.

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Council's intention to spend funds in the manner and timing set out in those Plans.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2008	Actual 2007
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,653,250	1,629,533
a. Correction of Prior Period Errors		(705)	-
b. Changes in Accounting Policies (Prior Period Effects)		-	-
c. Current Year Income & Expenses Recognised direct to Equity excluding direct to Reserves transactions		-	-
d. Net Operating Result for the Year		21,680	23,717
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
Balance at End of the Reporting Period		<u>1,674,225</u>	<u>1,653,250</u>
b. Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Reserve		26,659	-
Total		<u>26,659</u>	<u>-</u>
(ii). Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Reserve			
- Opening Balance		-	-
- Revaluations for the year	9(a)	26,659	-
- Balance at End of Year		<u>26,659</u>	<u>-</u>
TOTAL VALUE OF RESERVES		<u>26,659</u>	<u>-</u>
(iii). Nature & Purpose of Reserves			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.			

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2008	Actual 2007
c. Correction of Error/s relating to a Previous Reporting Period			
- Buildings not recognised		603	-
- Buildings incorrectly recognised		(2,886)	-
- Other errors		(175)	-
<p>As part of Council's transition to measuring all its I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for its Buildings.</p> <p>As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.</p> <p>This reassessment has resulted in a material difference as to where some assets actually sit in relation to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.</p> <p>Council does not have sufficient and reliable information that will allow the restatement of information prior to 01/07/07</p> <p>As a result, Council has adjusted the accumulated depreciation against the current year Buildings and Retained Earnings to reflect the correct value of accumulated depreciation;</p>			
Buildings - Non Specialised (increase/(decrease) to accumulated depreciation)		1,753	
Total Prior Period Adjustments - Prior Period Errors		(705)	-

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 21. Reinstatement, Rehabilitation & Restoration Liabilities

Note 22. Non Current Assets/Liabilities classified as "Held for Sale"

\$ '000	2008		2007	
	Current	Non Current	Current	Non Current
(i) Non Current Assets & Disposal Group Assets				
Non Current Assets "Held for Sale"				
Land	1,288	-	1,288	-
Buildings	1,899	-	-	-
Total Non Current Assets "Held for Sale"	3,187	-	1,288	-
(ii) Disposal Group Assets "Held for Sale"				
Council has a parcel of land and buildings which it has made a decision to dispose of. The land and buildings are currently available for sale and are actively being marketed by a number of local real estate agents. Funds received from the sale will be internally restricted for future purposes.				
(iii) Reconciliation of Non Current Assets "Held for Sale" & Disposal Groups - i.e. Discontinued Operations				
Opening Balance	1,288	1,288	-	-
less: Carrying Value of Assets/Operations Sold	-	-	-	-
Balance still unsold after 12 months:	1,288	1,288	-	-
plus New Transfer in:				
Assets "Held for Sale"	1,899	-	-	-
Closing Balance of "Held for Sale" Non Current Assets & Operations	3,187	1,288	-	-

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2008

Note 23. Events occurring after Balance Sheet Date

\$ '000

Events that occur after the reporting date of 30 June 2008, up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

Accordingly, the "authorised for issue" date is 14 October 2008.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial reports (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2008.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial reports (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2008 and which are only indicative of conditions that arose after 30 June 2008.

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

Note 24. Discontinued Operations

Council has not classify any of its Operations as "Discontinued".

Note 25. Intangible Assets

Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant their recognition in the Financial Reports, including either internally generated and developed assets or purchased assets.

Ku-ring-gai Council

SPECIAL PURPOSE FINANCIAL REPORTS
for the year ended 30 June 2008



Ku-ring-gai Council

Special Purpose Financial Reports for the financial year ended 30 June 2008

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2. Special Purpose Financial Reports:	
- Income Statement of Water Supply Business Activity	n/a
- Income Statement of Sewerage Business Activity	n/a
- Income Statement of Other Business Activities	3
- Balance Sheet of Water Supply Business Activity	n/a
- Balance Sheet of Sewerage Business Activity	n/a
- Balance Sheet of Other Business Activities	8
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Background

- (i) These Special Purpose Financial Reports have been prepared for the use by both Council and the Department 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 & public reporting applies only to declared business activities.
- These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
- (iv) In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Ku-ring-gai Council

Special Purpose Financial Reports

for the financial year ended 30 June 2008

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Reports have been prepared in accordance with:

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Department of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 14 October 2008.

Name here...
MAYOR

Name here...
COUNCILLOR

John McKee
GENERAL MANAGER

Tino Caltabiano
RESPONSIBLE ACCOUNTING OFFICER

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2008

\$ '000	Thomas Carlyle Children's Centre		Art Centre	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
Income from continuing operations				
Access charges	-	-	-	-
User charges	775	721	455	440
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	82	87	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	7	9
Total income from continuing operations	857	808	462	449
Expenses from continuing operations				
Employee benefits and on-costs	655	596	470	432
Borrowing costs	-	-	-	-
Materials and contracts	86	58	51	53
Depreciation and impairment	26	26	21	21
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses(Include Internal Transfers Exp)	79	226	83	58
Total expenses from continuing operations	846	906	625	564
Surplus (deficit) from Continuing Operations before capital amounts	11	(98)	(163)	(115)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	11	(98)	(163)	(115)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	11	(98)	(163)	(115)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(3)	-	-	-
SURPLUS (DEFICIT) AFTER TAX	8	(98)	(163)	(115)
plus Opening Retained Profits	445	470	1,781	1,806
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	3	-	-	-
- Retained Earning Adjustment	329	73	60	90
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	785	445	1,678	1,781
Return on Capital %	1.3%	-18.7%	-9.6%	-6.4%
Subsidy from Council	45	131	273	228

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2008

\$ '000	Trade Waste		Gordon Golf Club	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
Income from continuing operations				
Access charges	-	436	-	-
User charges	1,628	1,063	540	743
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income(Includes Internal Transfers)	76	121	197	-
Total income from continuing operations	1,704	1,620	737	743
Expenses from continuing operations				
Employee benefits and on-costs	34	41	201	131
Borrowing costs	-	-	-	-
Materials and contracts	1,173	1,079	220	145
Depreciation and impairment	-	-	5	5
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses (Include Internal Transfers Exp)	1	-	180	246
Total expenses from continuing operations	1,208	1,120	606	527
Surplus (deficit) from Continuing Operations before capital amounts	496	500	131	216
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	496	500	131	216
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	496	500	131	216
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(149)	(150)	(39)	(65)
SURPLUS (DEFICIT) AFTER TAX	347	350	92	151
plus Opening Retained Profits	(23)	(21)	2,156	2,145
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	149	150	39	65
- Retained Earning Adjustment	(498)	(502)	(74)	(205)
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	(25)	(23)	2,213	2,156
Return on Capital %	n/a	n/a	5.8%	9.8%
Subsidy from Council	-	-	15	-

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2008

\$ '000	Turramurra Golf Course		Tennis Courts	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
Income from continuing operations				
Access charges	-	-	-	-
User charges	674	714	321	365
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	24	-	44	5
Total income from continuing operations	698	714	365	370
Expenses from continuing operations				
Employee benefits and on-costs	266	304	1	-
Borrowing costs	-	-	-	-
Materials and contracts	177	143	45	40
Depreciation and impairment	8	8	36	34
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses (Include Internal Transfers Exp)	187	240	103	71
Total expenses from continuing operations	638	695	185	145
Surplus (deficit) from Continuing Operations before capital amounts	60	19	180	225
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	60	19	180	225
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	60	19	180	225
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(18)	(6)	(54)	(68)
SURPLUS (DEFICIT) AFTER TAX	42	13	126	158
plus Opening Retained Profits	2,555	2,568	1,178	1,192
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	18	6	54	68
- Retained Earning Adjustment	1,771	(32)	2,339	(239)
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	4,386	2,555	3,697	1,178
Return on Capital %	1.3%	0.7%	4.9%	19.1%
Subsidy from Council	227	144	58	-

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2008

\$ '000	Swimming Pool		Nursery	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
Income from continuing operations				
Access charges	-	-	-	-
User charges	-	-	69	86
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	1	-	-	-
Profit from the sale of assets	-	-	-	-
Other income(Includes Internal Transfers)	-	-	11	25
Total income from continuing operations	1	-	80	111
Expenses from continuing operations				
Employee benefits and on-costs	-	-	125	92
Borrowing costs	-	-	-	-
Materials and contracts	5	19	18	14
Depreciation and impairment	64	57	8	8
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses(Includes Internal Transfers Exp)	36	23	(50)	45
Total expenses from continuing operations	105	99	101	159
Surplus (deficit) from Continuing Operations before capital amounts	(104)	(99)	(21)	(48)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(104)	(99)	(21)	(48)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(104)	(99)	(21)	(48)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(104)	(99)	(21)	(48)
plus Opening Retained Profits	1,427	1,210	53	64
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	-	-
- Retained Earning Adjustment	(230)	316	84	37
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	1,093	1,427	116	53
Return on Capital %	n/a	n/a	n/a	n/a
Subsidy from Council	104	99	21	48

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2008

\$ '000	Commercial Leasing	
	Actual 2008	Actual 2007
Income from continuing operations		
Access charges	-	-
User charges	907	760
Fees	-	-
Interest	3	-
Grants and contributions provided for non capital purposes	22	-
Profit from the sale of assets	-	-
Other income	-	1
Total income from continuing operations	932	761
Expenses from continuing operations		
Employee benefits and on-costs	247	108
Borrowing costs	-	-
Materials and contracts	27	30
Depreciation and impairment	385	385
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses(Includes Internal Transfers Exp)	837	807
Total expenses from continuing operations	1,496	1,330
Surplus (deficit) from Continuing Operations before capital amounts	(564)	(569)
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(564)	(569)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(564)	(569)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(564)	(569)
plus Opening Retained Profits	579	635
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
- Retained Earning Adjustment	1,300	513
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	1,315	579
Return on Capital %	n/a	n/a
Subsidy from Council	564	569

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2008

\$ '000	Thomas Carlyle Children's Centre Category 2		Art Centre Category 2	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	-	-	-	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	861	524	1,700	1,801
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	861	524	1,700	1,801
TOTAL ASSETS	861	524	1,700	1,801
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	76	79	22	20
Total Current Liabilities	76	79	22	20
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	76	79	22	20
NET ASSETS	785	445	1,678	1,781
EQUITY				
Retained earnings	785	445	1,678	1,781
Revaluation reserves	-	-	-	-
Council equity interest	785	445	1,678	1,781
Minority equity interest	-	-	-	-
TOTAL EQUITY	785	445	1,678	1,781

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2008

\$ '000	Trade Waste Category 2		Gordon Golf Club Category 2	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	-	-	-	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	-	-	2,258	2,206
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	-	-	2,258	2,206
TOTAL ASSETS	-	-	2,258	2,206
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	25	23	45	50
Total Current Liabilities	25	23	45	50
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	25	23	45	50
NET ASSETS	(25)	(23)	2,213	2,156
EQUITY				
Retained earnings	(25)	(23)	2,213	2,156
Revaluation reserves	-	-	-	-
Council equity interest	(25)	(23)	2,213	2,156
Minority equity interest	-	-	-	-
TOTAL EQUITY	(25)	(23)	2,213	2,156

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2008

\$ '000	Turramurra Golf Course Category 2		Tennis Courts Category 2	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	-	-	-	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	4,445	2,608	3,697	1,178
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	4,445	2,608	3,697	1,178
TOTAL ASSETS	4,445	2,608	3,697	1,178
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	59	53	-	-
Total Current Liabilities	59	53	-	-
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	59	53	-	-
NET ASSETS	4,386	2,555	3,697	1,178
EQUITY				
Retained earnings	4,386	2,555	3,697	1,178
Revaluation reserves	-	-	-	-
Council equity interest	4,386	2,555	3,697	1,178
Minority equity interest	-	-	-	-
TOTAL EQUITY	4,386	2,555	3,697	1,178

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2008

\$ '000	Swimming Pool Category 2		Nursery Category 2	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	-	-	-	-
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	1,093	1,427	131	66
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	1,093	1,427	131	66
TOTAL ASSETS	1,093	1,427	131	66
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	15	13
Total Current Liabilities	-	-	15	13
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	-	-	15	13
NET ASSETS	1,093	1,427	116	53
EQUITY				
Retained earnings	1,093	1,427	116	53
Revaluation reserves	-	-	-	-
Council equity interest	1,093	1,427	116	53
Minority equity interest	-	-	-	-
TOTAL EQUITY	1,093	1,427	116	53

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2008

\$ '000	Commercial Leasing Category 2	
	Actual 2008	Actual 2007
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Investments	-	-
Receivables	-	-
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	-	-
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	1,331	591
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	1,331	591
TOTAL ASSETS	1,331	591
LIABILITIES		
Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	16	12
Total Current Liabilities	16	12
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	16	12
NET ASSETS	1,315	579
EQUITY		
Retained earnings	1,315	579
Revaluation reserves	-	-
Council equity interest	1,315	579
Minority equity interest	-	-
TOTAL EQUITY	1,315	579

Ku-ring-gai Council

Special Purpose Financial Reports

for the financial year ended 30 June 2008

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	14
2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	n/a

Ku-ring-gai Council

Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2008

Note 1. Significant Accounting Policies

These financial statements are Special Purpose Financial Reports (SPFR's) prepared for use by the Council, the Department of Local Government and the Department of Water & Energy.

For the purposes of these statements, the council's activities (listed herein) are based upon them not being reporting entities.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Consensus Views,
- the Local Government Act and Regulations,
- the Local Government Code of Accounting Practice and Financial Reporting, and
- the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets.

Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government". The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing

and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

Nil

Category 2

(where gross operating turnover is less than \$2 million)

- a. Thomas Carlyle Children's Centre**
Comprising the whole of the operations and assets of Thomas Carlyle Children's 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 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. Swimming Pool**
Comprising the whole of the operations and assets of Council's Swimming Pool.
- h. Plant Nursery**
Comprising the whole of the operations and assets of Council's Plant Nursery.

Ku-ring-gai Council

Notes to the Special Purpose Financial Reports for the financial year ended 30 June 2008

Note 1. Significant Accounting Policies (continued)

i. Commercial Leasing

Comprising the whole of the operations and assets of Commercial Leasing.

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations (General Purpose Financial Report) just like all other costs.

However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR.

Income Tax

An income tax equivalent has been applied on the profits of the business.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Council Rates & Charges

A calculation of the equivalent rates and charges for all Category 1 businesses have been applied to all

assets owned or exclusively used by the business activity.

Loan & 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 where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

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 the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Councils business activities on the Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

Ku-ring-gai Council

SPECIAL SCHEDULES
for the year ended 30 June 2008



Ku-ring-gai Council

Special Schedules

for the financial year ended 30 June 2008

Contents		Page
Special Schedules¹		
- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	5
- Special Schedule No. 3	Water Supply - Income Statement	n/a
- Special Schedule No. 4	Water Supply - Balance Sheet	n/a
- Special Schedule No. 5	Sewerage Service - Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Balance Sheet	n/a
- Notes to Special Schedules No. 3 & 5		n/a
- Special Schedule No. 7	Condition of Public Works	6
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¹ Special Purpose Schedules are not audited.

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the Department of Energy, Utilities & Sustainability (DEUS), and
 - the Department of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of specific service financial activities.
-

Ku-ring-gai Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2008

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Governance	2,192	2,192	1	1	2	(2,190)	(2,190)
Administration							
Corporate Support	16,110		7,102	112		(8,896)	
Engineering and Works	1,443		407	-		(1,036)	
Other Support Services	-	17,553	-	-	7,621	-	(9,932)
Public Order and Safety							
Contributions to Fire Service Levy	2,313		-	-		(2,313)	
Fire Protection – Other	155		54	-		(101)	
Animal Control	136		118	-		(18)	
Beach Control	-		-	-		-	
Enforcement of Local Govt Regs	963		129	-		(834)	
Emergency Services	40		7	-		(33)	
Other	-	3,607	-	-	308	-	(3,299)
Health							
Administration and Inspection	437		54	-		(383)	
Noxious Plants	53		-	-		(53)	
Other	-	490	-	-	54	-	(436)
Community Services and Education							
Administration	401		39	-		(362)	
Family Day Care	404		329	-		(75)	
Child Care	1,505		1,429	1,099		1,023	
Youth Services	213		26	46		(141)	
Other Families and Children	264		13	-		(251)	
Aged and Disabled	323		256	31		(36)	
Other Community Services	942		1,838	-		896	
Education	-	4,052	-	-	5,106	-	1,054

Ku-ring-gai Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2008

\$'000							
Function or Activity	Expenses from continuing operations		Income from continuing operations			Net Cost of Services	
	Expenses	Group Totals	Non Capital Revenues	Capital Revenues	Group Totals	Net Cost	Group Totals
Housing and Community Amenities							
Town Planning	1,460		249	-		(1,211)	
Domestic Waste Management	9,871		10,215	-		344	
Other Waste Management	1,207		1,628	-		421	
Street Cleaning	986		-	-		(986)	
Drainage	1,364		970	-		(394)	
Environmental Protection	3,203		1	-		(3,202)	
Other Community Amenities	259	18,350	1,131	-	14,194	872	(4,156)
Recreation and Culture							
Public Libraries	3,490		276	148		(3,066)	
Art Galleries	581		467	94		(20)	
Public Halls	857		392	-		(465)	
Other Cultural Services	318		58	359		99	
Swimming Pools	83		4	43		(36)	
Sporting Grounds	2,379		738	-		(1,641)	
Parks and Gardens (Lakes)	4,476		1,274	11,245		8,043	
Other Sport and Recreation	442	12,626	143	863	16,104	564	3,478
Mining, Manufacturing and Construction							
Building Control	4,889		2,905	-		(1,984)	
Other	-	4,889	-	-	2,905	-	(1,984)
Transport and Communication							
Urban Roads (UR) - Local	6,729		854	3,441		(2,434)	
Footpaths	646		103	25		(518)	
Parking Areas	411		819	-		408	
Street Lighting	1,494		285	-		(1,209)	
Other	-	9,280	-	-	5,527	-	(3,753)
Economic Affairs							
Commercial Nurseries	101		69	-		(32)	
Other Business Undertakings	-	101	-	-	69	-	(32)
Totals – Functions		73,140	34,383	17,507	51,890		(21,250)
General Purpose Revenues⁽¹⁾			42,930		42,930	42,930	42,930
Share of interests - joint ventures & associates using the equity method	-	-	-	-	-	-	-
NET OPERATING RESULT FOR YEAR		73,140	77,313	17,507	94,820	21,680	21,680

Notes:

(1) Includes: Rates & Annual Charges (incl. Ex Gratia), Non Capital General Purpose Grants & Interest on Investments (excl. Restricted Assets)

Ku-ring-gai Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2008

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	1,927	8,585	10,512	1,000	1,924	-	-	640	1,870	7,718	9,588
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	1,927	8,585	10,512	1,000	1,924	-	-	640	1,870	7,718	9,588
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	1,927	8,585	10,512	1,000	1,924	-	-	640	1,870	7,718	9,588

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFRR's).

Ku-ring-gai Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993] for the financial year ended 30 June 2008

\$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General			
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	-	-	-

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
Totals							-	-	-

Ku-ring-gai Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2008

\$ million	Actual ⁽¹⁾ 07/08	Forecast 08/09	Forecast 09/10	Forecast ⁽³⁾ 10/11	Forecast ⁽³⁾ 11/12
(i) RECURRENT BUDGET					
Income from continuing operations	94.8	81.1	82.9	84.8	87.1
Expenses from continuing operations	73.1	67.8	68.1	69.9	71.7
Operating Result from Continuing Operations	<u><u>21.7</u></u>	<u><u>13.3</u></u>	<u><u>14.8</u></u>	<u><u>14.9</u></u>	<u><u>15.4</u></u>
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	18.6	18.5	15.4	15.9	16.0
Replacement/Refurbishment of Existing Assets	2.7	5.5	6.3	6.5	7.0
Total Capital Budget	<u><u>21.3</u></u>	<u><u>24.0</u></u>	<u><u>21.7</u></u>	<u><u>22.4</u></u>	<u><u>23.0</u></u>
Funded by:					
– Loans	1.0	1.0	1.0	1.0	1.0
– Asset sales	9.7	8.1	4.8	4.3	4.6
– Reserves	4.8	6.9	6.0	8.2	6.9
– Grants/Contributions	1.9	1.9	1.9	2.0	2.5
– Recurrent revenue	1.9	2.9	3.5	3.9	4.5
– Other	2.0	3.2	4.5	3.0	3.5
	<u><u>21.3</u></u>	<u><u>24.0</u></u>	<u><u>21.7</u></u>	<u><u>22.4</u></u>	<u><u>23.0</u></u>

Notes:

(1) From 07/08 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.

INVESTMENT REPORT AS AT 31 AUGUST 2008

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To present to Council investment allocations and returns on investments for August 2008.

BACKGROUND:

Council's investments are made in accordance with the Local Government Act (1993), the Local Government (General) Regulation 2005 and Council's Investment Policy which was adopted by Council on 28 August 2007 (Minute No. 319).

COMMENTS:

The Reserve Bank of Australia (RBA) retained the official cash rate at 7.25% in August.

RECOMMENDATION:

Council's investments are made in accordance with the Local Government Act (1993), the Local Government (General) Regulation 2005 and Council's Investment Policy which was adopted by Council on 28 August 2007 (Minute No. 319).

PURPOSE OF REPORT

To present to Council investment allocations and returns on investments for August 2008.

BACKGROUND

Council's investments are made in accordance with the Local Government Act (1993), the Local Government (General) Regulation 2005 and Council's Investment Policy which was adopted by Council on 28 August 2007 (Minute No. 319).

This Policy allows Council to utilise the expertise of external fund managers or make direct investments for the investment of Council's surplus funds.

COMMENTS

During the month of August, Council had a net cash inflow of \$4,520,280 and a net investment (interest and capital gain) of \$602,100.

Council's total investment portfolio at the end of August 2008 is \$74,504,610. This compares to an opening balance of \$72,680,680 as at 1 July 2008.

Council's net investment gain in August is a result of our strategy to move from managed funds to investing in high quality interest bearing bank subordinate Floating Rate Notes and Senior Debt, in anticipation of global financial markets experiencing further extraordinary levels of volatility with credit markets and credit rated funds performing poorly.

Implications and recommendations of the Cole report

As previously reported to Council, in April 2008 the Department of Local Government (DLG) issued Circular 08-10 'Council Invested Funds and the Cole Inquiry Report', which advised that the report by Michael Cole on a review of NSW Local Government Investments had been released. The Circular summarised the recommendations contained within the report and the implementation process for those recommendations that the DLG was undertaking.

Council's investment advisor Grove Research & Advisory Services met with the Department of Local Government (DLG) to clarify some of the issues raised by the recommendations. Council officers have met with Grove to seek their advice in relation to the key points of the recommendations that directly affect Council. A new ministerial order has been legislated, but Council is still awaiting guidelines from the Department of Local Government. Once these guidelines are received, a revised investment strategy and policy will be developed and reported to Council. At this stage the recommendation from our advisors is to take no action, where possible, in relation to existing investments.

PERFORMANCE MEASUREMENT

Council’s investment portfolio is monitored and assessed based on the following criteria:

- **Management of General Fund Bank Balance**

The aim is to keep the general fund bank balance as low as possible and hence maximise the amount invested on a daily basis.

- **Funds Performance against the UBS Bank Bill Index**

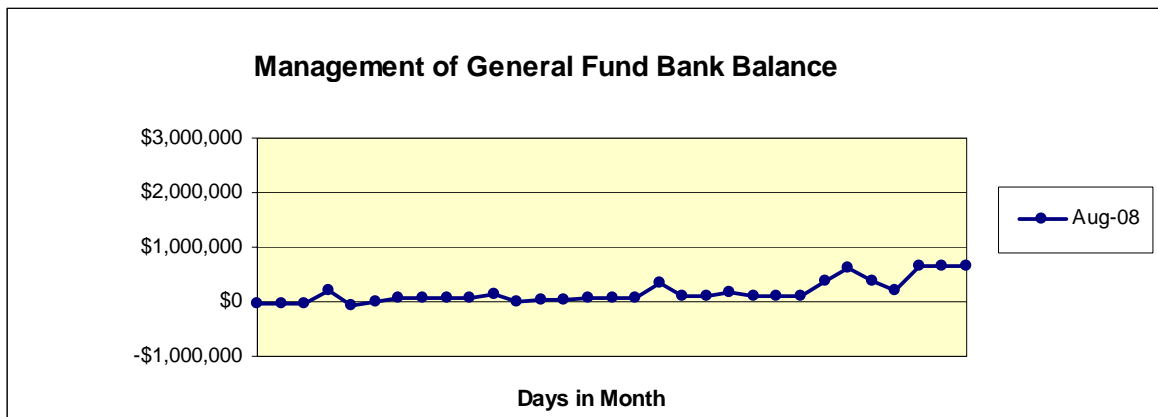
This measures the annualised yield (net of fees and charges) for Council’s portfolio. The weighted average return for the total portfolio of funds is compared to the industry benchmark of the UBS Bank Bill Index.

- **Allocation of Surplus Funds**

This represents the mix or allocation of surplus funds with each of Council’s fund managers and direct securities.

Management of General Fund Bank Balance

During August Council had a net inflow of funds of \$4,520,280.



Investment Portfolio

Council’s investment portfolio consists of the following types of investment:

1. Floating Rate Notes (FRN)

FRNs are a contractual obligation whereby the issuer has an obligation to pay the investor an interest coupon payment which is based on a margin above bank bill. The risk to the investor is the ability of the issuer to meet the obligation.

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The following investments are classified as FRNs

ANZ sub-debt AA-	purchased 18/12/07 at discount
ANZ sub-debt AA-	purchased 20/12/07 at discount
ANZ sub-debt AA-	purchased 17/1/08 at par
Bendigo Bank BBB	purchased 9/11/07 at par
HSBC Bank AA-	purchased 14/3/08 at par

These FRNs are all sub-debt which means that they are guaranteed by the bank that issues them but are rated a notch lower than the bank itself. The reason for this is that the hierarchy for payments of debt in event of default is:

1. Term Deposits
2. Senior Debt
3. Subordinated Debt
4. Hybrids
5. Preference shares
6. Equity holders

In the case of default, the purchaser of subordinated debt does not get paid until the senior debt holders are paid in full. Subordinated debt is therefore more risky than senior debt.

This type of investment was not owned by Council in 2006/07, however the intention is to classify them as Held to Maturity and account for them in the same manner as Collateralised Debt Obligation investments when the 2007/08 financial statements are prepared.

In terms of reporting, these investments are shown at their purchase price which is then adjusted up or down each month in accordance with the amortisation of the discount or premium. The effect of this is to show the investment at face value at maturity.

2. Fixed Interest Notes, Term Deposits and Transferable Deposits

Fixed interest notes and term deposits pay a fixed amount of interest on a regular basis until their maturity date. Council has one fixed interest note:

Westpac Fixed sub-debt	AA-	purchased 25/02/08 at discount
------------------------	-----	--------------------------------

As with FRNs, this investment is shown at purchase price with the discount amortised over the period to maturity. The purchase price was \$915,000 with a maturity value of \$1,000,000.

Council has one fixed interest deposit:

Bendigo Bank	BBB+	purchased 27/02/08 and held at par
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A Transferable Certificate of Deposit is a bank deposit (ie fixed interest) that may be transferred from one party to another. Council has two transferable deposits:

ANZ Transferable Deposits AA-	purchased 22/04/08 at par
Elders Rural Bank (Transferable Deposits) BBB	purchased 18/06/08 at par

3. Collateralised Debt Obligations (CDO) and Constant Proportion Debt Obligations (CPDO)

The following investments are classified as CDOs or CPDOs :

Titanium AAA	purchased at a discount
Phoenix Notes AA+	purchased at par
Maple Hill 11 AA	purchased at par
ABN AMRO CPDO PP AA-	purchased at par
Oasis Portfolio Note AAA	purchased at par

A CDO is a structured financial product whose returns are linked to the performance of a portfolio of debt obligations. It is split into tranches, whereby the riskiest or lowest tranche, the “equity tranche”, receives the highest returns. Higher rated tranches offer protection against the risk of capital loss, but at proportionately diminishing returns.

At the end of 2006/07 Council owned 3 of these products, namely, Titanium, SURF (now ABN AMRO CPDO PP ABN Amro Bank) and Oasis Portfolio Note. These were classified as held to maturity investments and therefore measured at amortised cost using the effective interest method in accordance with AASB 139: Financial Instruments: Recognition and Measurement. The intention is to continue this methodology at year end when the 2007/08 statements are prepared.

These investments are reported in the same manner as FRNs.

4. Growth Investments

Investments that have been purchased on the basis of an anticipated growth in asset value rather than returns being based on an interest coupon have been classified as Growth Investments. The following investments are included in this category:

Longreach CPWF AAA
Longreach STIRM AA-
Longreach s26 Property AA
Camelot AA
KRGC TCorp LTGF unrated

These investments are valued at fair value where the capital gain is credited to the Income Statement and a capital loss is debited to the Income Statement. All of these investments except for the KRGC TCorp LTGF are principal guaranteed. The value shown in the monthly investment report is based on the redeemable Net Asset Value (NAV). The NAV is the total current market value of all securities plus interest or dividends received to date. This is the price or value of the investment at the time of preparing the report. Although the investments are principal guaranteed, reports are based on the NAV even when it falls below the par value.

The principal is guaranteed by the investment issuer monitoring the net asset value and selling the investments if the NAV falls below the level where a risk free investment will return the principal at the maturity date. For example, to guarantee the repayment of \$100 in 6 years a bank bill could be purchased at current rates for approximately \$65. Thus the worst case scenario, provided that the issuer remains solvent, for these investments is that overall return will be returns received to

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date plus return of principal at maturity date and no further interest payments for the remaining period.

An exception to this is the Longreach CPWF product where the principal is guaranteed as well as a 2% semi annual coupon.

While accounting and reporting for these investments is in accordance with the above, the following information is provided for each:

Longreach CPWF: This investment pays a guaranteed 2% coupon semi annually and is principal guaranteed by Rabobank who are rated AAA. Actual returns depend upon growth of the investment. The worst case performance scenario is a 2% coupon and principal returned at maturity.

Longreach STIRM: This investment pays a fixed coupon of 2.5% and a floating coupon of 125% of the quarterly performance. A cap is applied to the total coupon at BBSW+25bps with any additional income going into the NAV. The worst case performance scenario is no coupon is paid due to 100% of investors' funds being redeemed from the STIRM strategy and invested in a discount security to guarantee principal is returned at maturity.

Longreach Global Property: This investment pays a fixed coupon of 7% pa payable semi annually. This coupon is contingent on 100% of funds being invested in the Global Property basket. The worst case performance scenario is no coupon is paid and 100% is redeemed from the Global Property basket and invested in a discount security to guarantee principal is returned at maturity.

Camelot: This is an investment in a fund which invests in \$US foreign exchange rate movements, which have low correlation to other products and asset classes. It is reported at its market value each month. This is the Net Asset Value (NAV) of the fund's assets. Accrued interest is included in the return as it is included in the NAV like the other growth investment products. The fund guarantees the repayment of capital by calculating the "equity gap" each month. This is the surplus of fund assets above the level of assets required to guarantee return of capital at maturity. In August 2008 this equity gap was 7.65% as the fund was valued at \$84.34 per unit and the assets required to return \$100 at maturity were \$76.69 $[(84.34-76.69)/100 = 7.65\%]$.

KRGC TCorp LTGF NSW Treasury Corporation: This is a fund managed by the NSW Treasury Corporation which invests in a range of Australian shares 31%, international shares 31%, bonds, listed property and cash 38%. The return is based on the fund's unit price at month end supplied by the fund. There is no principal guarantee with this fund and it is unrated.

5. Managed Funds

Council uses a variety of managed funds for liquidity and diversification purposes. These funds are rated from AAA through to A and returns are based on the fund's unit price at month end.

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Funds Performance against the UBS Bank Bill Index

Issuer	Investment Name	Investment Rating	Invested @31 August 2008 \$000's	Period Return (%)	Annualised YTD Return (%)	Performance Since purchase/inception (%)	% of Total Invested	Valuation M=Mark to Market H=Hold to Maturity	Maturity
Working capital (0-3 Months)									
Adelaide Bank	AMF Yield Fund	AAA	308	0.64	8.11	*	0.41	M	0-3 mths
Westpac Bank	Westpac Bank Deposit	AA	7,407	0.46	6.37	*	9.94	M	0-3 mths
Short Term (3-12 Months)									
LGFS	Fixed Out Performance Fund	AA-	17,952	0.69	8.66	*	24.10	M	0-3 mths
Short -MediumTerm (1-2 Years)									
Bendigo Bank	Fixed Deposit TCB	BBB+	500	0.66	8.25	8.25	0.67	M	1-2 yrs
MediumTerm (2-5 Years)									
Longreach/Rabobank	Longreach CPWF	AAA	2,872	2.76	34.84	-2.22	3.85	M	5 yrs +
UBS AG London	LongreachSTIRM	AA-	1,020	-1.46	-14.62	1.29	1.37	M	5 yrs +
Athena Finance (Westpac)	Camelot	AA	843	-6.15	-27.95	-5.66	1.13	M	5 yrs +
BlackRock Investment	BlackRock Diversified Credit	A	9,594	1.28	-2.21	*	12.88	M	0-3 mths
Select Access Investments	Titanium AAA	AAA	2,000	0.72	8.88	7.31	2.68	H	2-5 yrs
CBA/Helix Capital Jersey	Oasis Portfolio Note	AAA	2,000	0.71	8.83	7.51	2.68	H	5 yrs +
ABN AMRO/Nomura	Phoenix Notes	AA+	2,000	0.82	10.24	9.86	2.68	H	2-5 yrs
ANZ Bank	ANZ Sub FRN	AA-	2,969	0.73	9.03	8.67	3.99	M	5 yrs +
ANZ Bank	ANZ Sub FRN	AA-	2,937	0.74	9.15	8.94	3.94	M	2-5 yrs
ANZ TD	ANZ Sub FRN	AA-	2,000	0.75	9.36	9.39	2.68	M	2-5 yrs
Westpac Bank	Westpac Subdebt	AA-	926	0.79	9.78	9.76	1.24	M	2-5 yrs
Elders Rural Bank	Elders Rual Bank TD	BBB	2,000	0.75	9.27	9.27	2.68	M	2-5 yrs
Long Term (5 Years+)									
HSBC Bank	Maple Hill 11	AA	3,000	0.84	10.47	9.99	4.03	H	5 yrs +
Bendigo Bank	Bendigo Bank FRN	BBB	500	0.72	9.11	8.94	0.67	H	5 yrs +
NSW Treasury Corp	KRGC Tcorp LTGF	UNRATED	1,933	3.80	23.44	-1.79	2.59	M	5 yrs +
HSBC Australia	HSBC MTN	AA-	4,000	0.83	10.36	10.50	5.37	H	5 yrs +
Deutsche Bank	Longreach s26 Prop	AA	743	1.14	19.93	-20.69	1.00	M	5 yrs +
ABN AMRO Bank London	CPDO PP	AA-	6,000	0.71	8.74	8.72	8.05	H	5 yrs +
ANZ Bank	ANZ Subdebt 2018	AA-	1,000	0.75	9.31	9.06	1.34	H	5 yrs +
TOTAL /WEIGHTED AVERAGE			74,504	11.25	8.14		100		

Matured/Traded Investments - Weighted YTD Average Return (%)

0.00

Weighted Average Overall Return Year To Date (%)

8.14

Benchmark Return: UBSWA Bank Bill Index(%)

8.15

Variance From Benchmark (%)

-0.01

* Cannot be calculated with 100% accuracy

The weighted average return for the total portfolio year to date was 8.14% compared to the benchmark of the UBS Bank Bill Index of 8.15%.

Income Investments and Growth Investments

Since Council's investment policy was changed in August 2006, a wider range of investments has been made involving diversification of the portfolio into different investment types, longer maturities and different markets. Council's investments now include several growth investments, where returns are principally derived from growth in the value of capital invested, rather than income payments. These investments can be expected to show higher volatility in price movement on a month to month basis. Council has only purchased growth investments which have a capital protection provided by a bank of at least AA ratings. As these investments are long term and not intended to be traded monthly, volatility is of less concern.

Comments on Individual Investment Performance

Longreach CPWF 1-2006: This investment is in property, infrastructure and utilities and was made on 27 September 2006. From inception to the end of August 2008, the investment has

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returned -2.22% with a 2.76% increase in net asset value for August 2008. The indexes performances over the month were, like July, quite different. The listed property trust index was the stronger performer this month, in contrast to the previous month. The net performance for Fund's ASX Index Investments was up almost 4.5% over the month.

The Fund's Unit NAV at month end provided to the Investment Manager by the Calculation Agent was 0.95719. This NAV represents a 2.8% increase from the previous month end. General information on the fund is included in the Monthly Unit Holder Report (**Attachment A**).

Longreach Series 26 Global Property: This investment was made in June 2007 in a basket of property spread globally across seven geographical areas. The chosen securities provide potential for regular income along with potential capital growth. Returns are based on a contingent semi-annual coupon of 7.0% pa and additional return on maturity as capital gain. The current unit price is \$74.27 up from \$73.42 in July and from an issue value at inception of \$97.00 after upfront fees. The current allocation is 23.03% in the property basket and 76.97% in the discount debt security. General information on the fund is included in the monthly Unit Holder Report (**Attachment B**).

Longreach Series 23 STIRM: This investment is a capital protected note with exposure to a short term interest rate yield enhancement strategy. The redeemable NAV of the notes is \$101.95, whereas last month it was \$103.49. The year to date return on the investment is -14.62% annualised and 1.29% since inception. General information on the fund is included in the monthly Unit Holder Report (**Attachment C**).

Note: The capital protection mechanism for the above three investments has worked to protect the initial capital invested during recent extreme market volatility. At 31 August the Series 26 Global Property has 23.03% allocated to the asset class and 76.97% allocated to the discount debt security. The other two investments remain fully allocated to the asset class.

NSW Treasury Corporation: The investment was made in October 2006. This is a fund managed by the NSW Treasury Corporation which invests in a range of Australian shares 31%, international shares 31%, bonds, listed property and cash 38%. The fund's annualised return was 23.44% and is -1.79% since purchase.

Athena Finance (Westpac)/Camelot: This investment was made at the end of February 2007 in a fund which invests in foreign exchange rate movements with low correlation to other products and asset classes. The fund's annualised return is -27.95% with a return of -5.66% since inception. The fund has continued to maintain a strong capital preservation focus during the volatile markets.

Blackrock Diversified Credit Fund: Blackrock Investment Management had informed Council of its decision to close the Blackrock Diversified Credit Fund of which Council had \$9.59M invested as at 31 August 2008. This action was taken due to the Cole Report recommending removal of the option for local councils to invest in Managed Funds. The fund was specifically created for, and targeted toward, NSW local councils' requirements.

After careful consideration, a decision has been made to proceed with taking a cash contribution rather than an "in specie" transfer of assets. An in specie transfer involves an investor receiving, based on their proportionate interest in the assets of the Fund, assets which are representative of the assets of the Fund, rather than cash.

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12 September 2008

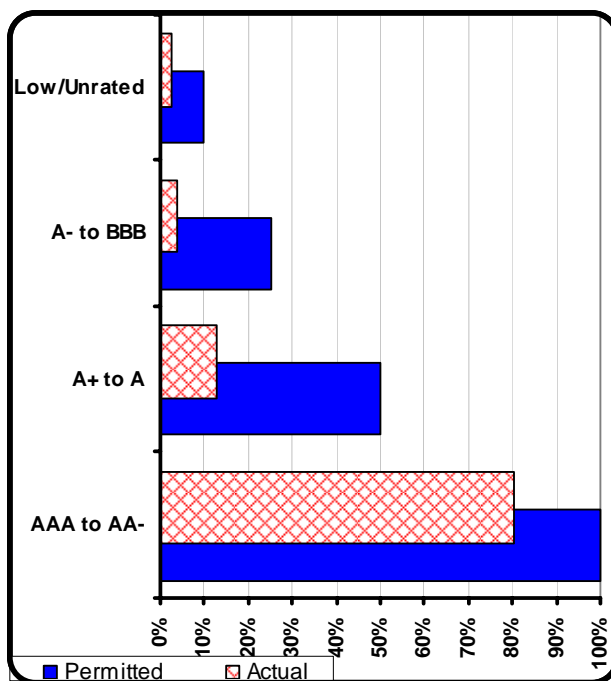
The reasons for this decision include:

- (1) Sufficient time was not given to review the template instruction documentation (contractual agreement) "in specie" transfer of assets. At the time of writing this report this documentation still has not been received.
- (2) The risk of any defaults over the three (3) year period with the "in specie" transfer of assets option. We expect to realise a significant portion of the Fund's assets within a six to eight week timeframe with the cash contribution option.
- (3) No Ministerial approval.
- (4) In order to mitigate any further risk.
- (5) Existing market volatility.
- (6) There did not seem to be enough support from Councillors for an "in specie" transfer of assets, at a recent Councillor briefing session.

Allocation of funds

The following charts show the allocations of Council's investment funds by the categories shown:

- 1) **Credit Rating:** Actual level of investment compared to proportion permitted by policy.



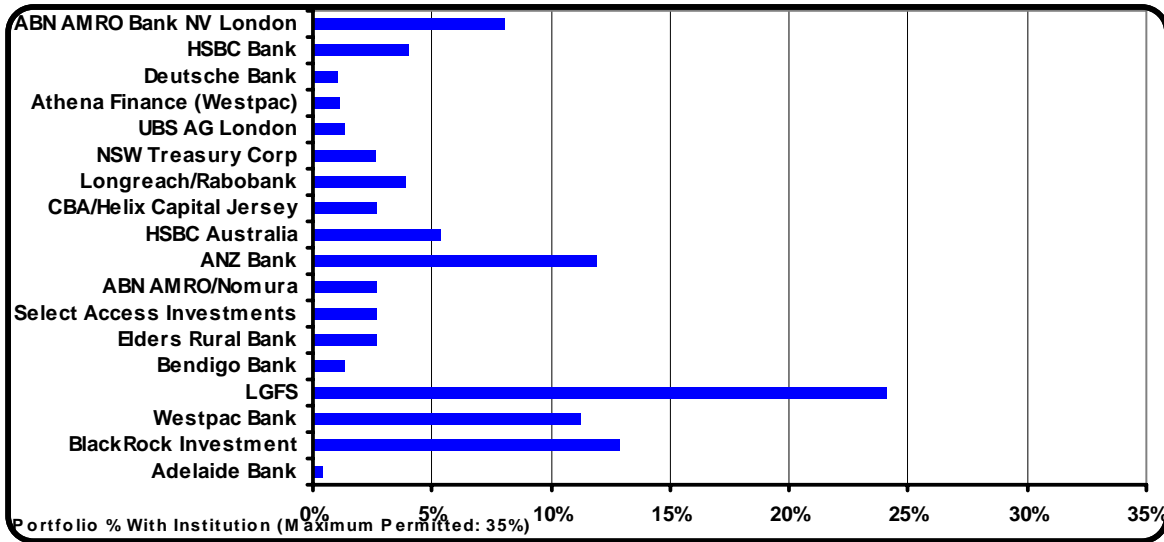
Investment Rating	Proportion
AAA to AA-	80.50%
A+ to A	12.88%
A- to BBB	4.03%
Less than BBB	2.59%

Item 5

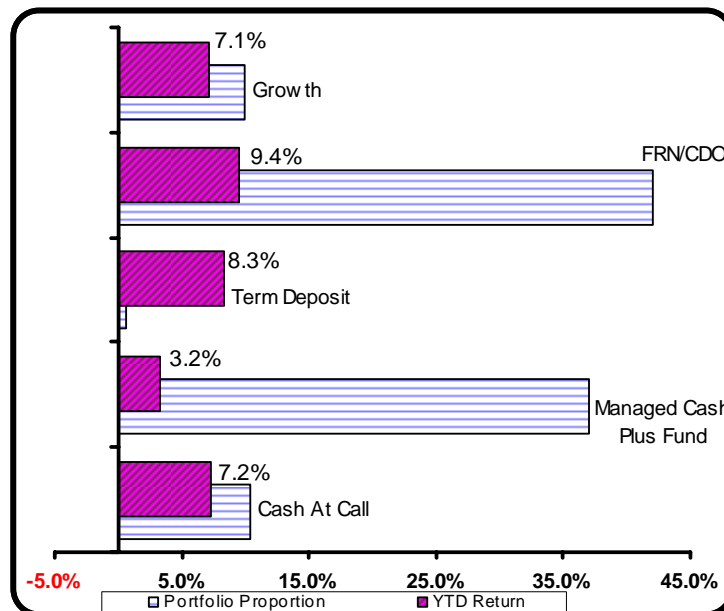
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2) **Proportional Split of Investments by Investment Institution:** Actual portion of investments by investment institutions.

Council's Investment Policy requires that the maximum proportion of its portfolio invested with any individual financial institution is 35%.



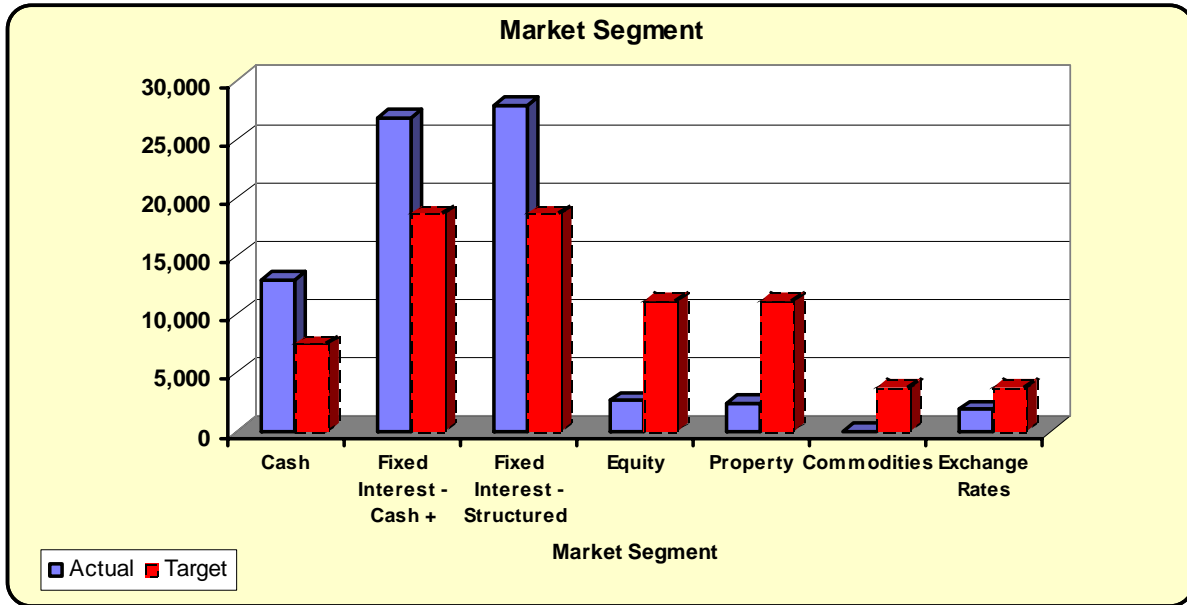
3) **Investment type and YTD return:** Actual proportion of investments by type and year to date return.



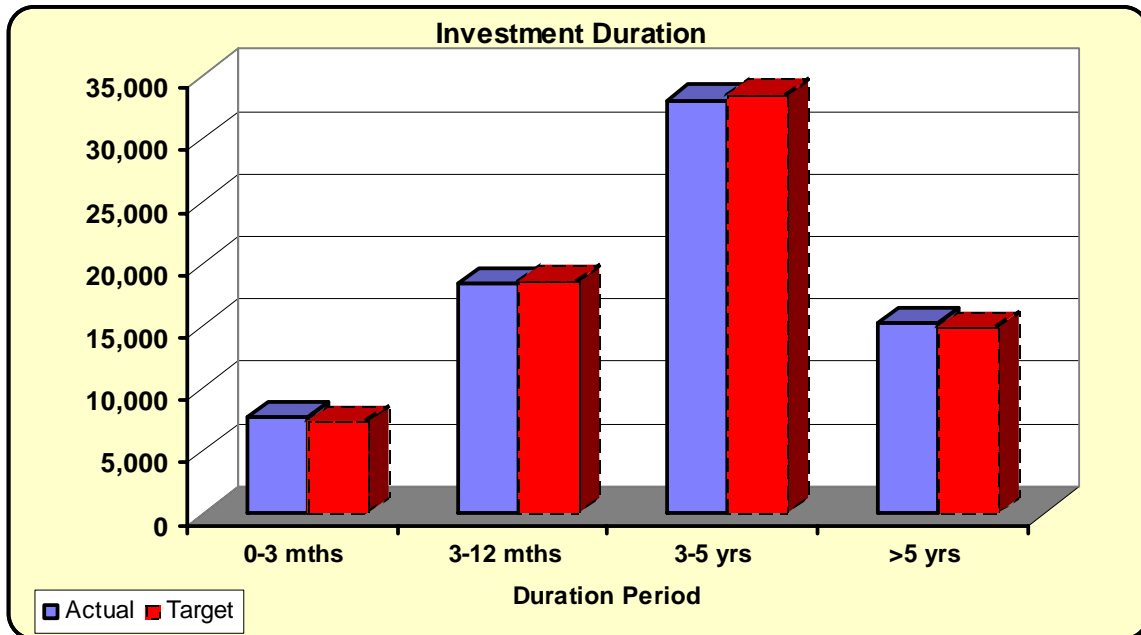
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- 4) **Market Segment:** Strategic allocation of investments by market segment compared to current level.



- 5) **Duration:** Strategic allocation of investments by duration compared to current level.



Item 5

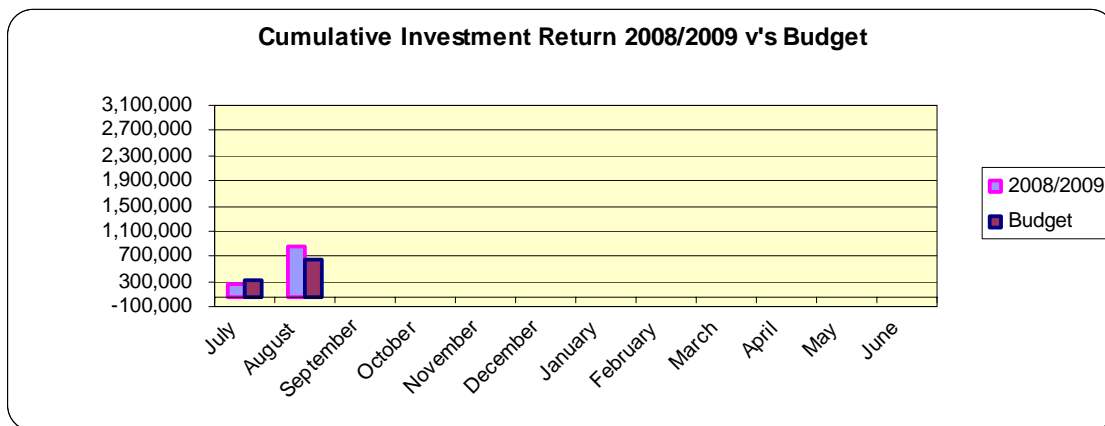
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Cumulative Investment Return

The following table shows Council’s total return on investments for August and financial year to date, split into capital and interest components and compared to budget:

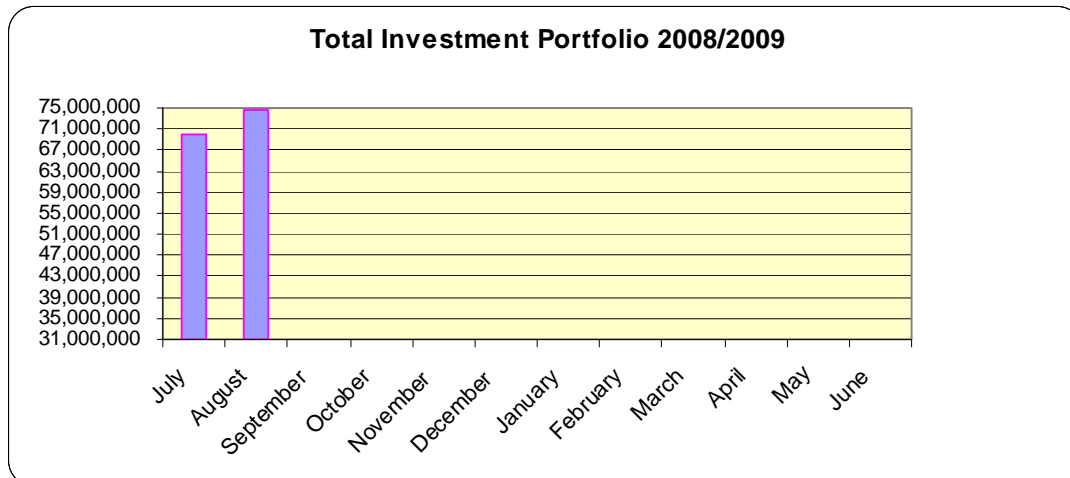
\$000's	Month	Financial YTD
Interest	296	571
Cap Gain	378	586
Cap Loss	-72	-308
Net Return	602	849
Budget	321	641
Variance	281	208

At the end of August the net return on investments totals \$849,000 against a year to date budget of \$641,000, giving a positive variance of \$208,000.



Total Investment Portfolio

The following chart compares the year to date investment portfolio balances for 2008/2009.



During August 2008 Council's investment portfolio increased by \$4,520,280 from July 2008.

Some key points in relation to investments and associated markets during August are:

International Market

It is generally accepted that the US is in recession and has been since late 2007. Many indicators are consistent with this view, with home sales and jobless figures particularly weak.

The only slight complication with the US recession story is that the economy (officially) grew in Quarter 1, and again in Quarter 2. In fact, Quarter 2's GDP figure was at +3.3% annualised.

Grove suggests it is a combination of statistical quirks, timing differences and genuine economic resilience. For all practical purposes, the recession is real.

Also, very large tax rebates were paid in Quarter 2 as part of the government's fiscal stimulus. This boosted consumer spending, supporting economic statistics in Quarter 2.

Of course, this somewhat artificial growth in Quarter 2 increases the likelihood that without another stimulus package the economy will shrink somewhat in the next quarter. Moreover, the rebate in Quarter 2 will have brought forward some purchases that will now not be made in Quarter 3 – whitegoods and travel, for example.

Domestic Market

Australian Equities had a solid month in August as the S&P/ASX 200 Accumulation Index returned 4.1% as the market celebrated the expected rate cuts over the next year. The Healthcare sector was up 17.7%.

Interest Rates

After the August meeting the futures market was already pricing in a 100% chance of at least a 0.25% rate cut in September. As expected the official cash rate was cut by 0.25% to 7.00% in the latest meeting. The abrupt slowdown in consumer spending and more "dovish" commentary saw the bond market factor in not just September's rate cut, but several more. Three (3) year bond futures have rallied over 1¼% since mid June.

US rates remained on hold at 2%, with the Federal Reserve signalling the next move is probably up. The US CDX Investment Grade credit index finished the month 11bp wider to finish at 143bps.

CONSULTATION

Not applicable.

FINANCIAL CONSIDERATIONS

The budget for interest on investments for 2008/2009 is \$3,848,200. Of this amount approximately \$2,209,200 is restricted for the benefit of future expenditure relating to developers' contributions,

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12 September 2008

\$744,100 transferred to internally restricted Infrastructure & Facility reserve, and the remainder is available for operations.

At the end of August the net return on investments totals \$849,000 against a year to date budget of \$641,000, giving a positive variance of \$208,000.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

As at 31 August 2008:

- Council's total investment portfolio is \$74,504,610. This compares to an opening balance of \$72,680,680 as at 1 July 2008, an increase of \$1,823,930.
- Council's year to date net return on investments (interest and capital) totals \$849,000. This compares to the year to date budget of \$641,000, giving a positive variance of \$208,000.

RECOMMENDATION

- A. That the summary of investments and performance for August 2008 be received and noted.
- B. That the Certificate of the Responsible Accounting Officer be noted and the report adopted.

Tony Ly
Financial Accounting Officer

Tino Caltabiano
Manager Finance
Responsible Accounting Officer

John Clark
Director Corporate

Attachments: A. Longreach Capital Protected Wholesale Fund 1-2006 Monthly Unit Holder Report August 2008 - 2008/006111
B. Longreach Capital Protected Series 26 Noteholder Performance Report August 2008 - 2008/006523
C. Longreach Series 23 Noteholder Performance Report August 2008 - 2008/006112



**LONGREACH CAPITAL PROTECTED WHOLESALE FUND 1-2006
PROPERTY, INFRASTRUCTURE AND UTILITIES
MONTHLY UNIT HOLDER REPORT
August 2008**

Longreach Global Capital Pty Limited, as Investment Manager for the Longreach Capital Protected Wholesale Fund, 1-2006 Property, Infrastructure and Utilities, is pleased to provide Unit holders of the Fund with the Monthly Unit holder Report for August 2008.

Longreach Capital Protected Wholesale Fund 1-2006 General Information

Type of Fund: Medium Term Growth AAAf rated Capital Protected Growth Fund with equal exposure to the price growth of the S&P/ASX 200 Property Trust Index and UBS Australia Infrastructure and Utilities Index (ASX Index Investments)	Fund Investment Date: 29 September 2006	Buy/Sell Spread: Nil
Investment Objectives: The Fund aims to provide investors with semi-annual distributions of 2% p.a. on their invested amount after ordinary expenses, the opportunity for enhanced participation in any price growth of the ASX Index Investments over the life of the Payment Contract and 100% capital protection of their invested amount at Payment Contract Maturity.	Recommended Investment Timeframe: 5 years	Distributions: 2% p.a. Paid Semi Annually: 30 June 31 December
Rating: AAAf (S&P)		

Actual Performance of Fund's ASX Index Investments

Index	Index Value at Fund Investment Date	Index Value at Previous Month End	Index Value at Latest Month End	Month on Month movement	% Change Since Fund Investment Date
ASX 200 Listed Property Trust Index	2,186.00	1,340.50	1,459.20	8.85%	-33.25%
UBS Australia Infrastructure & Utilities Index	2,483.00	2,463.18	2,464.51	0.05%	-0.74%
ASX Index Investments*				4.45%	-17.00%

The indexes performances over the month were, like July, quite different. The listed property trust index was the stronger performer this month, in contrast to the previous month. The net performance for Fund's ASX Index Investments was up almost 4.5% over the month.

Fund Unit Net Asset Value

Fund Unit Price at Fund Investment Date	Unit Net Asset Value at Month End	Growth	2% p.a. Income (Accrued)	Actual % Change in Unit Price Since Inception
\$1.0000	\$ 0.9572	0.95386	0.00333	-4.28%

The Fund's Unit NAV at month end provided to the Investment Manager by the Calculation Agent was 0.95719. This NAV represents a 2.8% increase from the previous month end. This

valuation represents the price at which a Unit holder could have redeemed Fund Units at month end inclusive of Fund Ordinary Expenses.

The Fund return to Unit holders at the Payment Contract Maturity is based on the enhanced price growth of the Fund's ASX Index Investments. In accordance with the Fund's Information Memorandum dated 20 September 2006, Unit holders will receive 130% (i.e the Index Participation Multiplier) of the price growth of the Fund's ASX Index Investments.

Market Commentary

Corporate reporting and speculation about an RBA rate cut were the dominant locally sourced influences on the Australian equity market throughout August. Falling commodity prices and global economic conditions added to the mix over the course of the month. The Australian equity market ended the month up 3.2% (or 163 points) – the first monthly rise since May of this year. The index is now 1,000 points or 16% below its high for the year (recorded on 19 May).

As the month progressed expectations grew of a cut in the Reserve Bank's official cash rate. This had the effect of outweighing some of the less positive developments over the month such as weaker than expected earnings announcements and forecasts by some of the companies filing their annual company returns during the period.

Contact:

Longreach Global Capital Pty Limited **AFSL : 247 015** **ABN : 27 080 373 762**
Phone : (02) 9241-1313 Fax: (02) 9252-9537

Disclaimer: This report has been prepared by Longreach Global Capital Pty Limited in its role as Manager of the Longreach Capital Protected Wholesale Fund 1 – 2006, Property, Infrastructure and Utilities (the "Fund"). Full details of the Fund can be found in the Information Memorandum dated 20 September 2006. Terms defined in that Information Memorandum have the same meaning in this report.

The information contained in this report is current as at the close of business on the date indicated and is for the information of wholesale clients within the meaning of section 761G of the Corporations Act 2001 who have invested in the Fund. Performance of the Fund to date is not a guarantee or indicator of Fund performance in future. Similarly, references to the performance of ASX Index Investments do not imply future performance guarantees or returns. To the maximum extent permitted by law, Longreach Global Capital Pty Limited will not be liable in any way for any loss or damage suffered by you through use or reliance on this information. Our liability for negligence, breach of contract or contravention of any law, which can not be lawfully excluded, is limited, at our option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you.



NOTEHOLDER PERFORMANCE REPORT August 2008

Longreach Series 26 Capital Protected Medium Term Note

Capital Protected Notes – ‘Global Property’

Type of Note:	Investment Date:	Liquidity:
Capital Protected Note with exposure to a diversified basket of global property securities.	7 June 2007	Available Daily
Investment Objectives:	Recommended Investment Timeframe:	Distributions:
The chosen basket of securities provide for both a potentially high regular income via the dividends paid as well as any potential capital growth within the capital protection mechanism.	7 years	Fixed 7.00% p.a. coupon paid semi annually
Rating: AA- (S&P)		

Basket Returns since investment date (7 June 2007)

The following table sets out the Basket's performance by security: -

Security	Sector	%	Buy-in-Price \$	Closing Price \$	Change % ⁽ⁱ⁾
Bene Stabili	Property	14.3	1.13	0.74	-34.50%
British Land	REIT	14.3	1,361.00	765.50	-43.75%
City Developments	Property	14.3	17.20	10.40	-39.53%
Mitsubishi Estate	Property	14.3	3,588.00	2,435.00	-32.13%
Simon Property	REIT	14.3	99.69	94.88	-4.82%
Stockland	REIT	14.3	8.66	5.27	-39.15%
Sun Hung Kai	Property	14.3	89.45	107.60	20.29%
Average					-24.80%

Note (i) all percentage changes shown are absolute price moves not calculated on a per annum basis.

Net Asset Value (NAV)

The Hold to Maturity NAV of the Notes is 74.27 (last month 73.42). The NAV at Issue Date was 97.00 – being 100 less LCM upfront distribution fees. If an investor chose to exit prior to maturity the ‘Redeemable NAV’ would incorporate the current NAV less the cost of unwind of the currency protection mechanism. The currency hedge ensures buy and hold investors are not exposed to changes in the underlying currencies at maturity.

Internal Rate of Return (IRR)

The IRR of the Notes is -18.907% **p.a.** This represents the true annual rate of earnings on an investment. This rate takes into account the movements in the underlying securities as well as compound interest factors (time value of money).

** IRR is a discounted cashflow method of calculating returns defined mathematically as the rate by which future anticipated net cash flow must be discounted so that their value will be equal to the initial cost of the investment.*

Coupon Payments

The coupon for this transaction is a Fixed **7.00%** p.a. payable semi annually. It will be paid out of the dividends received on the underlying stocks, and where necessary the NAV of the Notes. Payment of the coupon is contingent on; 100% of investor's money being allocated to the Global Property Basket, and the payment of the coupon not causing a Sell Trigger to be hit.

	Coupon Payment Date	Per Annum %	BBSW Comparison %
Coupon 1	07-Dec-07	7.00	6.48

Allocation to the Diversified Basket

The current allocations within the Dynamic Portfolio are:

Series Basket	23.03%
Discount Debt Security	76.97%

The current Gap is approximately 17.5 (last month 16.01) compared to the sell trigger of 15 and a buy trigger of 25. Please refer to the Series 26 Discussion Paper for a description of the workings of the capital protection mechanism.

Market Recap

Corporate reporting and speculation about an RBA rate cut were the dominant locally sourced influences on the Australian equity market throughout August. Falling commodity prices and global economic conditions added to the mix over the course of the month. The Australian equity market ended the month up 3.2% (or 163 points) – the first monthly rise since May of this year. The index is now 1,000 points or 16% below its high for the year (recorded on 19 May).

As the month progressed expectations grew of a cut in the Reserve Bank's official cash rate. This had the effect of outweighing some of the less positive developments over the month such as weaker than expected earnings announcements and forecasts by some of the companies filing their annual company returns during the period.

Commodity prices have eased from their highs earlier in the year. This has had a positive influence on the US markets with an added boost to the Dow Jones Index coming from the substantial revision to 2nd quarter US GDP growth announced over the month. Revised to 3.3 percent from an original 1.9%, market commentators are now discounting the possibility of the US economy entering a recessionary phase in the near future.

Important Information

This monthly report has been prepared by Longreach Global Capital Pty Limited (ABN 27 080 373 765, AFSL 247015). The forecasts in this report are subject to change. Past performance does not guarantee future returns. Accordingly, investors should make their own assessment of the adequacy, relevance and accuracy of the information in this report (together with the Series documentation of each Series) and in making any investment decision should rely on their own independent investigations

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Security	Last Month	Previous Month	Change %
Stockland	5.27	4.63	13.82
British Land	765.50	702.50	8.97
Bene Stabili	0.74	0.70	5.59
Simon Property	94.88	92.63	2.43
Mitsubishi Estate	2,435.00	2,630.00	- 7.41
Sun Hung Kai	107.60	117.00	- 8.03
City Developments	10.40	11.48	- 9.41

Stockland reported a 10 percent rise in full-year operating profit mid month Thursday, bolstered by shopping centre and office rent, and said it saw a small increase in earnings per share in the year ahead.

City Developments released its half yearly report during the month and, despite showing strong core earnings, has seen its share price fall almost 10% over the month. Asian property stocks in general have been depressed and have exerted a drag on regional stock market performances.

Notes:

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NOTEHOLDER PERFORMANCE REPORT August 2008

Longreach Series 23 Constant Proportion Portfolio Technique Note

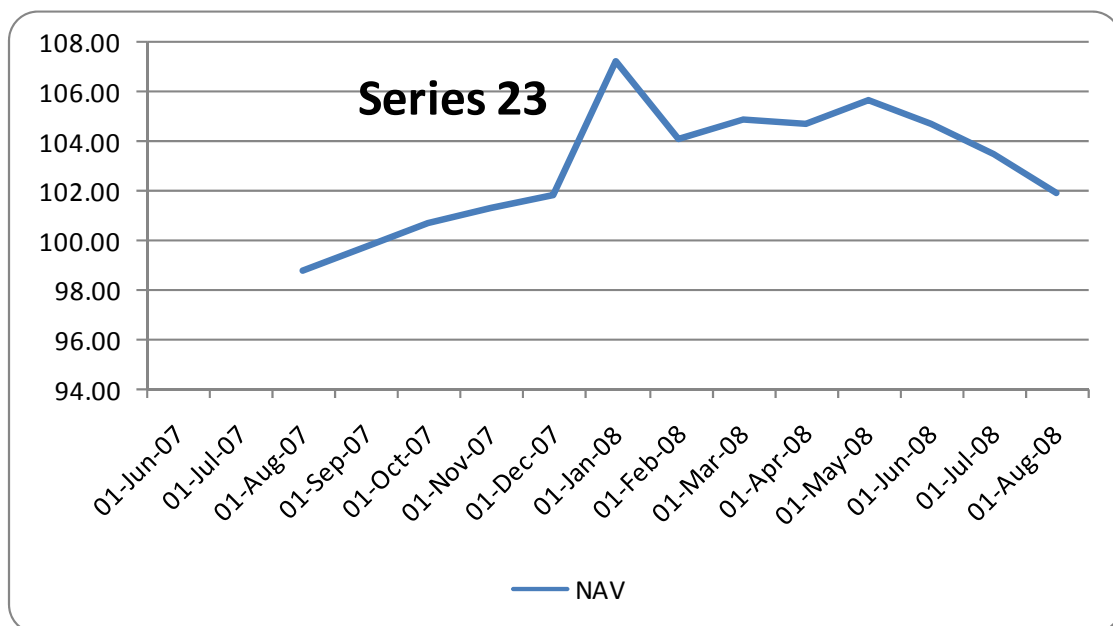
Series 23 – Capital Protected Notes – ‘STIRM’

Type of Note: Capital Protected Note with exposure to a short term interest rate yield enhancement strategy	Investment Date: 26 February 2007	Liquidity: Available Daily
Investment Objectives: The short term interest rate yield enhancement strategy provide for both a potentially high regular income via performance based coupon component as well as any potential capital growth within the capital protection mechanism.	Recommended Investment Timeframe: 5 years	Distributions: Distributions paid quarterly.
Rating: AA- (S&P)		

Net Asset Value (NAV)

The NAV of the Notes at current month end was 101.95 (compared with 103.49 for the previous reporting period).

The following chart shows the performance of the Series' NAV since July 2007.



Internal Rate of Return (IRR)

The IRR of the Notes is 5.091%**% p.a.** This represents the true annual rate of earnings on an investment. This rate takes into account the movements in the underlying securities as well as compound interest factors (time value of money).

** IRR is a discounted cashflow method of calculating returns defined mathematically as the rate by which future anticipated net cash flow must be discounted so that their value will be equal to the initial cost of the investment.*

Coupon Payments

The coupon will be made up of a Fixed and Floating component as outlined in the Series 23 Discussion document. The **Fixed** component is set at 2.50% p.a. payable quarterly (unless strategy is fully allocated to the UBS cash investment), and the **Floating** component is set at 125% of the strategy's positive intra period performance, with a cap on total coupon of BBSW + 40bps.

The Series made a payment during the reporting month.

	Coupon Payment Date	Per Annum %	BBSW Comparison %
Coupon 1	10-May-07	2.50	6.42
Coupon 2	10-Aug-07	2.50	6.39
Coupon 3	11-Nov-07	2.47	6.73
Coupon 4	12-Feb-08	7.25	7.12
Coupon 5	13-May-08	2.47	7.77
Coupon 6	11-Aug-08	5.77	7.32

Allocation to the Diversified Basket

The current allocations within the Dynamic Portfolio are:

STIRM Strategy	100%
UBS Discount Debt Security	0%

Please refer to the Series 23 Discussion Paper for a description of the workings of the capital protection mechanism.

Market Recap/STIRM Performance Report

A copy of August 2008 report from UBS and the Strategy Manager, Fortinbras, is attached to provide investors with background to the market and the strategy decisions taken over the month.

Notes:

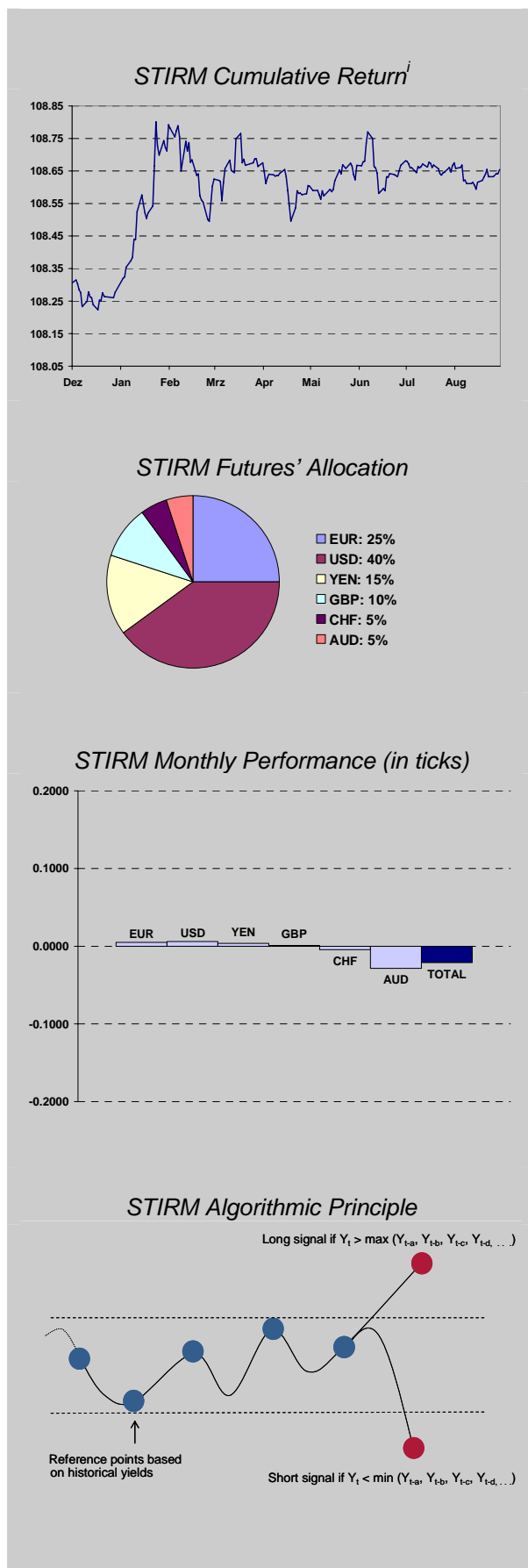
Contact:

Longreach Global Capital Pty Ltd **AFSL : 247 015** **ABN : 27 080 373 762**
 Phone : (02) 9241-1313 Fax: (02) 9252-9537

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Market Overview

In August none of the relevant central banks took action. This may be owed to the fact that August represents the main holiday month. But apart from this, the macroeconomic situations in the relevant countries have not changed in principle. The economies keep battling with lower growth and enduring high inflation rates, and the most recent oil price decline has brighten up the situation only slightly.

On the currency front the volatility picked up with the US-Dollar gaining strongly while the British Pound and the Australian Dollar lost significantly. Likewise, the volatility of the short term interest rate futures in GBP and AUD increased. The Reserve Bank of Australia already prepared the ground for the first rate cut since December 2001. And in the UK it appears that the statement of Treasurer Alistair Darling about the 'most serious financial crisis since 60 years' is intended to put the BoE under pressure to cut its key rate.

Monthly Performance

The STIRM Index moved sideways and finished the month just 3 ticks lower at 108.65.

- Performers in the positive territory were USD, EUR and YEN. GBP finished unchanged. AUD was the main loser accompanied by CHF.
- Average durationⁱ at the end of August was +0.1.
- In August no reconstitution took place.
- The current futures' positions: EUR, GBP, AUD and CHF are Short. USD and YEN are Long.

STIRM Description

The Short-Term Interest Rate Model ("STIRM") is a long / short strategy based on a proprietary trend-following approach applied to three month interest rate futures contracts across six currencies. A modified channel break-out approach, STIRM trades long a future if the current yield is greater than the maximum of a historical reference group; the Model trades short if the yield is lower than the minimum. Volatility plays an important role in defining the length of reference history. The algorithmic principle that underlies STIRM has been applied to interest rate trading since 1989.

STIRM Strategy Notes

UBS Limited, the investment banking arm of UBS, has structured a series of investment products that track the STIRM performance. Fortinbras Asset Management advises UBS according to their STIRM algorithm as to the respective futures positioning, and the all strategy trading, administration and risk management is executed by UBS.

Invested cash will accrue interest at money-market rate and will also be used to collateralise the STIRM strategy overlay with suitable leverage. Investor's return is the interest from the money-market investment plus the performance of the STIRM strategy.

**Bloomberg
Delivery Platform
Structurer & Distributor
Advisor**

The STIRM Index is published as UBFSTIRM UBS-issued notes or UCITS III fund
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ⁱ Duration is defined as the weighted, net long/short futures positions across all six programs.

DEVELOPMENT APPLICATION

SUMMARY SHEET

REPORT TITLE:	275 MONA VALE ROAD, ST IVES - MODIFICATION OF CONSENT TO DA0949/03 SEEKING MODIFICATION OF CONDITION 69 AND DELETION OF CONDITION 70
WARD:	St Ives
DEVELOPMENT APPLICATION N^o:	MOD0307/08
SUBJECT LAND:	275 Mona Vale Road, St Ives
APPLICANT:	Barry Cotten
OWNER:	Ezygold Investments Pty Limited
DESIGNER:	Palmer Architectural Design
PRESENT USE:	Residential
ZONING:	Residential 2(c)
HERITAGE:	No
PERMISSIBLE UNDER:	Ku-ring-gai Planning Scheme Ordinance
COUNCIL'S POLICIES APPLICABLE:	SEPP 55 – Remediation of land, DCP 56 – Notification, DCP 47 – Water Management, DCP 43 – Car parking, DCP 40 – Waste Management, DCP 31 - Access
COMPLIANCE WITH CODES/POLICIES:	Yes
COMPLIANCE WITH GOVERNMENT POLICIES:	Yes
DATE LODGED:	2 August 2008
40 DAY PERIOD EXPIRED:	11 September 2008
PROPOSAL:	Modification of consent to DA0949/03 seeking modification of Condition 69 and deletion of Condition 70
RECOMMENDATION:	Approval.

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DEVELOPMENT APPLICATION N^o	MOD0307/08
PREMISES:	275 MONA VALE ROAD, ST IVES
PROPOSAL:	MODIFICATION OF CONSENT TO DA0949/03 SEEKING MODIFICATION OF CONDITION 69 AND DELETION OF CONDITION 70
APPLICANT:	BARRY COTTEN
OWNER:	EZYGOLD INVESTMENTS PTY LIMITED
DESIGNER	PALMER ARCHITECTURAL DESIGN

PURPOSE FOR REPORT

To determine modification application No. MOD0307/08, which seeks deletion of Condition 70 and modification of Condition 69 imposed in the consent to DA0949/03 relating to the southern boundary fence and retaining walls associated with the driveway.

This matter has been called to full Council by Councillor Hall.

EXECUTIVE SUMMARY

Issues:	Tree impacts, reasonableness of conditions
Submissions:	Two (2) submissions received
Land & Environment Court Appeal:	No
Recommendation:	Approval

HISTORY

Site history:

DA0949/03 - demolition of dwelling and construction of a SEPP 5 development

Development Application No. 949/03 for demolition of an existing dwelling and construction of a SEPP 5 development comprising eight (8) dwellings and a basement carpark was approved by the full Council at its meeting of 3 February 2004.

DA0949/03A - modify basement to include storage areas

Section 96 Application No. 949/03A to modify the basement to create storage areas, relocate car spaces, redesign the garbage area, provide lift motor and electrical rooms, widen the driveway for garbage truck access, convert the carwash bay to a visitor space, provide a retaining wall to the eastern elevation and increase the size of the planter box to the western elevation was approved under staff delegation on 15 November 2004.

MOD0232/07 - correct an error on the notice of determination

Section 96 Application MOD0232/07 to correct an error on the notice of determination was

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approved under staff delegation on 5 July 2007.

MOD0209/08 - modification of DA0949/03 proposing internal and external additions

Section 96 Application MOD0209/08 for various changes to the basement, exterior finishes, roof form and privacy measures was approved under staff delegation on 22 August 2008.

Current application history:

- The application was lodged on 26 August 2008.
- The application was notified from 26 August 2008 to 9 September 2008. Two (2) submissions were received.
- The applicant advised on 11 September 2008 that the proposed modification relates to the deletion of Condition 70 and only to those parts of Condition 69 that relate to the masonry fence along the southern boundary and the retaining walls associated with the driveway.

THE SITE AND SURROUNDING AREA

The site:

Zoning:	Residential 2(c)
Visual Character Study Category:	1945-1968
Lot Number:	part Lot R
DP Number:	DP 370422
Area:	1951m ²
Side of Street:	Eastern
Cross Fall:	East to west
Stormwater Drainage:	To Mona Vale Road
Heritage Affected:	No
Integrated Development:	No
Bush Fire Prone Land:	No
Endangered Species:	Yes – Sydney Turpentine Ironbark Forest (no impacts)
Urban Bushland:	No
Contaminated Land:	No

SITE DESCRIPTION

The site is located on the eastern side of Mona Vale Road. The site is irregular in shape with a maximum width of 30.48 metres and depth of 75.64 metres. The site has an area of 1951m².

Construction of the SEPP 5 development approved pursuant to Development Consent No. 949/03 is nearing completion.

Surrounding development:

The adjoining property to the north is a battleaxe allotment known as No. 277 Mona Vale Road. Development on this property comprises a SEPP Seniors Living development.

The adjoining property to the south is a battleaxe allotment known as No. 273 Mona Vale Road. Development on this property comprises a residential dwelling. To the south of No. 273 Mona Vale

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Road is a property known as No. 271 Mona Vale Road. This property has a frontage to Mona Vale Road and contains a residential dwelling.

THE PROPOSAL

Under the provisions of section 96 of the Environmental Planning and Assessment Act 1979, consent is sought to amend Condition 69 by replacing the approved masonry fence along the southern side boundary with a timber lapped and capped fence. Consent is also sought to amend Condition 69 to alter the height of the retaining walls adjacent to the driveway.

Condition 69 is as follows (parts pertaining to the proposed modifications are in bold):

69. *The plans shall be amended to indicate the following:*

- ***Extension of the boundary wall along the whole length of the southern boundary. The wall should be stepped in height upon its approach to the front boundary to match the height of the wall along this boundary, being 1.8m. The construction of the wall being in accordance with the acoustic engineers recommendation as required in Condition No 70.***
- *The waste management facility is to be designed in accordance with Council's DCP 40 and have sufficient space for the quantity of waste generated and to promote source separation of materials (eg. recyclables).*
- *The garbage collection area shall allow a Council truck to enter the site, access the garbage collection area and leave the site in a forward direction.*
- *Deletion of the external garbage storage area and provision of soft landscaping including large shrubs or trees capable of attaining a height of between 2-4m at maturity along the front boundary. The soft landscaping shall form part of the common property.*
- *Protrusion of the lobby entrances further south by 1m.*
- *Provision of adjustable louvres or awning to east facing window.*
- *Relocation of the driveway in the position indicated on the master landscape plan submitted to Council on 27 November 2003 and prepared by Peter Glass & Associates.*
- *Provision of cement rendering to the upper or lower level of the side elevations of the building.*
- *Relocation of the rear retaining wall 4.0m from the rear boundary.*
- ***The driveway cutting to the basement carpark being terraced for landscaping and for a length of 7 metres from the western end along the northern and southern sides of the driveway to soften the appearance of the cut.***
- *Details shall be submitted to the satisfaction of Council prior to the issue of a construction certificate.*

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As Condition 69 makes reference to Condition 70, consent is also sought to delete this condition. Condition 70 is as follows:

70. An Acoustic report shall be prepared by a suitably qualified person in regard to the entrance to the basement garage and the acoustic output of vehicles and the roller door on the amenity of the southern adjoining property. The report shall detail the likely acoustic output and the recommended treatment to ensure there is no adverse acoustic impacts. Such treatment shall be designed to reduce acoustic impacts so that the roller door and traffic movements are no greater than 5db(A) above the ambient background noise when measured at the boundary. The report shall be submitted to Council prior to the issue of the construction certificate and the proposed additional treatment shall be implemented prior to the issue of an occupation certificate.

Applicant's submission:

The applicant submits that Condition 69 (as it relates to the masonry wall along the southern boundary) is unreasonable and has no planning purpose.

The applicant has submitted a report by an acoustic engineer which includes the following recommendations:

- A speed hump shall be provided in the driveway to limit speed to 5km/hour
- The roller shutter door should be supplied with a soft motor to minimise noise emission
- Noise emanating from any plant used by the proposed development (i.e. roller shutter door, air conditioning, mechanical ventilation etc) must not exceed $62 + 5 = 67$ dba to comply with the Environmental Planning and Assessment Regulation
- A lapped and capped timber fence (1.8 metres high) should be erected to minimise noise to neighbouring properties

The applicant has also submitted a report from a structural engineer. The report states the following:

- Soft soil (approximately 500mm in depth) has been used to fill to the southern boundary
- Erection of the strip footing for the proposed brick wall is not supported for the following reasons:
 - The soft soil will cause the brick wall to crack in the future.
 - The area to the southern boundary is filled with soft gravelly silt sand. Due to the soil condition, it would be necessary to provide a very deep strip foundation or pile foundation, which would not be economical to build.
 - The roots of trees will be damaged if we proceed with these footings.
- It is recommended that a 1800mm lapped and capped fence be erected.

In addition, the applicant has provided an arborist's report detailing impacts of the masonry fence on nearby trees. The arborist's report states that there are six (6) camellias located on the subject site and two (2) cypresses and two (2) camellias on No. 273 Mona Vale Road.

The arborist's report concludes that excavations for the footings of the masonry fence will remove significant portions of the root plates of the subject trees. The report recommends that

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consideration should be given to the installation of an alternative type of fence.

With regard to the driveway walls, the applicant has stated that the walls have not been terraced due to construction costs. The applicant submits that the amendment to the walls has not compromised the aesthetics of the development or pedestrian/traffic movements on-site.

CONSULTATION - COMMUNITY

In accordance with Development Control Plan No. 56, owners of surrounding properties were given notice of the application. In response, submissions from the following were received:

1. Mr M. Friedgut – No. 9/277 Mona Vale Road, ST IVES NSW 2073
2. Ms M. O'Mahoney – No. 273 Mona Vale Road, ST IVES NSW 2073

The submissions raised the following issues:

Conditions 69 and 70 are broad and concern a number of issues

The applicant has clarified that the proposed modification relates only to those parts of Condition 69 which concern the masonry fence along the southern side boundary and the retaining walls adjacent to the driveway.

It is noted that some parts of Condition 69 have been amended by previous consents. It is recommended that the condition be updated to reflect these previous amendments. With the exception of these amendments, all other parts of this condition remain unchanged.

The submitted acoustic engineer's report satisfies the requirements of Condition 70. In order to provide more certainty as to which acoustic measures are to be implemented, it is recommended that Condition 70 be deleted and replaced with a more specific condition that makes reference to the recently submitted acoustic engineer's report dated 21 July 2008 (refer Condition 120[a]).

acoustic impacts of garage door on No. 271 Mona Vale Road

The applicant has provided a report, dated 21 July 2008, prepared by an acoustic engineer. The report states that construction of a speed hump and provision of a soft motor, in combination with a 1.8 metres high lapped and capped timber fence will be sufficient to comply with the noise regulations of the Protection of Environmental Operations Act 1997.

visual impact of angled timber lapped and capped fence on adjoining properties

The proposed timber lapped and capped fence is typical of side and rear fencing in Ku-ring-gai. The proposed fence is consistent with the character of the locality and will not have an unreasonable visual impact on adjoining properties.

With regard to No. 273 Mona Vale Road, it is noted that the subject fence adjoins the driveway of this property. As such, it will not have an adverse visual impact on the living rooms or private open space of this property.

With regard to No. 271 Mona Vale Road, the subject fence is adequately set back from the dwelling on this property. Furthermore, it is noted that a submission has not been received from the owner/occupant of this property with regard to the subject application.

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a hebel fence would be preferable

The applicant has provided evidence that a masonry fence would be uneconomical to build, would result in adverse tree impacts and would not result in any additional acoustic benefits to adjoining properties.

Whilst the owner of No. 273 Mona Vale Road would prefer a hebel fence, it would be unreasonable to require this type of fence given that the applicant's alternative (i.e. a lapped and capped timber fence) serves the same planning purpose.

CONSULTATION - WITHIN COUNCIL

Landscaping

Council's Landscape Officer, Stephen Fenn, commented on the proposal as follows:

Tree & vegetation removal & impacts

The first dot point of Condition 69 requires a 1.8 metres high masonry wall to be constructed along the entire length of the sites southern boundary. The condition states that the construction of the wall must be in accordance with the acoustic engineer's recommendation as required by Condition 70.

Only six (6) of the original 14 trees and/or shrubs (mostly Camellias) located along the southern side of the site and shown on the site and roof plan remain on site. Excavation or subsidence due to excavation close to the southern boundary has possibly resulted in the removal of eight (8) of the original trees. An amended landscape plan is required as a condition of MOD0209/08.

A masonry fence is likely to result in adverse impacts to trees T7 (Cupressus species [Cypress]) and T10 (Cupressus macrocarpa 'Brunniana' [Golden Cypress]) which are located within the access handle of No. 273 Mona Vale Road. Construction of a 1.8 metres high lapped and capped timber fence would cause less negative impact to the trees and shrubs located adjacent to the boundary, subject to the fence being built around the trunks of trees T7 and T10 (refer Condition 120[b]) and excavation being undertaken by hand (refer Condition 120[c]).

It is noted that fences along the sites northern (side) and eastern (rear) boundaries are not required to be of masonry construction.

Conclusion

The proposed lapped and capped timber fence will result in fewer tree impacts than the approved masonry fence and is acceptable.

Engineering

Council's Development Engineers Team Leader, Kathy Hawken, commented on the proposal as follows:

Development Engineers would not usually assess either acoustic or structural reports, however the following comments may assist:

An acoustic fence can be constructed from timber. Provided that the fence blocks the line of sight between the noise source and the receiver and is continuous with few, if any, holes, cracks or openings, it should be effective. It is understood that a height of 1800mm is sufficient for this type of application.

It is considered that the lapped and capped fence as specified by the acoustic engineer would provide compliance with Condition 70 of DA0949/03.

Although a masonry wall could be constructed on piers at a cost (access for the equipment may damage the trees, however), there would appear to be no need to use the additional resources if a timber fence can achieve the required objective.

Development Engineers support the proposed modification.

STATUTORY PROVISIONS

Dividing Fences Act 1991

Dividing fences are a civil matter which is dealt with under the Dividing Fences Act 1991. As such, disputes relating to dividing fences are dealt with by the Local Court.

Given these parameters, it is no longer common practice for Council to impose conditions of consent requiring a particular type of dividing fence. Furthermore, it is noted, that whilst Council may have given consent to a fence on the southern property boundary, any dividing fence is still subject to the Dividing Fences Act.

Environmental Planning and Assessment Act 1979

Section 96 Assessment

Under section 96(1) of the Environmental Planning and Assessment Act, Council may modify the consent if it is satisfied that:

Part 1A(a): The proposed modification is of minimal environmental impact

The proposed modification will result in minimal environmental impacts to the streetscape and adjoining properties.

Part 1A(b): The modified consent will result in substantially the same development

The application for modification does not change the character of the proposal. The proposal as modified is substantially the same development as that approved.

Part 1A(c): It has notified the application

The proposed section 96 modification has been notified in accordance with the provisions of

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Council's DCP 56.

Part 1A(d): It has considered submissions made concerning the proposed modification

All submissions received have been considered in the assessment of this application.

Part 3: It has taken into consideration the matters referred to in section 79C as are relevant to the subject application

The heads of consideration under section 79C of the Environmental Planning and Assessment Act are addressed as follows:

Section 79C Assessment

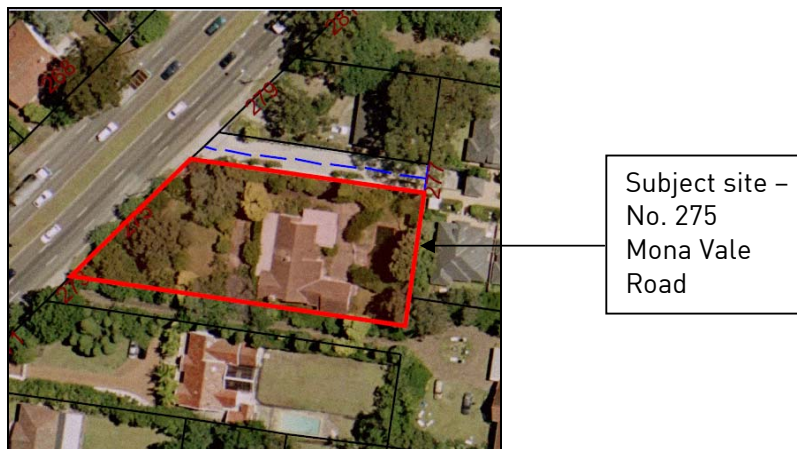
The modifications the subject of this application have been considered against the relevant Environmental Planning Instruments, Development Control Plans and other Council Codes, as follows:

Proposed modification No. 1: Replace masonry fence with timber lapped and capped fence

Compliance with SEPPs	Compliance with KPSO	Compliance with DCPs	Maintains residential amenity	Compliance with s.79C EPAA 1979
YES	YES	YES	YES	YES

The applicant has submitted that a masonry fence would be uneconomical to build, would result in adverse tree impacts and would not result in any acoustic benefits to adjoining properties.

The property owner at No. 273 Mona Vale Road has stated that they would prefer the fence to be constructed from masonry or hebel for aesthetic reasons. Nonetheless, it is noted that the subject fence is adjacent to the driveway of this property and is not adjacent to any living rooms or areas of private open space (see Photograph 1). For this reason, and considering the evidence provided by the applicant, it is considered unreasonable for Council to insist on a masonry fence.



Photograph 1: Aerial photograph of subject site and adjoining properties

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In order to ensure the proposed development does not result in any unreasonable noise impacts to adjoining properties, it is recommended that the consent be conditioned to require compliance with the recommendations of the acoustic engineer’s report dated 21 July 2008 (refer Condition 120[a]).

Proposed modification No. 2: Amendment to driveway walls

Compliance with SEPPs	Compliance with KPSO	Compliance with DCPs	Maintains residential amenity	Compliance with s.79C EPAA 1979
YES	YES	YES	YES	YES

At the time of site inspection, the proposed amendment to the driveway walls had been constructed (see Photographs 2, 3 and 4). Council’s Landscape Officer has advised that the amendment to the wall does not alter fill levels in the vicinity of any significant trees and is therefore acceptable. Given that no changes to fill levels are proposed, Council’s Development Engineer has also advised that there are no additional engineering requirements regarding the structural adequacy of the walls.

Further, the height and appearance of the walls are typical of excavated driveways and have an acceptable visual impact on the streetscape.



Photograph 2: View of driveway retaining walls from western (front) boundary

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Photograph 3: View of driveway retaining wall and southern (side) boundary



Photograph 4: View of southern (side) boundary and western (front) boundary

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LIKELY IMPACTS

The proposed amendments will not result in any unreasonable visual impacts to adjoining properties. Subject to compliance with Condition 120(a), the proposed development will not result in any adverse acoustic impacts to adjoining properties.

SUITABILITY OF THE SITE

The site is zoned for residential use and is suitable for the proposed development, being amendments to an approved residential development for seniors or people with a disability.

ANY SUBMISSIONS

All submissions received have been considered in the assessment of this application.

PUBLIC INTEREST

The approval of the application is considered to be in the in the public interest.

CONCLUSION

Having regard to the provisions of Sections 96 & 79C of the Environmental Planning and Assessment Act 1979, the proposed development is satisfactory. Therefore, it is recommended that the application be approved.

RECOMMENDATION

THAT Council, as the consent authority, approve MOD0307/08 to modify development consent to DA0949/03 for Demolition of dwelling and construction of a SEPP 5 development on land at No. 275 Mona Vale Road St Ives, for a period of two (2) years from the date of the Notice of Determination subject to the following conditions:

The following condition is to be amended as follows:

69. The plans shall be amended to indicate the following:

- A lapped and capped timber fence to a height of 1800mm is to be provided along the whole length of the southern boundary. The fence should be stepped in height upon its approach to the front boundary to match the height of the wall along this boundary. The construction of the wall is to be in accordance with the acoustic engineer's recommendation as required in Condition No. 120(a).

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- The waste management facility is to be designed in accordance with Council's DCP 40 and have sufficient space for the quantity of waste generated and to promote source separation of materials (eg recyclables).
- The garbage collection area shall allow a Council truck to enter the site, access the garbage collection area and leave the site in a forward direction.
- Deletion of the external garbage storage area and provision of soft landscaping including large shrubs or trees capable of attaining a height of between 2-4m at maturity along the front boundary. The soft landscaping shall form part of the common property.
- Protrusion of the lobby entrances further south by 1m.
- Provision of adjustable louvres or awning to east facing window.
- Relocation of the driveway in the position indicated on the master landscape plan submitted to Council on 27 November 2003 and prepared by Peter Glass & Associates.
- Relocation of the rear retaining wall 4.0m from the rear boundary.

Details shall be submitted to the satisfaction of the Principal Certifying Authority prior to issue of the Occupation Certificate.

The following condition is to be deleted:

Condition 70.

The following additional condition is imposed:

CONDITIONS TO BE COMPLIED WITH PRIOR TO OCCUPATION

Acoustic engineer's report

120(a) In order to maintain neighbour amenity, the recommendations stated in the acoustic report by *Far West Consulting Engineers* dated *21 July 2008* are to be completed to the satisfaction of the Principal Certifying Authority, prior to issue of the Occupation Certificate.

Reason: Residential amenity.

Fence construction around trees

120(b) The 1.8 metres high lapped and capped timber fence shall be constructed around the trunks of the 2 *Cupressus species* (Cypress) located within the access handle of No. 273 Mona Vale Road.

Reason: To protect existing trees.

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Hand excavation

120(c) All excavation within the specified radius of the trunk(s) of the following tree(s) for fence pier holes shall be hand dug:

Schedule No/Tree/location	Radius from trunk
1 – 6/ <i>Camellia sasanqua</i> (Chinese Camellia)/ Towards the western end of the site's southern boundary.	2 metres
7/ <i>Cupressus species</i> (Cypress)/Adjacent to the centre of the northern boundary of No. 273 Mona Vale Road's access handle.	3 metres
8 & 9/ <i>Camellia japonica</i> (Japanese Camellia)/ Adjacent to the northern boundary of the access handle of No. 273 Mona Vale Road.	2 metres
10/ <i>Cupressus macrocarpa 'Brunniana'</i> (Golden Cypress) /Adjacent to and near the eastern end of the northern boundary of the access handle of No. 273 Mona Vale Road.	3 metres

Reason: To protect existing trees.

B Pendlebury
Senior Development Assessment Officer

R Kinninmont
**Team Leader
Development Assessment - Central**

C Swanepoel
**Manager
Development Assessment Services**

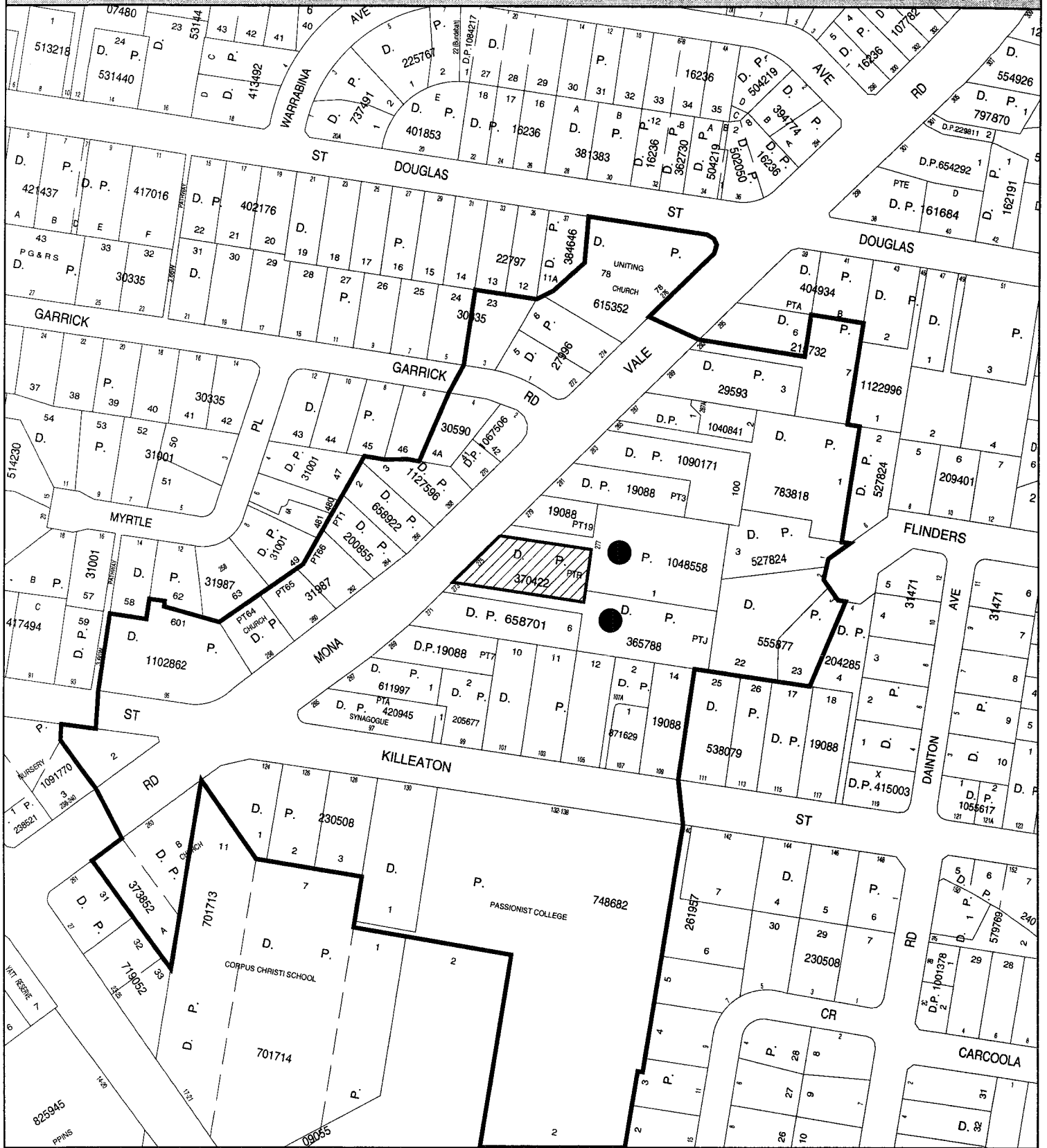
M Miocic
**Director
Development & Regulation**







Attachments: **Location Sketch – 2008/016247
Zoning Extract – 2008/016247**

LOCATION SKETCH

275 Mona Vale Road, ST IVES

DEVELOPMENT APPLICATION No MOD 037/08



	AGREEMENT		PETITION
	OBJECTION		SUBMISSION
	SUBJECT LAND		CIRCULATED AREA



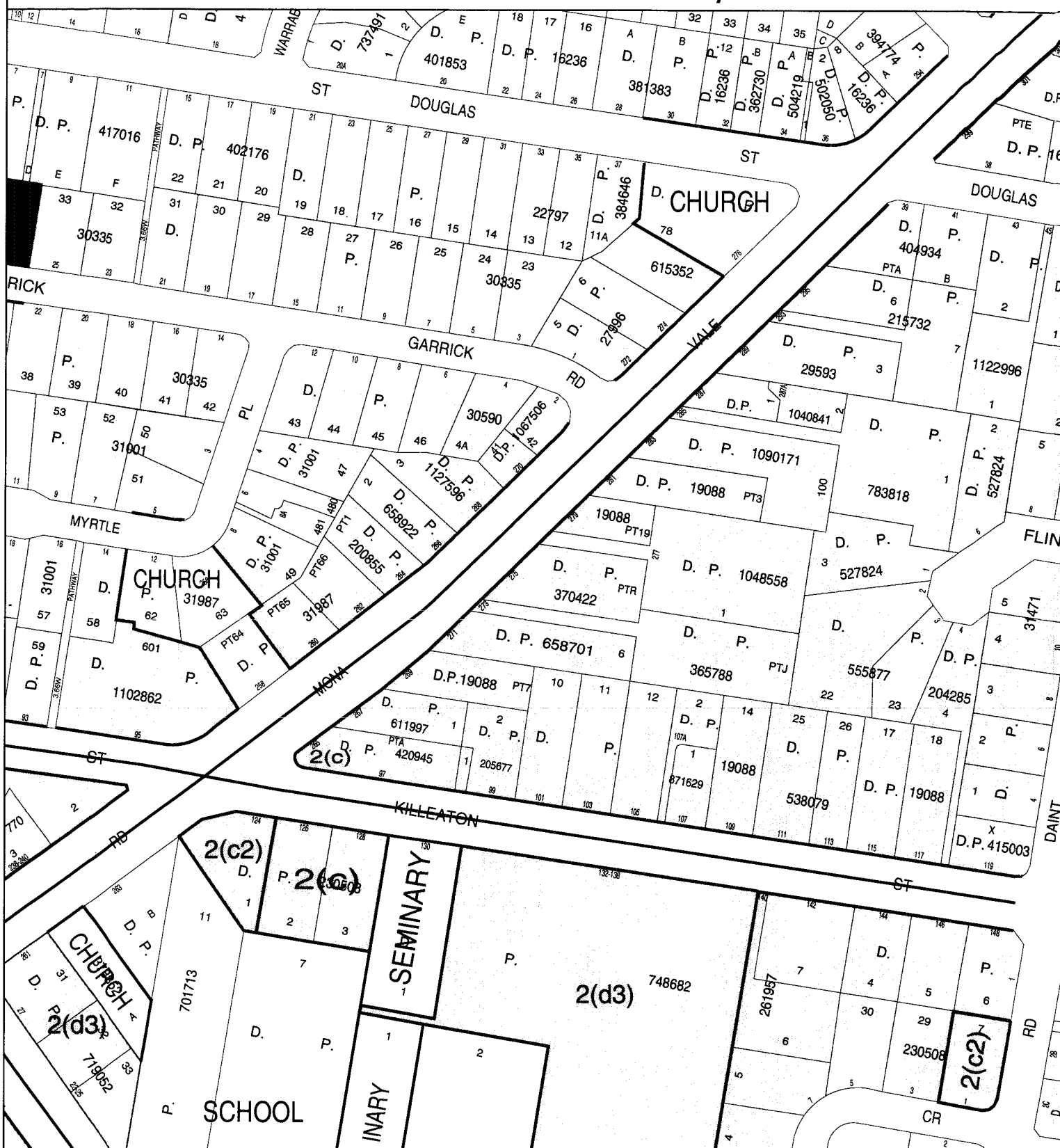
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Zoning Extract

275 MONA VALE RD ST IVES DA MOD 0307/08



ZONES			RESERVATIONS		GENERAL			
2. RESIDENTIAL (a) RESIDENTIAL A (b) RESIDENTIAL B (c) RESIDENTIAL C (c1) RESIDENTIAL C1 (c2) RESIDENTIAL C2 (d) RESIDENTIAL D (d3) RESIDENTIAL D3 (e) RESIDENTIAL E (f) RESIDENTIAL F (g) RESIDENTIAL G (h) RESIDENTIAL H			3. BUSINESS (a) RETAIL SERVICES FLOOR SPACE RATIOS A1 2.0:1 A2 1.0:1 A3 0.75:1 (b) COMMERCIAL SERVICES FLOOR SPACE RATIOS B1 1.0:1 B2 1.0:1		5. SPECIAL USES (a) SPECIAL USES A (Schools etc) (a1) SPECIAL USES A1 (b) SPECIAL USES (Railway) 6. OPEN SPACE (a) RECREATION EXISTING (b) RECREATION PRIVATE (c) RECREATION PROPOSED		OPEN SPACE (a) OPEN SPACE (Public Parks & Recreation) (b) COUNTY OPEN SPACE SPECIAL USES SPECIAL USES (Parking etc) ROADS (a) COUNTY ROAD PROPOSED (b) COUNTY ROAD WIDENING (c) LOCAL ROAD PROPOSED (d) LOCAL ROAD WIDENING	GENERAL EXISTING COUNTY ROAD OTHER PLANNING INSTRUMENTS Scale: 1:2500 Date: 01-10-2008

POLICY ON PRIVATE USE OF ROAD RESERVES

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

For Council to adopt the policy for the Private Use of Road Reserves.

BACKGROUND:

Council resolved to adopt the draft policy and place the draft on public exhibition. Prior to going on exhibition, there were a number of minor amendments suggested by several Councillors and these amendments were then circulated to all Councillors.

COMMENTS:

The policy was placed on public exhibition during July 2008 and no submissions were received by Council during or after the exhibition period.

Section 139 of the Roads Act 1993, requires Council to approve structures on the road reserve. The road reserve is essentially the area between property boundaries and includes the verge or nature strip area.

RECOMMENDATION:

That Council adopts the policy for the Private Use of Road Reserves as attached.

PURPOSE OF REPORT

For Council to adopt the policy for the private use of road reserves..

BACKGROUND

At Council's meeting of 10 June 2008, Council considered a report and draft policy on the private use of Council's road reserve and nature strips.

Council resolved to adopt the draft policy and place the draft on public exhibition. Prior to going on exhibition, there were a number of minor amendments suggested by several Councillors and these amendments were then circulated to all Councillors.

The draft policy was placed on public exhibition in late June until 25 July 2008 with notices in the local papers and also on Council's web site.

COMMENTS

The draft policy was placed on public exhibition and submissions closed on 25 July 2008. No submissions were received on the draft policy.

The purpose of the **attached** policy is to provide guidance to residents on Council's requirements for private works on road reserves and nature strips.

Section 139 of the Roads Act 1993, requires Council to approve structures on the road reserve. The road reserve is essentially the area between property boundaries and includes the verge or nature strip area. There are a number of areas where residents have used the nature strip or road reserve for landscaping or installed structures such as retaining walls. Some residents have done so with Council approval and others without Council approval. The policy will provide residents with guidance on what Council will allow and also provide Council with the necessary powers should structures be installed without Council approval.

CONSULTATION

The draft policy was placed on public exhibition in July 2008.

FINANCIAL CONSIDERATIONS

Not applicable

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Consultation has taken place with staff from Operations, Strategy and Corporate Departments on this policy.

SUMMARY

At Council's meeting of 10 June 2008, Council resolved to place the draft policy for the private use of the road reserve on public exhibition.

The policy was placed on public exhibition during July 2008 and no submissions were received by Council during or after the exhibition period.

RECOMMENDATION

That Council adopts the policy for the Private Use of Road Reserves.

Greg Piconi
Director Operations

Attachments: **Policy on the Private Use of Road Reserves and Nature Strips - 929149**

Ku-ring-gai Council

Private Use of Road Reserves and Nature Strips

1. Purpose

The purpose of this policy is to control the use of private works in the road reserve and nature strips under the *Local Government Act 1993* and the *Roads Act 1993* or any other Act.

This policy applies to the whole Ku-ring-gai Local Government Area.

The policy applies to all new and existing structures located on public road reserve, it being noted that since the commencement of the *Roads Act 1993*, permanent structures may not be authorised on any land but purchased land.

The General Manager shall have discretion to waive the requirements of this policy only in the circumstances of very minor encroachments.

2. Objectives

The objectives of this policy are:

1. To permit use of Public Land (dedicated public road reserve) by private property owners on a uniform basis and in compliance with the *Local Government Act 1993* and the *Roads Act 1993*.
2. To provide guidelines and conditions on the permitted use of Council owned assets for private purposes.
3. To reduce Council's exposure to risks associated with the use of public land by formal tenure/occupation by consent to define responsibilities.

Doc distribution	Internal and external	Doc status	Draft	File No	S03467/929149
Document owner	General Manager	Contact officer/s	General Manager		
Approval date		Approved by			
Effective date		Review period	3 years	Review date	
History of approved versions					
Version	Effective date	Summary of changes			
1.0		Original			

3. Definitions

In this policy:

Area means the Ku-ring-gai local government area

Road Reserve means any land that is dedicated or declared as public road including nature strips.

Nature strips means the section of the road reserve between the property boundary and the edge of the road.

Permanent Structure means

- Any structure that Council deems to have an effective life of more than five years
- Requires significant structural and site works, eg retaining walls or suspended slab
- Is not readily able to be removed and the disturbed area would be difficult to restore
- Associated with a condition of consent for car parking to allow occupation of the main dwelling on the adjoining land

Examples:

- Car stands requiring significant structural and site works
- Inclinator providing pedestrian access
- Boundary fences and walls

Temporary Structure means

- Any structure that has an effective life of less than five years
- Does not require significant structural works
- Easily removed and area easily reinstated
- Not associated with a condition of consent for car parking to allow occupation of the main dwelling on the adjoining land.
- A temporary structure for the purpose of construction of a building that may require a hoarding or other temporary structure.

Examples:

- Timber or rock retaining walls or garden beds

Existing Encroachments

Where it is found that an adjoining owner has an existing encroachment upon a road reserve and the encroachment is found to be of a significant nature, then staff shall notify Councillors of the encroachment. Councillors have ten working days following an official inspection to request that the matter be called to Council for consideration. Should the notifying officer not be requested to bring

this matter to Council then the matter shall be referred to Council's General Manager.

Either Council or the General Manager shall determine whether to:

- a. allow the encroachment to remain, at Council's discretion, without the requirement to purchase or lease the road reserve because the encroachment is considered to be so minor that purchase or lease is not warranted, or
- b. issue an order for the encroachment to be removed.

Any decision by Council or the General Manager to take no action does not formalise the encroachment nor does it constrain Council from taking some other action in the future.

It is the encroaching owner's responsibility to provide a survey from a registered surveyor to define the encroachment(s) and the area of the encroachment(s) and to take out any necessary public liability insurances over the Council road reserve land.

Any purchase of public road shall be subject to the provisions of Part 4 – Closing of Public Roads of the *Roads Act 1993* which includes obtaining the necessary Ministerial consent. Any lease of public road shall be subject to the provisions of Part 10, Division 2 – Short term leases of unused public roads – Other Road Management Functions of the *Roads Act 1993*.

For the purpose of this policy, an "encroachment" is defined as either or both:

- (i) An enclosure by fencing and does not impede pedestrian access.
- (ii) An encroachment of a permanent structure with a total area of up to 8m² including but not limited to a carport or garage or car stand area and does not impede pedestrian access.

Landscaping or Tree Planting

Landscaping or tree planting means the planting of vegetation or trees in the road reserve or on the nature strip.

4. Legislation

Consent to Occupy for Temporary Structures on Road Reserves under Section 139 of the *Roads Act 1993*.

Council will, where appropriate consider issuing consent under Section 139 of the Roads Act 1993 for the occupation of a temporary structure on road reserve subject to:

- A specific application being made to Council with the application fee as set in Council's fees and charges and being paid prior to Council's formal agreement to consent.
- An application form for Consent under Section 139 of the *Roads Act 1993* is attached to this Policy as **Appendix 1**.
- That should Section 139 consent be granted to the applicant for the subject property, the applicant must comply with all covenants and conditions at all times otherwise this consent will be withdrawn by Council.
- Standard conditions for Consent under Section 139 of the *Roads Act 1993* are attached to this Policy as **Appendix 2**.
- The standard conditions of this Consent may be varied as required by Council as Roads Authority for each individual site as required.
- The General Manager has delegated authority and discretion in approving consents under Section 139 of the *Roads Act 1993* over road reserves for minor encroachments and minor landscaping works only.

5. Exceptions

Permanent structures in this policy does not include the installation of facilities or infrastructure for public utility authorities such as the provision of services by telecommunication carriers or utility service providers.

This policy does not permit the parking of vehicles on the road reserve or nature strip and prohibitions relating to this practice are covered under the *Road Transport Act 1999*.

The placement of road side memorials is covered under Council's Traffic and Transport Policy.

6. Landscaping Alterations to the Road Reserve or Nature Strip

Council may allow property owners to improve and maintain the portion of the road reserve or nature strip that adjoins their property for landscaping and tree planting works.

In order to be considered exempt from any Section 139 consent requirements under the provisions of this policy, a proposal for landscaping of a portion of the road reserve must comply with the following essential terms:

- Proposals must not alter the current topography of the road reserve.
- All vegetation to be planted in the road reserve or nature strip must be approved by Council in accordance with Council listed species.
- The area to be improved must not be used for any purposes other than landscaping of the road reserve or nature strip, to enhance the existing streetscape aspect of the area.
- The landscape works must not represent an obstacle or an obstruction of any nature to the adjoining property owners and/or users of the road, including pedestrian access.

Any landscape proposal outside of these guidelines will require a formal Section 139 consent.

Any planting of trees in the road reserve will require a formal Section 139 consent and Council will only permit listed species to be planted.

An application under this policy, must provide a suitable site plan showing the area to be landscaped including full details on the proposed treatment, such as retaining walls, features and the name of the plants to be used.

All applications are subject to Council approval in accordance with the Policy on Private Use of Road Reserves and the following conditions:

- The structure must be maintained for the life of the structure to the satisfaction of Council by the owner of the property benefiting from the structure.
- Council reserves the right to demolish and remove all or any part of the structure at any time without compensation to the owner if the land is required for public use and if the owner fails to maintain the structure in a safe condition.
- Subject to Council approval of the structure, the owner is to contact all utility authorities to seek and obtain permission for the structure. Council will not guarantee restoration of the structure or works for any utility authority work undertaken.
- Any structure on the road reserve shall not impede pedestrian access and should provide a minimum clearance width of 1.2 metres and this width shall be maintained at all times by the owner.

7. Leasing of Road Reserve

Council may require the leasing of a portion of the road reserve for private use for temporary structures only. In circumstances where an applicant wishes to erect a temporary structure on a portion of a road reserve, the applicant is required to complete Appendix 1 and submit the application to Council together with detailed drawings of the temporary structure. The matter will then be referred to Council for determination of any leasing arrangements and conditions of consent.

8. Road closures

Council will not normally permit the erection of permanent structures on the road reserve with the exception of driveways and access crossings unless authorised by Council. Where a permanent structure is permitted by Council, consideration will be given to a road closure application and if approved by Council, the land is to be purchased from Council. The road closure application and sale of land will be subject to:

- An application to Council with the appropriate fees being paid by the applicant to process the application.
- That all objections to the proposal have been fully considered by Council
- That approval has been given by the Minister for Lands
- That the land being sold at a price which reflects its current market value to be established by a registered valuer appointed by Council.
- That all costs associated with actions to dispose of public road are to be borne by the purchaser.
- No structure is to be built or erected until title is transferred.
- That funds obtained from the sale of road reserves be used in accordance with the provisions of Section 43 of the *Roads Act 1993*, that is, for acquiring land for roads or for carrying out road works.

9. Implementation

The implementation of this policy is the responsibility of the General Manager and the Director Operations.

10 Associated documents

Codes, Policies and Legislation

Outdoor Dining and Footpath Trading Policy
Traffic and Transport Policy
Road Transport Act 1999

APPENDIX 1

APPLICATION FOR CONSENT FOR STRUCTURE
TO OCCUPY ROAD RESERVE UNDER

Section 139, Roads Act 1993

Property Address:

Property Owner:

Applicant (if other than owner):

Contact details (Ph, Fax, Mobile):

Comments to support Application:

Property Owner's/Applicant's
Signature

Date

PLEASE READ THE ATTACHED NOTES ON FOR INSTRUCTIONS AND
INFORMATION ON THIS APPLICATION FOR CONSENT

APPENDIX 2

CONSENT UNDER SECTION 139 OF THE ROADS ACT 1993

NOTATIONS

This Consent is granted pursuant to Part 9 Division 3 of the Roads Act 1993.
The Council consents to the Applicant (.....) using the land, as marked on the attached survey prepared by (.....), being Council owned road reserve,
For (.....).

In accordance with Section 140 of the *Roads Act 1993*, the Council can revoke this consent at any time and for any reason by serving a written notice on the Applicant. If the Council revokes this consent, the Applicant will remove, at the Applicant's own expense any building, structures, fences or improvement erected on the land and make good all damage done to the land and/or the public road. If the Applicant fails to do so, then Council may do such work as it deems necessary and the cost incurred shall be paid by the Applicant to the Council and all materials removed from the land will be the property of the Applicant.

MATTERS TO BE SATISFIED PRIOR TO THE RELEASE OF THE CONSENT

PRESCRIBED CONDITIONS

The applicant is to pay Council the prescribed fee. The fee is to be paid within 28 days of the endorsement date of this consent. The amount is to be adjusted annually in accordance with Council's Fees and Charges.

The Applicant will pay the relevant authorities all water rates, excess water, meter rents, Council rates and land tax should the land the subject of this consent be or become rateable or taxable. If the Applicant fails to make these payments, Council may make the payments and recover the sum paid from the Applicant after written notice.

The Applicant will not do any of the following:

- (a) use the land other than for (.....);
- (b) use the land or any part thereof for any offensive or unlawful purposes;
- (c) keep anything on the land which may conflict with the laws or regulations relating to fires or store any chemicals or burning fluids and
- (d) paint, affix or erect on any part of the land any signs or advertisements without Council's prior written consent.

The Applicant shall at all times keep the land and all improvements, fixtures and fittings on it clean and safe condition.

The Applicant shall duly comply with and observe all notices received from any statutory or public authority relating to the land or the nature or use carried out on it and will comply with the requirements of such notices at their own expense.

The Applicant is liable for and indemnifies Council against all losses, damages, costs, expenses and other liabilities arising from or incurred in connection with:

- (a) damage, loss, injury or death caused by the act of negligence or default of the Applicant or of the Applicant's employees and agents or by faulty fittings or fixtures brought upon or affixed to the land by the Applicant; and
- (b) Council doing anything which the applicant must do under this consent but has not done or has not done properly.

The Applicant releases Council from, and agrees that Council is not liable for, any losses, damages, costs, expenses or other liabilities arising from or incurred in connection with:

- (a) damage, loss, injury or death unless it is caused by the Council's act, negligence or default; and
- (b) anything the Council is permitted or required to do under this consent.

Each indemnity is independent from the Applicant's other obligations and continues during the consent and after it is revoked. The Council may enforce an indemnity before incurring expense after written notice.

No act, matter or thing whatsoever shall at any time be done upon the land which shall create nuisance, grievance, damage or disturbance of the occupiers or owners of the properties adjoining the land.

Any damage caused to:

- (a) any property or person; or
- (b) any part of the road or public places including the road surfaces, footpaths, kerbing, guttering, drains, gullies or other constructions vested in or under the control of Council,

by reason of any work done by the Applicant shall be made good by the Applicant to the satisfaction of Council after written notice and if the Applicant fails to do so then Council may make good such damage and

the cost incurred in so doing shall be paid by the Applicant to the Council.

If Council does any work under this consent and the costs of that work are payable by the Applicant, a certificate from an engineer for the Council duly served shall be final and conclusive as to the cost of the work.

The Applicant shall not knowingly permit the sale of any goods on the land.

The Applicant must maintain public liability insurance coverage to protect the Council against any claim arising for damages throughout the term of the consent. A copy of the relevant documentation must be provided to Council.

Council may enter and inspect the land when Council may require and advise the applicant.

Council's right to enter and repair after written notice shall extend to affecting all repairs, painting, cleaning or other work which it shall deem expedient.

Notwithstanding any implication or rule of law to the contrary Council, shall not be liable for any damage or loss the Applicant may suffer by the act, default or neglect of any other person or by reason of Council neglecting to do something to the land which as between the Council and Applicant it might be legally liable to do.

ANNUAL TENDER FOR SUPPLY, SUPPLY & DELIVERY AND SUPPLY, DELIVERY & LAYING OF ASPHALTIC CONCRETE

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To seek Council's approval to accept the NSROC tender for the schedule of rates for the supply, supply and delivery and supply, delivery and laying of asphaltic concrete, including the associated road profiling and heavy patching works for the period 2008/09.

BACKGROUND:

Tenders for the supply, supply and delivery and supply, delivery and laying of asphaltic concrete were called by NSROC in June 2008 on behalf of all member Councils.

COMMENTS:

Tenders received for 2008/09 resulted in Downer EDi Works being the preferred candidate for supply, delivery and laying of asphalt concrete and A J Paving being the preferred candidate for heavy patching for Ku-ring-gai Council.

RECOMMENDATION:

That the tender rates be accepted, tenderers be advised of Council's decision and that the Common Seal be affixed to the contract.

PURPOSE OF REPORT

To seek Council's approval to accept the NSROC tender for the schedule of rates for the supply, supply and delivery and supply, delivery and laying of asphaltic concrete, including the associated road profiling and heavy patching works for the period 2008/09.

BACKGROUND

Tenders for the supply, supply and delivery and supply, delivery and laying of asphaltic concrete including the associated road profiling and heavy patching works were recently called by the Northern Sydney Regional Organisation of Councils (NSROC) and were closed on 24 June 2008.

Although the tender was called by NSROC, each Council will enter into individual contracts with the successful tenderer(s).

Tenders were received from the following ten (10) companies:

1. Downer Edi Works (formerly Works infrastructure Pty Ltd)
2. Sharpe Bros. Aust. Pty Ltd
3. A J Paving
4. SRS Roads
5. Boral Asphalt
6. Pioneer Road Services Pty Ltd
7. Roadworx
8. State Asphalt Services Pty Ltd
9. Fulton Hogan
10. D & M Excavation
11. Ellis Profiling

Some companies did not bid for supply, supply and delivery and supply, delivery and laying of asphaltic concrete but did submit bids for profiling and heavy patching works.

COMMENTS

The tenders have been assessed by a tender review committee consisting of staff from Corporate and Operations Departments. Downer EDi Works has provided the lowest tender for supply, supply and delivery and supply, delivery and laying of all types of asphalt which Council predominantly uses for both capital works and day labour works.

Downer EDi Works has provided the lowest tender for profiling works to a depth of 40 mm and 50mm for the area more than 500 square metres and Boral Asphalt has quoted lowest rate for profiling to a depth more than 50mm. The projects that require profiling depth more than 50mm are normally undertaken under Regional Roads and Roads to Recovery. However, Council has completed these projects for 2008/09 at the 2007/2008 schedule of rates. Most of the remaining projects in the 2008/09 Program require profiling depth of either 40 mm or 50mm with area of more than 500 square metres.

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Downer Edi Works, formally Works Infrastructure has been the primary contractor for the last five years and the annual programs were completed ahead of schedule. Their performance and quality standards are the best of all the companies that tendered and they have a reputation across Sydney as the most reliable and skilled of all the companies.

Considering all the above, it is recommended that Downer EDi Works be the primary contractor for the supply, supply and delivery and supply, delivery and laying of asphaltic concrete and associated profiling works.

Pioneer Road Services has provided lowest tender for the supply ex-bin and supply and delivery of coldmix to Council's day labour works.

For heavy patching, A J Paving is the lowest tenderer and Downer Edi Works has provided the second lowest tender. It is considered that A J Paving be the preferred contractor for heavy patching and it is recommended that Downer EDi Works be used as an alternate contractor in the event that A J Paving does not meet the performance standards or cannot undertake the allocated work.

CONSULTATION

Consultation has taken place with other NSROC Councils for the preparation of the tender.

FINANCIAL CONSIDERATIONS

The rates submitted will be utilised to undertake the majority of works under the 2008/2009 Road Pavement Program for local and regional roads which has been adopted by Council.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Consultation has taken place with staff from the Corporate Section.

SUMMARY

Downer EDi Works and A J Paving are proposed to be the primary contractors for 2008/2009 for supply, delivery and laying of asphalt concrete and associated profiling and heavy patching respectively. It should be noted that Downer EDi Works, formally Works Infrastructure has been the primary contractor for the last five years and has carried out works in a professional manner and has completed works always ahead of schedule. It is also proposed that Boral Asphalt will be the alternate supplier of asphalt concrete in the event that Downer Edi Works is unable to meet the performance standard or supply timeframes.

RECOMMENDATION

- A. That the tender rates submitted by Downer EDi Works for supply, supply and delivery and the supply, delivery and laying of asphaltic concrete and associated road profiling

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works for 2008/2009 be accepted as the primary supplier and Boral Asphalt as an alternate supplier, if Downer Edi Works is unable to supply or satisfactorily perform.

- B. That the tender rates submitted by A J Paving for heavy patching for 2008/2009 be accepted and Downer EDi Works as an alternate contractor, if A J Paving does not meet the performance standard.
- C. That the tenderers be advised of Council's decision.
- D. That authority be given to the Mayor and General Manager to affix the Common Seal of the Council to the instrument for the Contract for the Supply, delivery and Laying of Asphaltic Concrete and associated specifications.

Alexx Alagiah
Pavements & Assets Engineer

Greg Piconi
Director Operations

Attachments: **A. Confidential - Schedule of Rates submitted by all Tenderers - circulated separately**
 B. Confidential - Memorandum from Tender Evaluation Committee - circulated separately

CAPITAL WORKS & MAJOR PROJECT BUDGET REVIEW

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To seek the approval of Council to amend the capital works budget for 1: the purpose of incorporating projects funded by approved external grants, community club contributions and section 94 contributions funding, and 2: including the notification of budget transfers funded from the Environmental Levy.

BACKGROUND:

At the Ordinary meeting of 26 February 2008 Council resolved to require a separate report on any project exceeding in budget by 20% or \$20,000. The effect of this resolution among other matters is to require a formal resolution of Council to accept external grant funding sources that complement existing or propose new projects as part of the capital works or change to major project lists as adopted.

COMMENTS:

The capital works program as adopted by Council within the 2008/09 Management Plan excluded a number of grant and section 94 funding sources within the identified project list. This report seeks the resolution of Council to change the adopted capital works budget by incorporating externally funded and section 94 funded projects and to transfer the budget funded from the Environmental Levy (noting there will be no change to the overall Environmental Levy budget).

RECOMMENDATION:

That Council both approve the change to the capital works and major projects budget for 2008/09 and Environmental Levy transfers as listed in this report. Further, future variations to budget as a consequence of additional income such as external grants, community club contributions and section 94 funded projects be reported within the quarterly budget review process, rather than by separate report to Council.

PURPOSE OF REPORT

To seek the approval of Council to amend the capital works budget for 1: the purpose of incorporating projects funded by approved external grants, community club contributions and section 94 contributions funding, and 2: including the notification of budget transfers funded from the Environmental Levy.

BACKGROUND

At the Ordinary meeting of 26 February 2008 Council resolved that any changes to budget over \$20,000 or 20%, staff would provide a report to Council.

This resolution requires, in effect, to inform and seek a formal resolution of Council to accept any external grant funds (subject to the per cent or dollar amount variations), community club contributions and section 94 funds that complement existing projects and fund new projects that form part of the capital works program as adopted by Council.

The Environmental Levy program team and capital works planning team have reviewed the funding allocation for a number of projects and have determined a more realistic estimation of costs. This would involve reducing the number of stormwater harvesting projects to allocate further funding to the Comenarra Playing Fields upgrade and the Lindfield Soldiers Memorial Oval upgrade. To achieve sufficient funds two project lines require a budget transfer of more than \$20,000, hence the need to inform and seek a formal resolution.

COMMENTS

Capital Works and Major Projects

The capital works and major project program for 2008/09 as adopted by Council on 24 June 2008 excluded the funding contribution on a number of projects from various external sources, such as grants and community club contributions and section 94 funds. Projects that have received grant funding that were not identified in the adopted Management Plan are included in Table 1. It is recommended that these be incorporated within the 2008/09 budget.

Table 1 Additional approved grant funded projects for incorporation in 2008/09 capital works and major projects program.

Description or works	Council program	Funding source	Variation to 2008/09 budget
Construction of new section of fire trail in partnership with Council around Frog Hollow, North Wahroonga	Fire management	NSW Rural Fire Service local government fire mitigation fund	\$60,000
Education, sediment control and track work within Browns Forest as a critically endangered ecological community demonstration site	Biodiversity	Natural Heritage Trust	\$10,307

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Water sensitive urban design retrofit and stormwater harvesting for Lofberg Oval and catchment	Sportsfields	NSW Environmental Trust	\$250,000
Development of community landcare program	Community Partnerships	NSW Government Sustainability Trust	\$30,000
Construction of a stormwater harvesting scheme at Cliff Oval	Sportsfields	Australian Government Community Water Grant	\$41,818
Installation of a gross pollution control trap at Bicentennial Park to link with Lofberg Oval stormwater harvesting	Sportsfields	Australian Government Community Water Grant	\$11,363
Auluba 1 & 2 Oval floodlights	Sportsfields	NSW Department of Sport & Recreation Capital Assistance Program grant	\$30,000
Turrumurra Memorial Park and Karuah Park fitness circuit	Parks Development	NSW Department of Sport & Recreation Capital Assistance Program grant	\$21,000
Fencing of St Ives Showground cattle rings for dog training – completed	Fencing & Parking Areas	Northern Suburbs Dog Training Club	\$12,000
W.A Bert Oldfield Oval (Killara Park) reconstruction of turf wicket area	Sportsfields	Cricket NSW grant	\$40,000
From waste water to valuable water – St Ives Vegetation Tip	Public facilities program	DECC	\$488,600
A partnership for sharing alternate water supply – Roseville Golf Course	Public facilities program	DECC	\$112,900

Should Council not support the inclusion of these grant projects in the capital works program it will be necessary to inform the grant funder or contributor and either renegotiate a new timeframe for the project and/or return the grant in whole and/or any unspent funds. In some cases this will require a review of other capital works projects as many rely on the complementary funding to deliver projects, such as stormwater harvesting schemes linked to sports ground refurbishments.

In addition to grant projects there is an additional six section 94 funded projects which are part of the adopted 2004-2009 Section 94 Contributions Plan that are planned for commencement in 2008/09. These were mentioned within various reports to Council as part of the draft Management Plan though were excluded from the final 2008/09 capital works and major projects program as adopted on 24 June 2008. Table 2 provides details of the projects that will have an increase in budget for the 2008/09 financial year in response to the adopted section 94 plan.

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Table 2 Additional section 94 funded projects for incorporation in 2008/09 capital works and major projects program.

Description or works	Council program	Funding source	Variation to 2008/09 budget
St Ives Village Green BMX Bike and skate park upgrade as part of masterplan	Parks Development	Section 94 Contributions Plan 2004-2009	\$100,000
Two Turners Reserve, Lindfield – new playground	Playgrounds	Section 94 Contributions Plan 2004-2009	\$109,455
Two Turners Reserve, Lindfield – landscape works associated with playground upgrade	Parks Development	Section 94 Contributions Plan 2004-2009	\$26,000
Turrumurra Memorial Park – new playground, shelter and toilets as part of masterplan	Parks Development	Section 94 Contributions Plan 2004-2009	\$125,000
Paddy Pallin Park – recreational trail	Parks Development	Section 94 Contributions Plan 2004-2009	\$14,400
Sheldon Forest to Rofe Park – walking track	Environmental Levy - Recreation	Section 94 Northern Embellishment Works	\$87,500

Environmental Levy

There are two stormwater harvesting projects requiring additional funds to enable completion of the projects.

1. The Comenarra Playing Fields

Two separate transfers are required within the Environmental Levy to financially support the stormwater harvesting project at the Comenarra Playing Fields. The stormwater harvesting is in it's second and final stage.

The first stage of Alan Small stormwater harvesting project PJ101246 within the Water Sensitive Urban Design Program as outlined in the Management Plan has not commenced and staff recommended it not take place this financial year. The budget transfer from Alan Small will allow for completion of the Comenarra Playing Fields

2. Lindfield Soldiers Memorial Oval

A transfer of budget is necessary to complete Lindfield Soldiers Memorial Oval stormwater harvesting project from Swain Garden PJ100405. The budget transfer will allow the completion of Lindfield Soldiers Memorial Oval.

Swain Garden water harvesting project is on hold to allow the project to be aligned with the scheduled park embellishment program for irrigation and retro fit.

CONSULTATION

The exhibition of the draft Management Plan and report to council on 29 April 2008 included the majority of the projects as identified for budget revision. For the grant projects, some are multi year projects that are in the final stages, while others reflect the directions of the capital works and environmental levy programs and the objectives of the Management Plan. For these reasons,

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further consultation around the variation to the budget is not recommended. Rather as part of the project planning, consultation with relevant stakeholders will occur.

FINANCIAL CONSIDERATIONS

This report will not have any bottom-line effect on the budget for the 2008/09 capital works, major projects program and Environmental Levy.

Capital Works and Major Projects

External grants in particular can be difficult to plan for in the preparation of forward budgets. There is often a long lag (up to nine months) between submitting a grant application to receiving funding. Delays are also common between formal acceptance of grants and receiving any funding, during which the grant funded often requires the project to have commenced against the agreed timetable. Where funding has been received, this can be given in whole or, more often, in part or in stages upon achievement of project milestones. Some grants can also require Council to complete a project from which they then reimburse Council. Income therefore is difficult to predict from a budget perspective. For larger grants, milestone payments in themselves are likely to exceed the 20% or \$20,000 thresholds. For this reason, it is recommended that separate reporting on grant and section 94 expenditure be incorporated at the quarterly budget review rather than by separate report. Such reporting would include details of income, commitments and expenditure, and where variations exceed the 20% or \$20,000 threshold specific comment would be incorporated within the body of the report to council.

Environmental Levy Transfers

A total of three transfers are required as follows:

Two separate transfers are required within the Environmental Levy to financially support the stormwater harvesting project at the Comenarra Playing Fields.

1. Transfer \$20,000 from PJ101243 within the program of Water and Catchments to PJ100590 within Water Sensitive Urban Design program.
2. Transfer \$55,000 from PJ101246 within the program Water Sensitive Urban Design to PJ100590 within the same program.
3. A budget transfer is required to accommodate the funding requirements for Lindfield Soldiers Memorial Oval. A budget transfer of \$132,000 will be required from Swain Garden within program Water Sensitive Urban Design PJ100405 to Lindfield Soldiers Memorial Oval PJ100310 within the same program.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

This report as been prepared in consultation with Strategy, Corporate, Operations and Community Departments.

SUMMARY

The adopted capital works program within the 2008/09 Management Plan excluded a number of grants, community club contributions and section 94 funding sources within the identified projects. Most of these were included in the exhibited draft Management Plan, in the report to Council on 29 April, in previous budget reviews (where the projects were initiated in earlier financial years as part of a multi year project) or in reports to Council. The reason for this report comes from a Council resolution requiring a separate report on any project likely to exceed budget by 20% or \$20,000. The report recommends approving the projects as identified and also seeks the consideration of Council to report increases in income from projects funded by grants, community club contributions and section 94 funding to be undertaken within the quarterly budget review process.

This report also seeks the approval for a transfer of budget funded from the Environmental Levy to provide funding for priority projects.

RECOMMENDATION

- A. That Council change the capital works and major projects budget for 2008/09 to reflect the approved grant and section 94 projects and income as listed in the report.
- B. That future variations to variations to budget as a consequence of additional income such as external grants, community club contributions and section 94 funded projects, be reported within the quarterly budget review process, rather than by separate report to Council.
- C. That Council support the recommended transfers of budget funded from the Environmental Levy, as outlined in the report.

Jeremy Pendergast
Corporate Planner

Tino Caltabiano
Manager Finance

Andrew Watson
Director Strategy

LOCAL GOVERNMENT CONSTITUTIONAL SUMMIT - A SPECIAL NATIONAL GENERAL ASSEMBLY 2008

EXECUTIVE SUMMARY

PURPOSE OF REPORT:	For Council to determine its elected Delegates to the Local Government Constitutional Summit - A Special National General Assembly 2008.
BACKGROUND:	The Local Government Constitutional Summit will be held from 8 to 11 December 2008 at the Melbourne Convention & Exhibition Centre.
COMMENTS:	A Program of the Summit is attached.
RECOMMENDATION:	That Council determine if it wishes to send delegates to the Local Government Constitutional Summit 2008.

PURPOSE OF REPORT

For Council to determine its elected Delegates to the Local Government Constitutional Summit - A Special National General Assembly 2008.

BACKGROUND

The Local Government Constitutional Summit, including the Regional Co-operation & Development Forum, will be held at the Melbourne Convention & Exhibition Centre from 8 to 11 December 2008.

COMMENTS

The Summit's focus will be on Constitutional Recognition of Local Government. The Special Assembly will give Local Government the opportunity to clarify & decide on the strategies for taking Constitutional Recognition forward.

A Program is **attached**.

FINANCIAL CONSIDERATIONS

The costs are as follows:

Registration: \$770 (Early -bird payment by 24 October 2008)
 \$880 (Standard Registration by 21 November 2008)

Accommodation & travel expenses are additional.

Registration for the Regional Co-operation & Development Forum is an additional \$220.

RECOMMENDATION

- A. That Council determine if it wishes to send delegates to the Local Government Constitutional Summit 2008.
- B. That the General Manager or his delegate be permitted to attend the Summit.

Geoff O'Rourke
Senior Governance Officer

John McKee
General Manager

Attachment: Program & Registration - 2008/017009



LOCAL GOVERNMENT CONSTITUTIONAL SUMMIT

A SPECIAL NATIONAL GENERAL ASSEMBLY



AUSTRALIAN LOCAL
GOVERNMENT ASSOCIATION

8-11 DECEMBER 2008

MELBOURNE CONVENTION
+ EXHIBITION CENTRE




Secure
your place
at this
important
event!

 **EARLY BIRD \$770**
REGISTRATION SAVE \$220*

* See page 3 for details

 Register online at:
www.nga.alga.asn.au

 Elections before the
Summit? No problem!*

* See page 3 for details

→ PROGRAM AND REGISTRATION

Constitution

Welcome

LOCAL GOVERNMENT DESERVES

The importance and timeliness of ALGA's decision to advance the issue of Constitutional Recognition of local government during 2008 was highlighted by the Prime Minister's announcement that it would be on the agenda for the first meeting of the newly established Australian Council of Local Government.

'Local Government represents the third arm of the Australian Federation—and the Rudd Government is committed to a new cooperative engagement with the level of government closest to the community,' said Mr Rudd.

Constitutional Recognition of local government is firmly on the Federal Government's agenda and it is now more important than ever that we develop a clear position which we are able to articulate and communicate its benefits to the community.

Constitutional Recognition for local government means many things to many people. Some believe that it could mean councils are better resourced to

provide services to their communities. Others think it could mean the links between councils and local communities will evolve and mature further or that it could mean there are some areas where local government is protected from interference by state governments.

Personally, I see formal recognition as the opportunity to sit at the federalism table for the first time as equal partners with the states and the Commonwealth. Whatever our individual views, it is important that we work together to achieve a shared view of what recognition could mean and a shared commitment to making it happen.

ALGA is convening the *Local Government Constitutional Summit—A Special National General Assembly* in December to bring local government together to discuss and debate formal recognition and local government's place in the Constitution. The Summit will come to reach agreement on a preferred option for a Constitutional Amendment.

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Local Government Constitutional Summit

*Local Government Constitutional Summit
A Special National General Assembly*

RECOGNITION → HAVE YOUR SAY!

We have received feedback from the scores of Council Conversations which have been held across the nation earlier this year supported by State and Territory Associations. To strengthen our process, a Constitutional Reference Group has been formed which includes constitutional lawyers, referendum experts as well as research and engagement experts. The Reference Group, in consultation with ALGA, will develop the propositions for each type of recognition, advise and participate in the Summit in December and review the proposal to be put to the Federal Government.

The role of local government has changed significantly over time. When the Australian Constitution was written, local government provided property-related municipal services and local roads. However, in recent decades local government has provided an increasing range of social and economic services including health and welfare services, environmental services, community housing recreation and sporting facilities.

A major milestone in the development of relations between the three spheres of government is the Inter-Governmental Agreement on Cost Shifting (IGA). The IGA provides a framework which seeks to ensure that the other spheres of government identify and take into account the costs for local government when allocating responsibility for any new functions to councils.

The broader issue of adequate funding for local government, however, remains unresolved. The ability of local government to meet the needs of its communities will always be dependent on its ability to play an appropriate role in the Australian Federation and receive adequate funding.

As all spheres of government strive to achieve a more collaborative approach to federalism, the issue of constitutional reform is pivotal to these considerations.

I encourage you to represent your council, your community and your state by taking an active role through participation in the Local Government Constitutional Summit to be held in Melbourne 8–11 December 2008.



Cr Paul Bell AM
ALGA PRESIDENT



Early bird registration: \$770 Payment must be received by Friday 24 October—save \$220 off standard registration.

Register online at: www.nga.alga.asn.au Online registration available for payment either by credit card or you can select to be sent an invoice.

Elections before the Summit? No problem! Ensure your Council is represented by securing registrations for the Council and then provide the individual's name closer to the Summit.

Constitution

CONSTITUTIONAL RECOGNITION FOR LOCAL GOVERNMENT

Help shape the future

CAPTURING COUNCIL VIEWS

Constitutional Recognition for local government has been at the forefront of debate at successive National General Assemblies. Over the past five years the Australian Local Government Association (ALGA), has lobbied intensely for:

→ *Fair funding; fair treatment, and formal recognition for local government.*

The desire for recognition in the Australian Constitution is motivated by the need to ensure that local communities are properly recognised and supported in the nation's paramount political and legal document. This would reflect local government's role as the third sphere of government in the Australian Federation.

Local government delivers good governance, essential services and local infrastructure which underpin the social, economic and environmental wellbeing of every local community. It works in partnership with the other spheres of government to deliver the nation's priorities at the grassroots community level. In this day and age it is no longer appropriate that local government only exists under state legislation and has no legal recognition in our national Constitution.

The push to achieve Constitutional Recognition for local government has been given new impetus by the election of the Labor Federal Government. The Australian Labor Party went into the election with a commitment to consult, during its first term, with local government on the process for achieving Constitutional Recognition.

ALGA, in conjunction with State and Territory Associations, has been working throughout 2008 to take the issue forward with the aim of developing a proposal to put to the Federal Government in 2009.

Many councils in all states and territories have participated in the process, which includes:

- Initial council feedback and Council Conversations;
- State based processes and the development of state positions;
- An Experts Forum in August, comprising of just over 80 representatives, which reviewed and refined the options for recognition as well as the possible ways forward in terms of process; and
- The *Local Government Constitutional Summit—A Special National General Assembly*, where local government has the opportunity to clarify and decide on the strategies for taking Constitutional Recognition forward.

ENGAGING EXPERTS

Local government has a once in a generation opportunity to pursue Constitutional Recognition. ALGA has established a Constitutional Recognition Reference Group to provide advice and guidance on all aspects of achieving our goals.

The Group is providing independent expert advice and strategic support to ALGA in the lead-up to and during the Constitutional Summit. It is assisting ALGA in developing the options for delegates at the Summit in December to consider, and ultimately recommend to ALGA to take forward with the Federal Government 2009.

Local Government Constitutional Summit

Local Government Constitutional Summit
A Special National General Assembly

Changing the Constitution



HEARING YOUR VIEWS

This year's Constitutional Summit program is designed to give delegates the maximum opportunity for participation and an unparalleled opportunity to engage with colleagues in this important national discussion. Delegates will also have the opportunity to engage with our speakers and develop a deeper understanding of the opportunities and challenges that different options for Constitutional Recognition provide.

DELEGATE DISCUSSIONS

Delegate Discussions are your opportunity to listen and be heard. These sessions are similar to 'Debate on Motion' sessions at previous National General Assemblies but the Delegate Discussions will focus only on the options for Constitutional Recognition—including the process, the desired outcomes and the benefits for our communities.

Options for Constitutional Recognition include: symbolic recognition, institutional recognition, and financial recognition. An option that combines all or some of these will also be discussed.

ALGA will distribute Business Papers to all delegates in November. These Business Papers, which will reflect the outcomes of an Experts' Forum held in August 2008, will provide information on the options available to local government and the strengths and issues associated with each of them as well as technical information about the constitutional implications.

OUR EYE ON THE GOAL

As we move through the Summit, we will hear from a range of speakers who will remind us that the task ahead is enormous. These constitutional and referendum experts will tell us about Australia's record of referendum success, the challenge in gaining public support and some of the tactics used in the past.

The task is not impossible. Local government is capable of meeting any challenge, but as we focus on options we must keep in mind the ultimate goal—a successful referendum which truly recognises local government.

→ 2009

DEBATE ON MOTIONS CONTINUE IN 2009

This year the *Local Government Constitutional Summit—A Special National General Assembly* in December 2008 is devoted to considering the options and processes for Constitutional Recognition of local government. As such, there is no scope for General Notices of Motion.

In 2009, the National General Assembly of Local Government will be convened on Sunday 21–Wednesday 24 June in Canberra and Notices of Motion for this Assembly will be welcomed. ALGA will issue a formal call for Notices of Motion in early February 2009.



→ Regional Co-operation and Development Forum

Monday 8 December 2008

→ Following a series of reports on climate change in Australia and internationally, the *2008–09 State of the Regions Report* (SOR) examines the practical implications of climate change and its impacts on Australia's diverse regions. While many of the issues are understood, what is not so clear is how local governments should act. What should local governments do now? Will these actions make a difference? And how much will they cost?

The purpose of this year's SOR will be to assist local government in determining some practical ways forward, allowing local government to weigh up the options in terms of outcomes for money spent.

The SOR will also include several case studies that demonstrate local government action in the face of the complex range of climate change issues facing Australia's diverse regions.

→ Be the first with the facts!

Order *State of the Regions* for your Council

Delegates at the Regional Co-operation and Development Forum receive a bonus hardcopy of the State of the Regions Report in their satchels. However this doesn't ensure staff at your Council have access to the latest statistical and economic information. Give your staff online access to the State of the Regions Report.



Keynote Speaker

DR GRAEME PEARMAN (tbc)

Dr Graeme Pearman is noted multiple award winning scientist and committed environmentalist. A science advisor to former USA Vice President Al Gore, Dr Pearman consulted to Al Gore on the notable documentary *An Inconvenient Truth*. Dr Pearman is recognised as a national and international expert in research and the impacts of the increasing levels of carbon dioxide in the global atmosphere.

Dr Pearman was trained as a biologist at the University of Western Australia and later as a postgraduate in the USA at the University of Wisconsin. He joined CSIRO, in 1971 where he was Chief of Atmospheric Research and CSIRO Climate Director, 1992–2002. He has contributed to over 150 scientific journal papers primarily on aspects of the global carbon budget.

In the mid-1980's, with the development of understanding concerning likely planetary warming, Dr Pearman became involved in the communication of this work to the wider scientific and lay community, gaining widespread Australian media attention to the greenhouse effect in 1986. He played a lead role in building up climate modelling and atmospheric chemistry research at the CSIRO Division of Atmospheric Research.

Program

8:30 AM	Registration Opens
9:30 AM	Opening Ceremony and President's Welcome
9:45 AM	Keynote Address: Graeme Pearman (tbc)
10:30 AM	MORNING TEA
11:00 AM	Launch of the <i>2008–09 State of the Regions Report</i>
12:30 PM	LUNCH
1:30 PM	Panel Session: Impacts of Climate Change on Councils
3:00 PM	AFTERNOON TEA
3:30 PM	Workshop: Practical Council Initiatives
4:30 PM	Close

Organisation licence → \$660 [incl. GST]

Access to the online version for unlimited number of users within a single council, government department, or organisation.

Library licence → \$220 [incl. GST]

Unrestricted access to the online version for public-users from public-access computers in a library.

To Order:

Order your access to the report at:
<https://www.alga.asn.au/sor/2007/register.php>
Or call ALGA on: **[02] 6122 9400**



Constitution

SPEAKERS



HEAR FROM AUSTRALIA'S LEADING EXPERTS!

Geoff Gallop

Professor Geoff Gallop was born in 1951 in Geraldton, Western Australia. After winning a Rhodes Scholarship he attended Oxford University from 1972 to 74 and again from 1977 to 1981, the last two as the Gwilym Gibbon Research Fellow at Nuffield College. He was awarded his Doctorate in 1983.

From 1975 to 1977 he was a postgraduate student at Murdoch University and he returned as a Lecturer in Social and Political Theory from 1981 to 1986. He was elected the Member for Victoria Park in 1986 and re-elected in 1989, 1993, 1996, 2001 and 2005.

In 1994 he was elected Deputy Leader of the State Parliamentary Labor Party and in 1996 he was elected Leader. In 2001 Dr Gallop was elected as the 31st Premier of Western Australia, a position he held until 2006.

As Leader of the Labor Party he attended the Constitutional Convention in Canberra in 1998 where he put the case for a Republic with a directly elected President.

As Premier Dr Gallop oversaw a range of political and social reforms (electoral reform, gay and lesbian equality and a State Administrative Tribunal), upgraded the State's industrial and labour laws, brought a spirit of reconciliation to the resolution of Native Title and developed partnership models for the State's indigenous communities, changed the law to require all 16 and 17 year olds to be in education or training, was the first Premier to commit his government to a major desalination plant, stopped the logging of all of the State's Old Growth Forests creating record numbers of new national parks, restructured the State's electricity and racing industries, and started construction of the Perth to Mandurah Railway and City Tunnel.

Khoa Do

Khoa Do is a film director, screenwriter and teacher who has had extensive experience working with the most disadvantaged in our community, inspiring them and guiding them to incredible success. Khoa's belief is that everyone on a team, no matter what their background or experience, is extraordinarily gifted, and our goal is to help others to realise their true potential.

Khoa's own amazing story—coming to Australia as a refugee on a tiny fishing boat crammed full of people to becoming the 2005 Young Australian of the Year is a journey of courage, resilience and hope amidst incredible opposition. Growing up in the western suburbs of Sydney, Khoa recalls going to school with sticky-taped shoes and coming home to find out that their electricity had been cut off because the family couldn't afford to pay the bills.

Khoa has represented Australia internationally as a youth delegate (Action 2000 Anti-Racism Initiative in Canada), and has travelled widely speaking on youth issues, motivation and inspiration.

Dr Keith Suter

Regarded as one of the world's great thinkers and communicators, Dr Keith Suter is a highly regarded social commentator, strategic planner, writer and broadcaster.

Keith has an extraordinary mind and extensive knowledge; his expertise covers International Affairs, Law, Society, Leadership, Business, and the Future.

Keith is a member of the most prestigious global think tank in the world, The Club of Rome—comprised of only 100 members including people such as Mikhail Gorbachev. He has had over three decades of experience in chairing organisations such as the United Nations Association of Australia, and he is a Fellow of the Australian Institute of Company Directors.

Dr Suter is a leading Australian Academic, he holds university qualifications in international politics, international law, international economics and ethics, and currently holds teaching positions at Macquarie University and the Sydney International Campus of Boston University.

Local Government Constitutional Summit

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Professor George Williams

Professor George Williams is the Anthony Mason Professor of Law and Foundation Director of the Gilbert and Tobin Centre of Public Law at the University of New South Wales. He is based in Canberra as a visiting fellow at the Australian National University College of Law and has held visiting positions in Toronto, New York and London.

Professor Williams has written and edited 22 books, including *Australian Constitutional Law and Theory* and *The Oxford Companion to the High Court of Australia* and practises as a barrister in the High Court of Australia.

In 2007, he chaired a NSW Government inquiry into Options for a New National Industrial Relations System and was a member of the High Level Advisory Group on Federal-State Relations which reported to Kevin Rudd and Bob McMullan before the election. In 2005, then opposition leader, he chaired Victorian Human Rights Consultation Committee that led to the enactment of the Victorian Charter of Human Rights and Responsibilities. He was a delegate in the governance stream at the 2020 Summit.

Anne Twomey

Anne Twomey is a constitutional lawyer and an Associate Professor of Law at the University of Sydney. She has previously worked for the High Court, the Commonwealth Parliament and The Cabinet Office of NSW. She has written a book on *The Constitution of New South Wales* and another on the Crown. She has also written widely in the areas of federalism and constitutional reform.

Scott Bennett

Scott Bennett lectured in Political Science at the University of NSW, the Royal Military College and the Australian National University from 1965 until 1998. He was a member of the research staff in the library of the Commonwealth Parliament from 1999 until October of this year. He has published extensively in the area of Australian politics and political history.

Crispin Hull

Crispin is a former editor and journalist with The Canberra Times for over 30 years, specialising in legal, national and local affairs.

Since he left the paper, Crispin continues to be an active participant in public life.

He teaches journalism at the University of Canberra; writes a weekly column for The Canberra Times; writes the editorial matter for allhomes.com.au; contributes to other publications and appears regularly on ABC radio and television.

Crispin is a leading proponent of using new media and web-based tools to revitalise democracy.

Dr A. J. Brown

Dr A. J. Brown is a Senior Lecturer at Griffith Law School, Griffith University, based on the Gold Coast. He has worked and consulted in public law, policy and accountability issues for all levels and branches of government, as well as in the non-government sector. He has worked as Senior Investigation Officer for the Commonwealth Ombudsman in Canberra; as Associate to Justice Tony Fitzgerald AC, President of the Queensland Court of Appeal; and in the late 1990s, as ministerial policy advisor to the Hon Rod Welford MLA, Queensland Minister for Environment Heritage and Natural Resources. He is currently Director of Griffith University's Australian Research Council-funded Federalism Project, examining the future of Australia's federal system of government, and especially the place of local and regional governance within that system.

Constitution

PROGRAM

The opportunity to pursue an issue as significant as amending the Constitution, does not come around very often. It is important that sufficient time, resources and thinking be dedicated to ensuring the outcomes benefit all Australians now and into the future.

This year's Constitutional Summit program is designed to give delegates the maximum opportunity for participation; to have your say, reflect on the views of your peers and to ensure that your community and state are represented.

Delegates will have the opportunity to engage with our speakers, by asking questions or seeking their views on real-life local government situations.

'Delegate Discussion' sessions will provide delegates with an unparalleled opportunity to participate in this important national discussion. These sessions are a facilitated discussion to allow delegates to fully explore the merits of the various options for pursuing constitutional recognition.

Throughout 2008, ALGA, in conjunction with State and Territory Local Government Associations, has been implementing a strategy to take forward the issue of Constitutional Recognition of local government.

This Local Government Constitutional Summit is the culmination of this process with the aim of developing a convincing and comprehensive case to take to the Australian Government.

Monday 8 December 2008

5:30 PM Mobile Muster Welcome Reception and Local Government Exhibition Opening

LOCAL GOVERNMENT

A Special

DAY 1

Tuesday 9 December 2008

9:00 AM Opening Ceremony

9:30 AM Keynote Address: Geoff Gallop

10:15 AM Ministerial Address:
The Hon Anthony Albanese MP
Minister for Infrastructure, Transport,
Regional Development and Local
Government (invited)

11:00 AM **MORNING TEA**

11:30 AM The Road to Recognition

12:00 NOON Strategies for Referendum Success,
Professor George Williams

1:00 PM **LUNCH**

2:00 PM The Politics of Amending the
Constitution, Scott Bennett

2:45 PM Reform, Referenda and Recognition,
Anne Twomey

3:30 PM **AFTERNOON TEA**

4:00 PM Delegate Discussion:
Canvassing the Options

5:00 PM Close

7:00-11:00 PM **DINNER**
POSTbillpay Dinner under the Big Top
Silver Circus

Local Government Constitutional Summit A Special National General Assembly

CONSTITUTIONAL SUMMIT

National General Assembly

DAY 2

Wednesday 10 December 2008

- 9:00 AM ALGA President's Address
- 9:15 AM Keynote Address: Keith Suter
- 10:15 AM Ministerial Address:
The Hon Warren Truss MP
Leader of the Nationals
- 11:00 AM **MORNING TEA**
- 11:30 AM Delegate Discussion:
Considering in detail
- 12:30 PM **LUNCH**
- 1:30 PM Concurrent Symposia:
→ Media Management, Crispin Hull
→ Fair Funding—Local Government
Finances and Taxation Sharing
→ Meeting Future Challenges
- 3:00 PM **AFTERNOON TEA**
- 3:30 PM Ministerial Address:
The Hon Malcolm Turnbull MP
Leader of the Opposition (invited)
- 4:00 PM Delegate Discussion:
Towards a Consensus
- 5:00 PM Close
- 7:00–11:00 PM **OFFICIAL DINNER**
Melbourne Convention and
Exhibition Centre

DAY 3

Thursday 11 December 2008

- 9:00 AM Keynote Address: Khoa Do
- 9:45 AM Knowing the Challenge, Dr A. J. Brown
- 10:30 AM **MORNING TEA**
- 11:00 AM Prime Minister Kevin Rudd (invited)
- 11:30 AM Delegate Discussion:
Resolution and Vote

Councils deciding on the preferred
option and outcomes of Constitutional
Recognition of local government.
- 12:30 PM ALGA President's Close
- 1:00–2:00 PM **LUNCH**
Local Government Christmas Lunch

Constitution

OPEN HOUSE

9–11 December 2008

TUESDAY 10:30 am–5:00 pm
WEDNESDAY 9:00 am–5:00 pm
THURSDAY 9:00 am–12:00 noon

- Do you have a local issue that you want to discuss with your fellow local government colleagues?
- Have you got a great local solution or innovation that you wish to share with others?
- Do you find it hard to connect with colleagues from other similar Councils when networking at the social functions?

Open House, located in the Local Government Expo, is an informal program running concurrently with the Summit where you get to choose what's on the agenda!

Based on delegate feedback seeking more opportunities to network, the *Open House* has been created to provide a structured networking opportunity to discuss topics not on the main agenda.

Book your *Open House* session at nga.alga.asn.au

ICLEI OCEANIA RECOGNITION AND BRIEFING BREAKFAST

*Recognition of local government
in a climate of change!*

TUESDAY 9 DECEMBER 2008 7:00–8:30 AM

Across Australia, ICLEI Oceania is working with local councils tackling climate change and working with their communities to achieve tangible sustainable outcomes.

Councils participating in the Cities for Climate Protection Program and the Water Campaign™ will be awarded for program achievements, and delegates will be updated on the work of the Australasian Mayors Council for Climate Protection, adaptation to climate change, sustainability programs and ICLEI Oceania's work in the Asia-Pacific region.

All council delegates are invited to attend this event. To register for this event, call ICLEI Events on telephone (03) 9639 8688.

REGISTRATION DETAILS

SUMMIT REGISTRATION DETAILS

Summit Registration Fees



EARLY BIRD REGISTRATION \$770

Payment received by Friday 24 October 2008

STANDARD REGISTRATION \$880

Payment received on or before Friday 21 November 2008

LATE REGISTRATION \$990

Payment received on or after Saturday 22 November 2008

Summit Registration Includes

- Attendance at all Summit sessions
- Morning tea, lunch and afternoon tea as per the Summit program
- One ticket to the Welcome Drinks, Monday
- Summit satchel and materials

Day Registration Fees

TUESDAY 9 DECEMBER 2008 \$440

WEDNESDAY 10 DECEMBER 2008 \$420

THURSDAY 11 DECEMBER 2008 \$270

Day Registration Includes

- Attendance at all Summit sessions on the day of registration
- Morning tea, lunch and afternoon tea as per the Summit program on that day
- Summit satchel and materials

Local Government Constitutional Summit A Special National General Assembly

REGIONAL CO-OPERATION AND DEVELOPMENT FORUM REGISTRATION DETAILS

Regional Co-operation and Development Forum Registration Fees

SUMMIT DELEGATES REGISTRATION \$220

FORUM ONLY REGISTRATION \$380

NOTE: Attendance at the Forum on Monday requires a separate registration. Attendance is NOT included in registration to the Summit; however, those attending the Summit do receive a discount. Refer to page 6 for information on the Forum.

Forum Registration Includes

- Attendance at all sessions on Monday 8 December
- Morning tea, lunch and afternoon tea as per the Forum program
- Forum satchel and materials
- Complimentary copy of the *State of the Regions Report 2008-09*

PAYMENT PROCEDURES

Payment can be made by:

- Credit card: MasterCard, Visa and American Express
- Cheque made payable to ALGA
- Electronic Funds Transfer:
BANK Commonwealth BRANCH Curtin
BSB NO 062905 ACCOUNT NO 10097760
NOTE If paying via EFT you must quote your transaction reference number on the registration form.

Completed registration forms should be returned to:

Conference Co-ordinators Pty Ltd
PO Box 139
CALWELL ACT 2905
Facsimile (02) 6292 9002 Phone (02) 6292 9000
Email conference@confco.com.au

Cancellation Policy

All alterations or cancellations to your registration must be made in writing and will be acknowledged by post, facsimile or email. Notification should be sent to:

Conference Co-ordinators Pty Ltd
PO Box 139
CALWELL ACT 2905

Facsimile (02) 6292 9002
Email conference@confco.com.au

An administration charge of \$88.00 will be made to any participant cancelling before Monday 3 November 2008. Cancellations received on or after Tuesday 4 November 2008 will be required to pay full registration fees. However, if you are unable to attend, substitutes are welcome at no additional cost.

By submitting your registration you agree to the terms of the cancellation policy.

Privacy Disclosure

ALGA collects your personal contact information in its role as a peak body for local government. ALGA may disclose your personal contact information to the sponsors of the event for the purposes of commercial business opportunities.

If you consent to ALGA using and disclosing your personal contact information in this way, please tick the appropriate box on the registration form.

Importantly, your name may also be included in the Summit List of Participants. You must tick the appropriate box on the registration form if you wish your name to appear on this list.

Constitution

SOCIAL FUNCTIONS

Welcome Reception and Exhibition Opening

MONDAY 8 DECEMBER 2008

Melbourne Convention Centre

→ 5:00–7:00 pm

\$44.00 per person for day delegates and guests

No charge for full registered delegates

No charge for registered accompanying partners

DRESS CODE smart casual

PostBillPay Dinner with the Silver Circus

TUESDAY 9 DECEMBER 2008

→ 7:00–11:00 pm

\$99.00 per person

DRESS CODE smart casual

Coaches will depart all Summit hotels at approximately 6:30 pm with return shuttles commencing from 10:15 pm.

Official Summit Dinner

WEDNESDAY 10 DECEMBER 2008

Melbourne Convention Centre

Bellarine Floor, Level 4

→ 7:00–11:00 pm

\$120 per person

DRESS CODE lounge suit/collar and tie for men and cocktail style for women

This year's prestigious Summit Dinner will be held on the Bellarine Floor, Level 4, of the Melbourne Convention Centre. Tickets to this event are always highly sought after. Due to the size of the venue, places are limited and therefore booking early is highly recommended to ensure your place.

Coaches will depart all Summit hotels at approximately 6:45 pm with return shuttles commencing from 10:30 pm.

NOTE Bookings are accepted in order of receipt.

Entertainment

OFFICIAL SUMMIT DINNER ENTERTAINER KEITH SCOTT

Keith Scott has spent more than 30 years as Australia's leading cartoon voice and impressionist.

Stand up comedy always attracted Keith and he has made scores of appearances on TV variety shows including Hey Hey It's Saturday and The Midday Show.

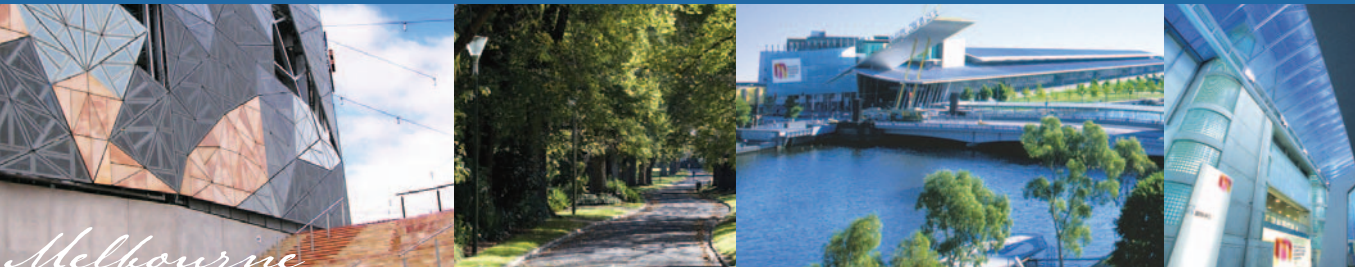
As an impressionist, Keith Scott has the widest range in his field, with over 500 distinct take-offs of everyone from old time movie stars to local and international politicians. When you add his original characters and accents, he can truly be called the Man of a Thousand Voices.

Keith can also be heard daily, skewering the reputations of media and political figures on the national radio satire *How Green was my Cactus*, now in its eighteenth year.



Local Government Constitutional Summit A Special National General Assembly

Local Government Constitutional Summit
A Special National General Assembly



ACCOMPANYING PARTNERS' PROGRAM

TUESDAY 9 DECEMBER

Melbourne's Golden Mile

Discover how Melbourne was developed on this walking tour through Melbourne CBD. This leisurely walk will have you exploring Melbourne's heritage precincts, city streets, arcades and laneways with stories from your local guides about some of the characters behind Melbourne's boom town growth. A pit stop will be included at a local café, as well as a relaxing lunch in the Southbank area.

After lunch, passes will be provided for the Eureka Tower, one of the tallest residential towers in the world. The Tower which is within walking distance of our lunch venue has two dedicated lifts to the 88th floor where you can take in the amazing views of the city. Alternatively guests can enjoy some city shopping or simply return to their hotels for a relaxing afternoon.

WEDNESDAY 10 DECEMBER

The Yarra Valley

Today we will travel out to the Yarra Valley to take in the scenery, enjoy gourmet produce and naturally, wine tasting. The first stop will be the Domain Chandon winery, a stunning winery complex nestled in the heart of the valley, here we will stop for a tour and wine tasting.

Coaches will then travel to Yerring Station, the Station is known for its beautiful gardens, stunning scenery and impressive architecture. Guests will be given a tour of the station, enjoy some wine tasting before settling down to lunch made from many local products.

After some free time to wander the grounds and visit the cellar door we will travel back to the city.

VENUE

MELBOURNE

Melbourne and surrounding areas have a long indigenous history and were first settled by white Europeans in 1835. A major gold rush attracting worldwide attention in 1848 and a boom period ensued, lasting almost 40 years. This gave the city its magnificent public architecture, gracious parks and opulent mansions, which now blend seamlessly into the modern aspects of today's Melbourne.

Melbourne is a cosmopolitan epicentre of world-renown which offers culture, style, sports and history. With such a wide variety of attractions, Melbourne is a vibrant, friendly city which has a universal appeal.

If you have spare time, wander among the laneways of Melbourne, where you will find a huge variety of trendy cafes and boutiques, or take a ride on the burgundy tourist tram for a free tour of the city. Melbourne is known for its shopping, visit Swanston Street, or Bourke Street Mall in the CBD, or take a tram ride out to Bridge Street or Chapel Street in the suburbs surrounding the CBD for that 'something different'. Melbourne is also home to the iconic Melbourne Cricket Ground which houses the Australian Gallery of Sport.

Other points of interest are:

The Southbank Precinct offers the Crown Casino Complex along with a plethora of dining and entertainment venues.

Federation Square offers something for everyone—architecture, riverside dining, shopping, the Victorian Wine Centre and galleries.

Melbourne Docklands, the home of Telstra Stadium, is Australia's largest commercial, retail and entertainment precinct and features contemporary art galleries, the Docklands Park Film Studios, hotels, cafes and restaurants, public art and waterside promenades.

With such an exciting host city, the 2008 Melbourne Constitutional Summit is sure to be a memorable event for all participants.

Constitution

Melbourne Weather

While a day in Melbourne could start out with rain and end up in sunshine, it is generally described as temperate and variable with no great extremes; with one of the lowest rainfall levels in Australia. The weather in December is usually mild to warm during the day, with average minimum temperatures of 12°C and maximum of 27°C.

VENUE AND DRESS CODE

National General Assembly

VENUE Melbourne Convention Centre, Corner Flinders Street & Spencer Streets, Melbourne

All plenary sessions will be held on the Bellarine Floor on Level 4 of the Convention Centre

DRESS CODE Smart casual

Business Sessions

VENUE Melbourne Convention Centre, Corner Flinders Street & Spencer Streets, Melbourne

All plenary sessions will be held on the Bellarine Floor on Level 4 of the Convention Centre

DRESS CODE Smart casual

Exhibition

VENUE The exhibition is being held in the You Yangs Room on Level 3 of the Convention Centre.

DRESS CODE Smart casual

Postbillpay Dinner at Silver Circus

VENUE The dinner is being held under the big top with Silver Circus.

DRESS CODE Smart casual

General Assembly Dinner

VENUE The dinner is being held in the Bellarine Floor, Level 4, of the Melbourne Convention.

DRESS CODE Lounge suit/collar and tie for men and cocktail style for women

ACCOMMODATION

To book your accommodation at the rates listed below complete the appropriate section of the registration form. Bookings are subject to availability and should be made prior to Friday 3 October 2008.

→ **PLEASE NOTE** All cancellations or amendments must be made in writing to Conference Co-ordinators and will be acknowledged by facsimile. Please note your credit card details are required to guarantee your room. Neither Conference Co-ordinators nor the hotel will make any charges against your credit card unless you fail to give at least 21 days notice in writing of your cancellation or if less than 21 days prior to arrival your booking is reduced or cancelled in which case full payment will be required unless the room(s) can be resold. Full payment of your account will be required at the time of your departure.

NOTE Some hotels may do a pre-authorisation to ensure the validity of the card supplied.

CROWN TOWERS

8 Whiteman Street, Southbank

All of Crown Towers luxuriously appointed oversized guest rooms have spectacular views to the city or Port Phillip Bay and feature a truly unique level of comfort and finish. Each room features air-conditioning with individual temperature control, in room movies and tea and coffee making facilities. The hotel offers a professional business centre and 24-hour room service. Crown Towers is located just a short 10 minute walk from the Melbourne Convention Centre.

Deluxe Room \$320 per night

CROWN PROMENADE

8 Whiteman Street, Southbank

Crown Promenade Hotel is located in the heart of Melbourne's vibrant Southbank entertainment precinct, close to the Central Business District and the Melbourne Convention Centre. Each hotel room features 68cm flat screen TV, in-room movies, internet data point, individually controlled air-conditioning and 24-hour room service. Crown Promenade is a 10 minute walk to from the Melbourne Convention Centre.

Standard Room \$240 per night

Local Government Constitutional Summit A Special National General Assembly

Local Government Constitutional Summit
A Special National General Assembly

Melbourne



CROWNE PLAZA MELBOURNE

1-5 Spencer Street Melbourne

Crowne Plaza Melbourne is located on the banks of the Yarra River and adjacent to the Melbourne Convention Centre. The property offers 24 hour room service, heated swimming pool, gym and 24 hour complimentary business centre. Rooms offer broadband access, Foxtel, in-house movies, and tea and coffee making facilities.

Standard Queen Room \$235 per night

Executive Queen Pool Room \$265 per night

HOLIDAY INN ON FLINDERS

575 Flinders Lane

The Holiday Inn on Flinders is located a 5 minute walk from the Melbourne Convention Centre and is a completely smoke free hotel. Rooms feature broadband internet access, pillow menu, tea and coffee making facilities, 24 hour news channel, and speaker phone and in room safe. The hotel offers a heated outdoor pool, mini gym and sauna. The hotel also features a heated outdoor pool, mini gym and sauna.

Standard Room \$205 per night

CLARION SUITES GATEWAY

1 William Street, Melbourne

Clarion Suites Gateway is situated on the banks of the Yarra River and is only a short 5 minute stroll to the Melbourne Convention Centre. The property offers 24 hour room service, gym access, indoor heated swimming pool and is a smoke free hotel. Rooms feature LCD TV with Foxtel, broadband access, kitchenette, iron and ironing board. Fully equipped kitchens are offered in the 1 bedroom apartments.

Studio Room \$199 per night

One bedroom apartment \$219 per night

TRAVELODGE SOUTHBANK MELBOURNE

9 Riverside Quay, Southbank

Travelodge Southbank Melbourne is approximately a 10-15 minute walk to the Convention Centre, great restaurants and cafés, shopping, renowned art galleries and the Crown Casino. All rooms have individually controlled air conditioning and kitchenettes with microwave and tea and coffee making facilities. The hotel offers 24 hour reception assistance, guest laundry and dry cleaning.

Standard Room \$139 per night

OAKS ON COLLINS

480 Collins Street, Melbourne

Situated in the heart of the city opposite the Rialto Towers, Oaks on Collins is a new apartment hotel comprising of self contained New York style studios. Each studio features contemporary design and state-of-the-art kitchen and laundry facilities with stainless steel appliances. Hotel facilities include common laundry facilities, a business centre, 'First Floor Restaurant & Bar', swimming pool, gymnasium and sauna. The hotel is a 10 minute walk away from the Convention Centre

Studio Executive Room \$150 per night

OAKS ON MARKET

60 Market Street, Melbourne

The new Oaks on Market is within easy access to all that the city is famous for: shopping, theatres, food and wine, while being close to the legal and financial precincts. It is a 15 minute walk from the Melbourne Convention Centre. Rooms offer individual stereo systems, climate control, and the hotel has an indoor heated lap pool, fully equipped gymnasium, spa and sauna.

Studio Room \$150 per night

SOFITEL GRAND HOTEL

33 Spencer Street, Melbourne

Located just across the road from the Melbourne Convention Centre, the Sofitel Grand Hotel is uniquely positioned to experience a full variety of Melbourne's most celebrated attractions. The hotel offers an all non-smoking floor, in-suite controls for air-conditioning and heating, full kitchen facilities, iron and ironing board, internet/laptop/facsimile access and broadband access.

Studio Suite \$255 per night

One Bedroom Suite \$285 per night

Constitution

Melbourne



TRAVEL

AIRLINE TRAVEL

There are three major airlines servicing Melbourne:

QANTAS

Telephone: 13 13 13 www.qantas.com.au

VIRGIN BLUE AIRLINES

Telephone: 13 67 89 www.virginblue.com.au

JETSTAR AIRWAYS

Telephone: 13 15 38 www.jetstar.com.au

COACH TRANSFERS

Arrival in Melbourne:

Skybus Super Shuttle operates a Melbourne Airport to CBD transfer service. The trip is approximately 20 minutes and operates 24 hours, 7 days a week, every 10–15 minutes for most of the day. The service also offers free hotel connections to all CBD accommodation venues during daylight hours.

For further information:

Visit www.skybus.com.au, call 03 9600 1711; or email info@skybus.com.au

Getting to and from the Melbourne Convention Centre

All General Assembly hotels are within walking distance of the Melbourne Convention Centre.

Melbourne's public transport system

Metlink incorporates tram, train, bus and coach services. For further information and to purchase tickets for travel on the various modes of transport, visit www.metlinkmelbourne.com.au or call 131 638.

PostBillPay Dinner Under the Big Top

Tuesday 9 December

Coaches will collect delegates from all General Assembly hotels (INCLUDING Crowne Plaza) at approximately 6:45 pm. A return shuttle service will commence at 10:15 pm.

Official Summit Dinner

Bellarine Room, Level 4, Melbourne Convention Centre: Wednesday 10 December

Coaches will collect delegates from all General Assembly hotels (except Crowne Plaza) at approximately 6:45 pm. A return shuttle service will operate between 10:30 pm and 11:45 pm.

CAR PARKING

Parking is available via Siddeley Street, and is available 24 hours. Parking is available for \$26 per day.

Constitutional Summit

REGISTRATION FORM

2008 Constitutional Summit of Local Government

Melbourne Convention + Exhibition Centre, 8-11 December 2008
Australian Local Government Association ABN 31 008 613 876

For more than one delegate please photocopy
Register online at www.nga.alga.asn.au
or download PDF, or return this form to:

Conference Co-ordinators
PO Box 139 CALWELL ACT 2905
Phone (02) 6292 9000 Fax (02) 6292 9002
Email conference@confco.com.au

By submitting your registration you agree to the terms and conditions of the cancellation policy on page 13.

PERSONAL DETAILS

TITLE _____ NAME _____ SURNAME _____

POSITION

[Cr/Ald/Mayor/Other]

COUNCIL/ORGANISATION _____

ADDRESS _____

SUBURB _____ STATE _____ POSTCODE _____

PHONE _____ MOBILE _____ FAX _____

EMAIL _____

NAME FOR BADGE _____

HOW DID YOU FIND OUT ABOUT THE CONSTITUTIONAL SUMMIT? ALGA STATE/TERRITORY ASSOCIATION COUNCIL OTHER: _____

(Please Specify)

PRIVACY DISCLOSURE

I DO consent to my name appearing in the 2008 Constitutional Summit List of Participants booklet (name, organisation & state only disclosed) as outlined in the privacy disclosure on page 13.

I DO consent to ALGA disclosing my personal contact information as outlined in the privacy disclosure on page 13.

REGISTRATION FEES

CONSTITUTIONAL SUMMIT REGISTRATION FEES

PLEASE NOTE *registration does NOT include attendance at the Regional Co-operation and Development Forum*

EARLY BIRD Registration Fees (payment received on or before Friday 24 October 2008) \$770.00

STANDARD Registration Fees (payment received on or before Friday 21 November 2008) \$880.00

LATE Registration Fees (payment received on or after Saturday 22 November 2008) \$990.00

DAY Registration Fees Tuesday 9 December \$440.00 Wednesday 10 December \$420.00 Thursday 11 December \$270.00

ACCOMPANYING PARTNERS REGISTRATION FEES

REGISTERED ACCOMPANYING PARTNER'S name for lapel badge: _____ \$240.00

REGIONAL CO-OPERATION AND DEVELOPMENT FORUM REGISTRATION FEES

REGIONAL DEVELOPMENT FORUM ONLY Registration Fee \$330.00

CONSTITUTIONAL SUMMIT DELEGATE Registration Fee \$150.00

STATE OF THE REGIONS REPORT 2008-09 (Special Regional Forum only Delegates Rate) \$88.00

PLEASE NOTE *Full Forum registration fee includes complimentary copy of the State of the Regions Report 2008-09*

SOCIAL FUNCTIONS INCLUDED IN FEES

REGISTERED DELEGATES AND PARTNERS

One ticket to each of the following functions is included in the full Constitutional Summit registration and/or accompanying partners registration fee. Please confirm if you will be attending by placing a tick in the appropriate boxes. To purchase additional tickets to any of the following functions please indicate the number required and complete the total amount payable.

WELCOME RECEPTION AND EXHIBITION OPENING (Monday 8 December 2008)

NOTE *Charges apply to day delegates and guests. There is no charge for full registered delegates and full registered accompanying partners.*

I/we will attend: Delegate Partner Number of additional tickets @ \$44.00 each Total \$

REGISTERED PARTNERS

MELBOURNE'S GOLDEN MILE (Tuesday 9 December 2008)

I will attend: Partner Number of additional tickets @ \$100.00 each Total \$

THE YARRA VALLEY (Wednesday 10 December 2008)

I will attend: Partner Number of additional tickets @ \$140.00 each Total \$

OPTIONAL SOCIAL FUNCTIONS

Tickets to these functions are **not included** in the Constitutional Summit registration fee or accompanying partners registration fee. To purchase tickets to any of the following functions please indicate the number required and the total amount payable.

POSTBILLPAY DINNER WITH THE SILVER CIRCUS (Tuesday 9 December 2008)

Number of tickets @ \$90.00 each

Total \$

OFFICIAL SUMMIT DINNER (Wednesday 10 December 2008) ****NUMBERS STRICTLY LIMITED****

Number of tickets @ \$120.00 each

Total \$

SPECIAL REQUIREMENTS

(E.G. DIETARY) _____

REGISTRATION AND SOCIAL FUNCTION PAYMENT DETAILS

- Enclosed is my cheque made payable to ALGA Conference Account
- I'm faxing my requirements, payment follows by mail
- I have transacted an Electronic Funds Transfer to the 'ALGA Conference Account'. Transaction reference number _____
 ALGA Account: **Bank:** Commonwealth **Branch:** Curtin **BSB No:** 062905 **Account No:** 10097760 ➔ NOTE This is an account specifically for conference payments only

Please charge my credit card Mastercard Visa Amex

CREDIT CARD NUMBER

GRAND TOTAL \$

CARD HOLDER'S NAME _____ SIGNATURE _____

EXPIRY DATE / IS THIS A CORPORATE CARD? YES NO

ACCOMMODATION DETAILS

PLEASE indicate your preference from 1 to 5

CROWN TOWERS				
DELUXE ROOM	\$320	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
CROWN PROMENADE				
STANDARD ROOM	\$240	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
CROWNE PLAZA MELBOURNE				
STANDARD QUEEN ROOM	\$235	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
EXECUTIVE QUEEN POOL ROOM	\$265	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
HOLIDAY INN ON FLINDERS				
STANDARD ROOM	\$205	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
CLARION SUITES GATEWAY				
STUDIO ROOM	\$199	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
ONE BEDROOM APARTMENT	\$219	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
TRAVELODGE SOUTHBANK MELBOURNE				
STANDARD ROOM	\$139	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
OAKS ON COLLINS				
STUDIO EXECUTIVE ROOM	\$150	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
OAKS ON MARKET				
STUDIO ROOM	\$150	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
SOFITEL GRANDE HOTEL				
STUDIO SUITE	\$255	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE
ONE BEDROOM SUITE	\$285	<input type="checkbox"/> SINGLE	<input type="checkbox"/> TWIN	<input type="checkbox"/> DOUBLE

ACCOMMODATION GUARANTEE

PLEASE NOTE All cancellations or amendments must be made in writing to Conference Co-ordinators and will be acknowledged by facsimile. Please note your credit card details are required to guarantee your room. Neither Conference Co-ordinators nor the hotel will make any charges against your credit card unless you fail to give at least 21 days notice in writing of your cancellation or if less than 21 days prior to arrival your booking is reduced or cancelled in which case full payment will be required unless the room(s) can be resold. Full payment of your account will be required at the time of your departure. NOTE: Some hotels may do a pre-authorisation to ensure the validity of the card supplied.

DATE OF ARRIVAL _____

DATE OF DEPARTURE _____

SHARING WITH _____

ESTIMATED TIME OF ARRIVAL _____

I understand my credit card details are given as a guarantee of my arrival and to ensure my room will be held until my nominated arrival time. No charge for accommodation will be made against this card unless I fail to give at least 21 days notice in writing of the cancellation or if less than 21 days prior to arrival my booking is reduced or cancelled full payment will be required unless the room(s) can be resold (or at the discretion of the hotel).

Please use the credit card details provided below to guarantee my accommodation booking.

Mastercard Visa Amex

CREDIT CARD NUMBER

CARD HOLDER'S NAME _____

SIGNATURE _____

EXPIRY DATE / IS THIS A CORPORATE CARD? YES NO

AUSTRALIAN COUNCIL OF LOCAL GOVERNMENT

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To advise Council of the establishment of the Australian Council of Local Government (ACLG) and to authorise the attendance of the Mayor at the inaugural meeting.

BACKGROUND:

The Commonwealth government has announced the establishment of the Australian Council of Local Government (ACLG) as a new cooperative engagement between the Commonwealth and local government.

COMMENTS:

The Mayor has been invited to attend the inaugural meeting of ACLG at Parliament House, Canberra on 18 November 2008 as well as a welcoming function on the previous night.

RECOMMENDATION:

That the establishment of the Australian Council of Local Government (ACLG) be noted and the Mayor be authorised to attend the inaugural meeting in Canberra.

PURPOSE OF REPORT

To advise Council of the establishment of the Australian Council of Local Government (ACLG) and to authorise the attendance of the Mayor at the inaugural meeting.

BACKGROUND

The Commonwealth government has announced the establishment of the Australian Council of Local Government (ACLG) as a new cooperative engagement between the Commonwealth and local government.

A copy of a letter dated 26 September 2008 from The Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government is **attached**.

COMMENTS

The Mayor has been invited to attend the inaugural meeting of ACLG at Parliament House, Canberra on 18 November 2008 as well as a welcoming function on the previous night.

In view of the significant nature of this event the Mayor has sought approval for her attendance with Council meeting the associated costs.

CONSULTATION

None.

FINANCIAL CONSIDERATIONS

Clause 2.6 of Council's Policy for the Payment of Expenses and Provision of Facilities to Councillors provides for travel outside of the Sydney Metropolitan Area including interstate and overseas travel that is not otherwise dealt with in clause 2.4 (seminars, conferences and other training and educational expenses) or 2.5 (local travel arrangements, attendance at dinners and other non-council functions).

Clause 2.6 states:

For any proposed travel by a Councillor on Council related business not otherwise addressed in clauses 2.4 and 2.5 the approval of the Council in a non-confidential session of a Council meeting is required. Approval shall be granted subject to any conditions Council so determines. Council shall meet only those expenses that Council so determines.

For the Mayor's attendance at this function expenses will be incurred in relation to transport, accommodation and meals.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

None.

SUMMARY

The establishment of the Australian Council of Local Government (ACLG) is an initiative of the Commonwealth government. The inaugural meeting of ACLG will be held at Parliament House, Canberra and the Mayor has been invited to attend. Authorisation of the Mayor's attendance is recommended.

RECOMMENDATION

- A. That the establishment of the Australian Council of Local Government (ACLG) be noted.
- B. That the Mayor be authorised to attend the inaugural meeting of ACLG in Canberra on 18 November 2008 as well as the welcoming function on the previous night, with Council meeting all reasonable costs for transport, accommodation and meals.

John Clark
Director Corporate

Attachments: Letter dated 26 September 2008 from The Hon Anthony Albanese MP, Minister for Infrastructure, Transport, Regional Development and Local Government - 2008/013850



The Hon Anthony Albanese MP

Minister for Infrastructure,
Transport, Regional Development
and Local Government
Leader of the House

26 September 2008

Mr John McKee
General Manager
Ku-ring-gai Council
Locked Bag 1056
PYMBLE NSW 2073

Dear Mr McKee

On 18 September 2008, the Prime Minister, the Hon Kevin Rudd MP, and I announced the establishment of the Australian Council of Local Government (ACLG) to forge a new cooperative engagement between the Commonwealth and local government. The creation of this Council has been endorsed by the President of the Australian Local Government Association, Cr Paul Bell AM.

I am writing to invite your Mayor to attend the inaugural meeting of the ACLG to be hosted by the Prime Minister at Parliament House on 18 November 2008. Your Mayor is also invited to a welcoming function on the evening of 17 November 2008 where the winners of the 2008 National Awards for Local Government will be presented.

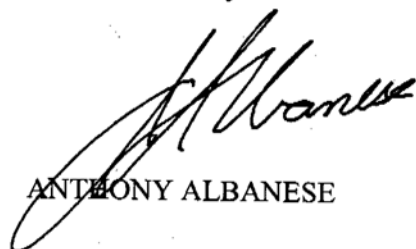
The one-day meeting will give communities a real voice in addressing issues of vital national and local interest, including priorities for national and local infrastructure, tackling the challenges of our major cities and examining a process for recognition of local government in the Commonwealth Constitution.

The Government will meet the costs of holding the meeting but each attendee is asked to bear their own travel and accommodation costs.

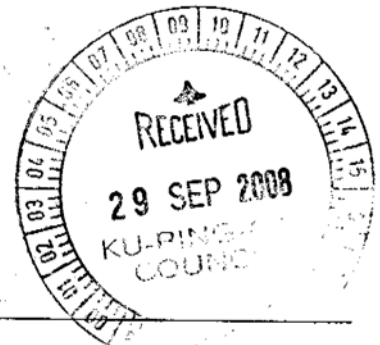
Please RSVP your Mayor's attendance at both the meeting and evening function by email no later than 8 October 2008 to <localgovernment@infrastructure.gov.au>. I would appreciate it if you could also provide a direct email address and phone number so additional information on the meeting can be provided.

An Agenda and further information about the meeting will be forwarded prior to the event. If you have any further queries, please contact the Department of Infrastructure, Transport, Regional Development and Local Government on 1800 065 113.

Yours sincerely



ANTHONY ALBANESE



SALARY INCREASE FOR COUNCIL STAFF

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To seek Council's approval for the General Manager to approve a 2008 increase in rates of pay for Council employees.

BACKGROUND:

The Local Government (State) Award 2007 is binding on those councils which are still within the State industrial relations jurisdiction. Legal advice to date indicates that Ku-ring-gai Council is a constitutional corporation covered by federal industrial relations legislation meaning that the provisions of the State Award do not apply.

COMMENTS:

Under the current and previous State Awards Council employees have received an annual increase in their pay rates, usually effective on and from the first full pay period on or after 1 November each year. Currently, there is no mechanism in place for approving an increase for Council staff other than for Council to grant them one. In 2007, Council resolved to grant an increase which was the same as employees would have received had they been covered by the Award.

RECOMMENDATION:

That the General Manager be authorised to grant a 2008 general pay increase for Council employees previously covered by the Local Government (State) Award 2004.

PURPOSE OF REPORT

To seek Council's approval for the General Manager to approve a 2008 increase in rates of pay for Council employees.

BACKGROUND

The Local Government (State) Award 2007 was negotiated between the Local Government and Shires Association (LGSA), the United Services Union (USU), the Development and Environmental Professionals Association (DEPA), the Local Government Engineering Association of NSW (LGEA) and the Nurses association of NSW. Ku-ring-gai Council had no direct involvement in the negotiations of the Award.

The 2007 Award provides for pay increases over three (3) years effective on and from the first full pay period on or after each of the following dates:

- 3.2% or a minimum \$22 at 1 November 2007
- 3.2% or a minimum \$22 at 1 November 2008
- 3.2% or a minimum \$22 at 1 November 2009

On 25 September 2007 Council resolved to grant employees a 3.2% increase effective 1 November 2007 being the equivalent of the increase included in the Local Government (State) Award 2007.

Legal advice to date indicates that Ku-ring-gai Council is covered by federal industrial relations legislation, meaning that the provisions of the 2007 State Award do not apply. The previous Federal Government introduced the Workchoices legislation (amendments to the *Workplace Relations Act 1996*) with an effective date of 27 March 2006.

This legislation effectively extended coverage of the Federal industrial relations system to those organisations that were constitutional corporations that were previously covered by State industrial relations systems. Most of the provisions of the Workchoices legislation are still in place and while there have been two recent decisions regarding industrial coverage for local government, they are contradictory.

In accordance with legal advice, Council officers have continually indicated to staff and the unions that we believe Ku-ring-gai Council is covered by federal industrial law. Apart from compliance checks mainly in the area of payslips and record keeping in respect of staff attendance and making arrangements for choice of superannuation funds, the Award has continued to be applied to Council staff. Most of the provisions of the 2004 Award have been preserved until 31 December 2009 in a federal NAPSA (Notional Agreement Preserving a State Award) but this does not allow for any general percentage increase in pay rates as the Award itself does.

In April 2007 the Department of Local Government (DLG) issued a Circular 07-09 *Role and Responsibilities of Councillors and the General Manager under the Local Government Act 1993 in Relation to Industrial Policy* (**Attachment A**).

This circular is not a directive, nor are we asked to do anything about it. It merely expresses a view of the DLG.

Item 12

S05387
1 October 2008

Following receipt of the Circular, the Local Government Managers Australia (LGMA) requested a copy of any legal advice the Government had received (**Attachment B**). It is our understanding that this request was refused.

The LGMA sought its own legal advice from Abbott Tout Lawyers, whose response is attached for your information (**Attachment C**). The issue raised by the LGMA was in relation to industrial matters generally, and the view reached by Abbott Tout was that whilst the issue involves vexed questions of law, the legal responsibility rests with the General Manager.

Council then sought its own legal advice from PriceWaterhouseCoopers Legal. Their opinion in relation to the General Manager's delegation with regard to salary increases is that it is an operational matter, not a policy matter for councillors (**Attachment D**).

COMMENTS

The jurisdictional issue relating to Council officers and Council in terms of industrial relations coverage, State or Federal, also remains unclear. Therefore this report seeks authorisation for the General Manager to grant a percentage increase in 2008. As a result of the uncertainty surrounding the role and responsibilities of Councillors and the General Manager in relation to industrial relations, several other Councils have also sought Council approval for some industrial matters while others have less formal processes in place.

Council's budget for 2008/09 allows for an overall increase in salaries and wages of 3.5%. A 3.2% increase with a minimum \$22 payment matching the Local Government State Award increase for 2008 is considered to be within budget. The increase also maintains parity with other NSW councils as it is our understanding that other councils within the region who consider that they are covered by federal industrial relations legislation are also looking at approving the same percentage increase.

CONSULTATION

The award increase was negotiated by the LGSA with all relevant unions.

Council officers have had discussions with other councils within the region.

FINANCIAL CONSIDERATIONS

Council's budget for 2007/2008 allows for an overall salary and wages increase of 3.5%. A 3.2% increase with a minimum \$22 payment matching the Local Government State Award increase for 2008 is considered to be within budget and maintains parity with salaries paid by other NSW councils. It should be noted, however, that the United Services Union (USU) is currently seeking to obtain an increase greater than 3.2%.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

The Directors of all departments of Council have been consulted as part of the preparation of this report.

SUMMARY

The Local Government (State) Award 2007 provides for pay increases over three (3) years effective on and from the first full pay period on or after each of the following dates:

- 3.2% or a minimum \$22 at 1 November 2007
- 3.2% or a minimum \$22 at 1 November 2008
- 3.2% or a minimum \$22 at 1 November 2009

In order to maintain parity of Council's salaries it is recommended that a 3.2% or a minimum \$22 effective on and from the first full pay period on or after 1 November 2008 be granted to staff. This increase is within the salaries and wages budget for 2008/09.

RECOMMENDATION

- A. That the General Manager be given approval to grant a 2008 general increase in pay rates for employees previously covered by the Local Government (State) Award 2004.
- B. That the 2008 general increase in pay rates be 3.2% or a minimum \$22 effective on and from the first full pay period on or after 1 November 2008.

John Clark
Director Corporate

John McKee
General Manager

Attachments:

- A. Department of Local Government Circular 07-09 Role & Responsibilities of Councillors & the General Manager under the Local Government Act 1993 in Relation to Industrial Policy dated 19 April 2007**
- B. Letter from Local Government Managers Australia NSW dated 27 April 2007**
- C. Letter from Abbott Tout Lawyers dated 19 June 2007**
- D. E-mail from PriceWaterhouseCoopers Legal dated 4 September 2007**

Circular No. 07-09
Date 19 April 2007
Doc ID. A94104

Contact Alice Leslie
02 4428 4100
dlg@dlg.nsw.gov.au

ROLE AND RESPONSIBILITIES OF COUNCILLORS AND GENERAL MANAGERS UNDER THE LOCAL GOVERNMENT ACT 1993 IN RELATION TO INDUSTRIAL POLICY

The department has become aware of differing opinions about the roles and responsibilities of councillors and general managers as provided in the *Local Government Act 1993*, relating to industrial matters.

In the department's view, decisions relating to industrial policies such as consideration of referral agreements, i.e. referral of industrial disputes to the New South Wales Industrial Relations Commission, are matters for elected councils, not general managers or other senior staff.

Implementation of industrial policy decisions should be carried out and managed by the general manager.



Garry Payne AM
Director General

① MARRISTON AYES
for your comments

Local Government Managers Australia, NSW

27 April 2007

John
2/5/07

Mr Garry Payne, AM
Director General
NSW Department of Local Government
Locked Bag 3015
NOWRA NSW 2541

Dear Mr Payne

Re: Role and Responsibilities of Councillors and General Managers under the Local Government Act 1993 in relation to Industrial Policy - Circular No 07/09

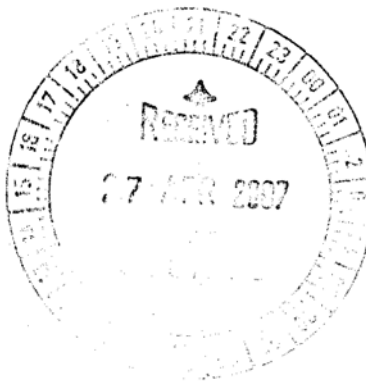
The LGMA has considered the Circular you recently issued referring to responsibilities for industrial relations in Councils.

The LGMA does not agree with the Department's interpretation of where responsibility lies for industrial relations. Under the Local Government Act 1993, General Managers have responsibility for staff management and direction. This includes by definition management of industrial relations matters. From this definition flows responsibility for decisions about referral of industrial disputes to appropriate bodies. It should be noted that legal advice received by the LGMA is that the majority of Councils in NSW are defined as constitutional corporations and therefore come under Federal Workchoices legislation.

I would appreciate clarification of any legal advice you may have which supports the interpretation of responsibility for industrial relations outlined in the Department's circular.

Yours sincerely

Penny Holloway
PRESIDENT
LGMA NSW



Ph: 02 9936 8111
Email: holpen@northsydney.nsw.gov.au

Leading the New Generation of Local Government Professionals
PO Box 6940 Silverwater NSW 2128; DX 28304 Parramatta NSW
Ph: 02 9648 1071; Fx: 02 9648 1120; Web: www.lgmansw.com.au
ABN 61 000 007 205

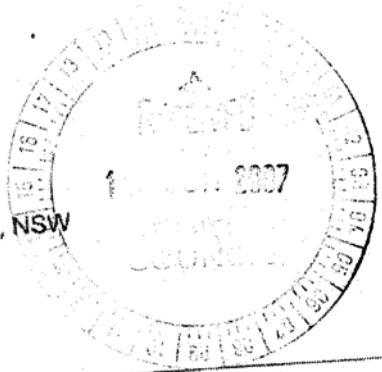
HWL

Home Wilkinson Lowry
LAWYERS

Our Ref: BRB:85777

19 June 2007

The Chief Executive
Local Government Managers Australia, NSW
PO Box 6940
SILVERWATER NSW 2128



Attention: Amanda Spalding

Email: amanda@lgmansw.com.au

This document, including any attachments, may contain privileged and confidential information intended only for the addressee named above. If you are not the intended recipient please notify us. Any unauthorised use, distribution or reproduction of the content of this document is expressly forbidden.

Dear Ms Spalding

Role and Responsibilities of Councillors and General Managers under Local Government Act 1993: In relation to Industrial policy

Thank you for your instructions to assist LGMA Membership and understanding its duties and obligations in the vexed area of Industrial Relations Policy the amendment by the, so called, *WorkChoices* Amendments to the *Workplace Relations Act 1996* (Commonwealth) effective 27 March 2006.

1. The issue

As between elected Councillors, and General Managers, by reference to the Local Government Act, 1993, who has responsibility for industrial matters?

2. Our advice

Whilst the issue involves vexed questions of law, the legal responsibility rests, in our opinion, with General Managers.

3. Our retainer

3.1 Our retainer extends to providing general advice for dissemination to LGMA members to assist them in their understanding of, principally, the legal issues pertaining to industrial matters.

3.2 You have provided us with a circular dated 27 April 2007 under the hand of the Minister for Local Government, also Minister for Aboriginal Affairs and Minister assisting the Minister for Health (Mental Health) the Honourable Paul Lynch MP directed "to Mayors and Deputy Mayors of NSW Councils.

3.3 We also have a letter under the hand of the LGMA NSW President, Penny Holloway to Mr Gary Payne, Director General NSW Department of Local Government dated 27 April 2007 and a Circular Number 07-09 under the hand of Gary Payne AM Director General Department of Local Government.

Brisbane
Melbourne
Sydney

incorporating the practice of

abbott tout
LAWYERS

3.4 You have invited us to make such comment as we believe may assist LGMA membership in understanding, as a practical matter, what they should do, or not do, in the face of this debate, politically charged as it has become.

3.5 However, we can not do justice to this retainer without some focus on matters beyond the *Local Government Act* itself.

3.6 Obviously any General Manager (or other LGMA member) should not treat this advice as a substitution for the peculiar facts and circumstances pertaining to individual Council as particular factual matrixes and legal consequences can vary markedly. In other words this advice is a general application and should not be relied upon as a substitute for taking specific advice pertaining to the peculiar facts and circumstances of each individual Council.

4. The consequences of WorkChoices

4.1 The, so called, WorkChoices amendments to the *Workplace Relations Act, 1996* (Commonwealth) referred to for the purposes of this letter as "WorkChoices" have passed into law on 27 March 2006.

4.2 Following a constitutional challenge, the High Court by majority of 5 to 2, upheld WorkChoices determining that the Commonwealth had power under Section 51(xx) of the Australian Constitution (the Corporations Power) to make laws with respect to industrial matters. Previously it was thought that the Commonwealth *head of power* was under Section 51(xxxv) of the Australian Constitution, the so called Conciliation and Arbitration Power.

4.3 The Corporations Power under Section 51 of the Australian Constitution is relevantly in the following terms:

"Parliament shall, subject to this constitution, have the power to make laws for the peace, order and good Government of the Commonwealth with respect to:

(xx) foreign corporations and trading or financial corporations fall within the limits of the Commonwealth".

4.4 Importantly, for the current debate, the Australian Constitution also includes a section which deals with inconsistency of laws which are brought into existence from time-to-time between the Commonwealth of Australia and its various states. Section 109 of the Australian Constitution is in the following terms:

"Section 109

When a law of a State is inconsistent with a law of the Commonwealth, the latter shall prevail, and the former shall, to the extent of any inconsistency, be invalid".

4.5 Consequently under Australia's constitutional arrangements in the event that a Local Council is a *constitutional corporation* then WorkChoices will apply to it, to the exclusion of any inconsistent State laws or State industrial prescriptions.

4.6 Consequently, the question for each Council (so far as the law is concerned at least) is to determine whether or not the Council is a *constitutional corporation*.

5. Constitutional Corporations

5.1 To be a *constitutional corporation* a Council must be:

- incorporated;
- within the limits of the Commonwealth;

- be a *trading corporation*; or
 - be a *financial corporation*.
- 5.2 Taking these in turn Councils are incorporated bodies. Their incorporation is under the *Local Government Act, 1993* ("the Act"). Sections 219 and 220 of the Act are in the following terms:
- "Section 219 – Constitution of Councils
A Council is constituted by this Act for each area".
- "Section 220 – Bodies Corporate
A Council is a body corporate".
- 5.3 Clearly Councils in NSW are "*formed within the limits of the Commonwealth*" within the meaning of Section 51(xx) of the Australian Constitution.
- 5.4 Practical question for each individual Council (Councils not being as a matter of definition, a financial corporation) is whether or not a Council is a *trading corporation*.
- 5.5 It is not the purpose, of this advice, to undertake a legal analysis of the questions involved in determining the issue as to whether an individual Council is, or is not, a trading corporation caught by WorkChoices. We have provided, to individual Councils, detailed advice around this issue, and it is incumbent upon each individual Council to take such advice on the basis of the particular facts and circumstances pertaining to each individual Council.
- 5.6 For present purposes LGMA members are entitled to assume that the legal authorities on the point determined that in the event that either a substantial sum of money is derived by the Council from trading activities (garbage collection, waste disposal, running childcare centres or the like) then a Council will be a trading corporation. In the alternative provided a substantial proportion (percentage) of overall revenue is derived from trading then the probabilities are that the Council will be a trading corporation and therefore a *constitutional* corporation caught by WorkChoices.
- 5.7 Prince Alfred Hospital has been found by the Federal Court to a trading corporation having received approximately \$18 million from patient's fees and business activities compared to \$112 million by way of a State Government Grant. Even though \$18 million was a small proportion of the total revenue, it was found to be a "substantial" sum of money. Similarly a Fire Board which generated 5.11% of revenue from trading activities was found to be a *constitutional* corporation where 5.11% represented \$8,000,000.00 of revenue. Councils (the Shire of Esperance and the City of Armidale – Western Australia) have found to be, before the advent of WorkChoices, *constitutional* corporations.
- 5.8 In the event that a Council is a *constitutional* corporation caught by WorkChoices the legal position is that WorkChoices prevails including over any inconsistent State Law (see paragraph [4.4]). Moreover in circumstances where the Commonwealth evinces an intention to cover the *legislative field* then Commonwealth Law can prevail by in effect ousting State Law altogether. Importantly WorkChoices purports (so far as *constitutional* corporations are concerned at least) to cover the field with respect to the terms and conditions of employment and industrial relations.
- 5.9 Consequently NSW Industrial Laws, with respect to constitutional corporations, are *invalid* either:
- entirely because the Commonwealth Parliament purports to cover the field; or
 - to the extent that they are inconsistent with WorkChoices.

6. Referral Agreements

- 6.1 As indicated *Industrial Relations Act 1996 (NSW)* ("the NSW Act") may have little work to do with respect to Councils which are, as a matter of law, constitutional corporations.
- 6.2 As a minimum the NSW Act is invalid to the extent that it is inconsistent with WorkChoices. Following the introduction, and upholding by the High Court of Australia, of the WorkChoices Reforms the NSW Parliament amended the NSW Act to include Section 146A to facilitate, so called Referral Agreements. The Ministers circular referred to at 3.2 above makes specific reference to this.
- 6.3 Section 146A of the NSW Act is in the following terms:

"146A(1)

This section applies to any of the following kinds of dispute if the parties to the dispute have agreed in writing (the "Referral Agreement") that the dispute (or disputes of a class to which the dispute belongs) be resolved by the Commission:

- (a) *a dispute about any conditions and employment or industrial matter between the industrial organisation of employees and one or more employers (or industrial organisations of employers), ..."*

- 6.4 Section 696(2) of the WorkChoices states:

"The alternative dispute resolution process is to be conducted by a person agreed between the parties in dispute on the matter".

- 6.5 Section 146A of the NSW Act states that the Referral Agreement may direct the Commission to undertake:

- "(a) the conciliation of the dispute;*
- (b) the arbitration of the dispute;*
- (c) the granting of a remedy or other relief of the kind provided by Part 6, 7 or 9 of Chapter 2 (unfair dismissal and unfair contracts);*
- (d) the granting of a remedy or other relief of the kind provided by Part 7 of Chapter 6 (the termination of contracts of carriage);*
- (e) the determination of any other issue or question arising in the dispute."*

Leaving aside for the moment the issue as to whether the New South Wales Industrial Relations Commission is a "person", section 146A is congruent with Section 698 of WorkChoices which also contemplates that the alternative dispute resolution processing includes:

- (g) conferencing; and
- (h) mediation; and
- (i) assisted negotiations; and
- (j) mutual evaluation; and
- (k) case appraisal; and
- (l) conciliation; and

- (m) arbitration, or other determination of the rights and obligations of the party in dispute; and
- (n) a procedure or service specified in the regulations.
- 6.6 Notwithstanding the congruence there is an argument that Section 146A indeed the whole of the NSW Act is no longer valid as Section 16(1) of the WorkChoices states:
- "This Act is intended to apply to the exclusion of all the following laws of a State or Territory so far as they would otherwise apply in relation to an employee or employer:*
- (a) *a State or Territory industrial law; ..."*
- 6.7 Consequently, so far as constitutional corporations, at least, are concerned Section 146A may be invalid.
- 6.8 There are other legal problems with respect to Referral Agreements. Section 146A purports to give "an industrial organisation of employees" (a union) the ability to bring a dispute under a Referral Agreement to the Commission. A Referral Agreement although made pursuant to the NSW Act is not an industrial instrument such as an award or collective agreement. A Referral Agreement is presumably made on the basis that it is a Common Law Agreement and in the context of Local Government has often been made with respect to, so called, Common Law Collective Agreements ("CLCA").
- 6.9 A CLCA is a common law contract. As such to be enforceable they need to comply with the common law. At common law to be bound by a contract, in the ordinary course, one must be a party to the contract and have therefore *privity of the contract*.
- 6.10 Unions derive their power to represent workers from industrial statutes for example WorkChoices and the NSW Act. Under such statutes unions are *deemed* to represent; certainly their members, but also persons who might otherwise "conveniently belong" to the union by reference to its membership rules and entitlements to coverage in particular industrial circumstances. These deeming provisions do not operate at common law. Consequently for a CLCA to be binding the union must have the actual authority of its members to enter into CLCAs otherwise the applicability of the CLCA must be doubted. That is, if a worker (who is the member of a union) specifically authorises its union to enter into a Common Law Agreement, the union being the agent of the worker as principal, then the Common Law Agreement can be binding upon the worker and a participating Employer, but not otherwise. To put it another way, individuals are only bound by industrial instruments that have as parties registered organisations because legislation exists it deems it so. There is no such legislation underpinning CLCAs.
- 6.11 In consequence, circumstances may arise where the enforceability of a CLCA is doubted a further consequence of which is that the referral to the State Commission under Section 146A of the NSW Act might be of doubtful legal force or effect.
7. **The Local Government Act 1993 ("the Act")**
- 7.1 The Director General in Circular Number 07-09 (19 April 2007) articulates the following:
- "The Department has become aware of different opinions about the roles and responsibilities of Councillors and General Managers as provided in the Local Government Act 1993, relating to industrial matters.*
- In the Department's view, decisions relating to industrial policies such as consideration of Referral Agreements, i.e. referral of industrial disputes with the NSW Industrial Relations Commission, are matters for elected Councils, not General Managers or other senior staff.*

Implementation of industrial policy decisions should be carried by and managed by the General Manager".

- 7.2 In the circular from the Minister the Honourable Paul Lynch MP of 27 April 2007 the Minister states:
- "I am aware of confusion about the roles and responsibilities of Councillors and General Managers as provided in the Local Government Act 1993, with regard to industrial matters ... It is the Government's view that decisions relating to industrial policies such as the consideration of Referral Agreements are matters for Councils, not General Managers or other senior staff ..."*
- 7.3 It is trite law to contend that any person including elected officials (Councillors) are not entitled to make decisions "relating to industrial policies ... Referral Agreements ..." or indeed any other matter contrary to law. This is an overarching contention which is quite separate from the issue under consideration: namely, whether the Act supports the contentions of the Honourable, the Minister or the Director General, in any event.
- 7.4 The amendments to the Local Government Act introduced by the Greiner Government with effect from 1993 placed Councils on the footing as to their management and administration at least, more akin to the corporate model than to the historical model at that time pertaining with respect Local Government. Importantly a firm distinction was drawn between the responsibilities of Council (Councillors) as distinct from those of the General Manager and other senior officers.
- 7.5 In precise, the Greiner Government's reforms can be encapsulated by the notion that the Councillors operate as a Board of Directors of a company and the General Manager as the Chief Executive Officer. To that extent, with respect, the contentions of the Minister and the Director General are correct. Political matters and matters of policy (generally speaking) are clearly within the domain of the elected political officials subject of course to the operation of the Act itself.
- 7.6 Chapter 11 of the Act mandates that a Council must appoint General Manager in Section 335 of the Act provides (as it were, with the sanction of Statute) the delegated functions of a General Manager. Section 335 of the Act contains the following:
- "335(1) The General Manager is generally responsible for the efficient and effective operation of the Council's organisation and for ensuring the implementation, without undue delay, of decisions of the Council.*
- 335(2) The General Manager has the following particular functions:*
- ***the day-to-day management of Council;***
 - *to exercise such of the functions of the Council as are delegated by the Council to the General Manager;*
 - ***to appoint staff in accordance with the organisation structure and resources approved by Council;***
 - ***to direct and dismiss staff;***
 - *to implement the Council's equal opportunity and employment opportunity plan".*
- (Our emphasis).
- 7.7 One searches in vain for an express provision in the Act directed to the point in question, namely who has the responsibility relating to industrial matters. However, in our opinion, what is clear by necessary intendment is that matters pertaining to the staff of a Council

are entirely within the domain of the General Manager. This view is reinforced by the statutorily imposed delegated responsibilities (which under the Act itself can not be removed by Council), for the General Manager who is responsible for the day-to-day management of the Council, the appointment of staff and the direction and dismissal of staff. Indeed, with respect to the appointment of staff, the only residual function for the elected officials is to determine an organisation structure and approve resources (with respect to or pertaining to staff).

- 7.8 However, this aspect of the analysis is, with respect, subservient to what we have described as the overarching issue, namely that even if it be the case that Councillors (as the political masters to a General Manager) have the power to determine industrial relations matters that power does not extend to permitting them to determine those matters contrary to law.
- 7.9 It can be seen from the analysis above that there are good reasons to contend that to the extent the NSW Government, itself, continues to claim legislative competence for those Councils who are (as a matter of law) *constitutional* corporations that claim may be misfounded because WorkChoices either covers the field or alternatively constitutes Commonwealth Law in respect of which the NSW Act is *inconsistent* and therefore *invalid* to the extent of the inconsistency.
- 7.10 Therefore in our opinion, the Act by necessary intendment, if not by express provision renders matters pertaining to the day-to-day management of the Council and in particular the retention direction and dismissal of staff as clearly within the domain of the General Manager. In any event to the extent that Councillors have a role, that role does not permit them to make decisions, to agitate or put into effect decisions which are contrary to law.

8. The practicalities

- 8.1 This very debate highlights, that these issues are politically charged. This is especially so in the present electoral cycle.
- 8.2 The circumstances in which Councils find themselves before Industrial Tribunals (historically and typically the NSW Industrial Relations Commission) are relatively speaking quite limited.
- 8.3 Doubting, as one must, the legal efficacy of CLCAs and the legal efficacy of Referral Agreements under Section 146A of the NSW Act, there are good reasons to encourage General Managers (and Councils) to refer their disputes to the Industrial Relations Commission of NSW for resolution, in any event.
- 8.4 In this politically charged environment it is unlikely that the Federal Attorney General would be persuaded to intervene on the basis that the Commission has no jurisdiction.
- 8.5 Further, including in our own experience, the Industrial Relations Commission has a long and honourable record in resolving such disputes with alacrity. The Commissioners and other Officers including Judicial Officers are very experienced in the process of alternative dispute resolution including conciliation and where it becomes necessary or desirable, arbitration.
- 8.6 Consequently, in the ordinary course, LGMA members might be well advised to take such disputes to the Industrial Relations Commission (acting as an alternative dispute resolver) until a Court of competent jurisdiction determines that the Industrial Relations Commission of NSW has no jurisdiction.
- 8.7 This admonition is especially poignant as we enter into a Federal electoral cycle which may result in a change of Government and consequently a change of law.
- 8.8 More broadly, General Managers having, as they do, the responsibility for staff issues, may take the view that the most important concern is to ensure that they retain staff and

attain and improve the morale of staff before being too concerned as to whether they are doing so in the Federal or the State arena. To this end it is important that negotiations on the terms and conditions of employment (including remuneration and increments to remuneration) remain in the foreground and the issue as to whether or not the agreements, which are created in consequence of the negotiations are State or Federal based can remain very much in the background, for the time being at least. Indeed the creation and registration of an industrial instrument to give effect to a negotiated outcome can, for practical purposes, remain in abeyance whilst the politics (and ultimately the applicable legal regime) is determined.

We are happy to expand upon any aspect of this advice as required.

Yours faithfully
Home Wilkinson Lounsbury



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Maureen Ayers

From: neil.napper@pwclegal.com.au
Sent: Tuesday, 4 September 2007 3:36 PM
To: Maureen Ayers
Cc: neil.napper@pwclegal.com.au; aaron.goonrey@pwclegal.com.au
Subject: Privileged & Confidential

Maureen,

You've asked for our advice on issues relating to the respective functions of the General Manager and Councillors regarding staff matters.

Your specific questions and our answers are as follows:

1. Is the GM required to seek Council approval to negotiate common law agreements with unions?

While not beyond doubt, it is arguable that the decision whether or not Council should make one or more common law agreements with unions is a "policy" matter rather than an operational matter. Therefore, the GM should seek approval or authorisation from Council to make such an agreement or agreements with relevant unions. The authorisation could be worded as follows:

" Council authorises the General Manager to enter into common law agreements with relevant unions representing Council employees."

2. Is the GM required to seek Council approval for a specific wage increase to be paid to employees?

In my opinion the answer is no. The amount of any salary increase is, in my view, an operational matter for the General Manager, not a policy matter for Councillors. While there is no legal obligation to do so, it would be prudent, in my view, for the GM to report to Councillors on the progress and outcome of negotiations with unions regarding proposed agreements.

3. Should the GM write to the union(s) confirming the current state of negotiations for proposed common law agreements?

In my view, it would be good practice to do so, to reduce the risk of any misunderstandings between the parties. I'd be happy to review the draft letter before it is sent.

Please let me or Aaron know if you need anything else at this stage.

Kind regards

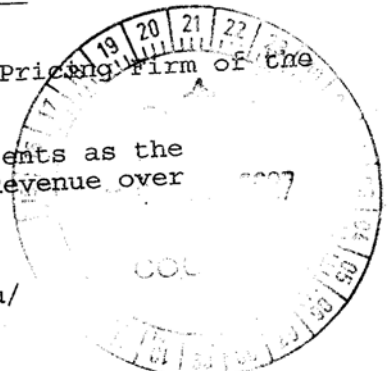
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NOTICE OF MOTION

TREE PRESERVATION ORDER - POLICY CHANGES

Notice of Motion from Councillors Tony Hall & Carlyne Hardwick dated 7 October 2008.

A significant number of residents have expressed concerns to us about the restrictive nature of Council's Tree Preservation Policy (TPO) under the KPSO and procedures for assessing tree removals. Whilst we appreciate that the tree canopy of Ku-ring-gai is extremely important to this community, there are some species that are protected under the TPO which could possibly be considered as exempt.

Also there are some procedures that are required to be followed by Council staff in the assessment of TPO applications that have caused stress to our residents applying for tree removals and reiterated in letters published in the local media.

Therefore, we would appreciate that a report be prepared for Council to consider a review of the policy and procedures associated with TPO applications and exemption of some tree species, including Leighton Greens.

We move:

"That Council be provided with a report to amend the current TPO policy and procedures to more sympathetically assess tree removals/pruning and to include a list of trees that are exempt under the policy and could be exempt from that policy. The report is to be provided to the first meeting of Council in November, 2008".

RECOMMENDATION

That the above Notice of Motion as printed be adopted.

Cr Tony Hall
Councillor for St Ives Ward

Cr Carlyne Hardwick
Councillor for St Ives Ward