



**ORDINARY MEETING OF COUNCIL
TO BE HELD ON TUESDAY, 14 SEPTEMBER 2010 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 24 August 2010

Minutes numbered 255 to 284

MINUTES FROM THE MAYOR

PETITIONS

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 allowing for minor changes without debate.*

GB.1 Election of Mayor for the 2010/2011 Mayoral Term 1

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File: S03662

To elect the Mayor for the period 2010/2011.

Recommendation:

That the Council elect the Mayor for the period 2010/2011 using the ordinary ballot method.

GB.2 Election of Deputy Mayor for the 2010/2011 Term 4

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File: S03662

To elect the Deputy Mayor for the period 2010/2011.

Recommendation:

That Council elect the Deputy Mayor for the period 2010/2011 using the same election method as was used for the election of the Mayor.

GB.3 Draft Financial Statements for year ended 30 June 2010 7

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File: FY00259/2

To present to Council the Draft Financial Statements for the year ended 30 June 2010 for certification and referral to Council's external auditors, Hill Rogers Spencer Steer chartered accountants.

Recommendation:

That Council receive, certify and refer the Draft Financial Statements for the year ended 30 June 2010 to Council's external auditors Hill Rogers Spencer Steer chartered accountants.

GB.4 **22 Woodlands Road, East Lindfield - Alterations and Additions including Extension to First Floor and New Deck** 11

File: DA0448/10

Ward: Roseville

Applicant: Beecraft Pty Ltd

Owners: Ms Kellie Jayne Reid and Mr Scott John Lovegrove

To determine Development Application No.0448/10, which is for alterations and additions to an existing dwelling house including a first floor extension and new deck

Recommendation:

Approval.

EXTRA REPORTS CIRCULATED AT MEETING

MOTIONS OF WHICH DUE NOTICE HAS BEEN GIVEN

NM.1 **Memorial in UK to Ku-ring-gai Resident - Flt/Sgt L W Lean of Lindfield and his Crew** 44

File: S03603

Notice of Motion from Councillor Tony Hall dated 30 August 2010

A request published in the NORTH SHORE TIMES of 25 August 2010 seeks information about relatives of an Australian pilot, Flt/Sgt Leonard Wentworth Lean of Lindfield who was killed with his crew on April 10, 1943 when his Lancaster bomber crashed near the village of Halam, Nottinghamshire, England. The UK contact is chris.denyer@virgin.net.

I move:

- "1. That Council undertake enquiries as to the whereabouts of the relatives of this brave pilot from within its own records that might assist the residents of Halam who seek to build a memorial to this former Ku-ring-gai resident, Flt Sgt Leonard Wentworth Lean of Lindfield and his crew.
2. Make contact with the RAAF Association missing relatives' Committee to assist these enquiries to pass on to the organiser in Halam, Chris Denyer, email chris.denyer@virgin.net and
3. Ku-ring-gai Council support such a memorial in memory of this pilot, one of many Ku-ring-gai residents who served their country in WW11 in the RAAF overseas.

4. The Mayor be authorised to make contact with Mr Denyer to offer assistance on behalf of the people of Ku-ring-gai and advise Council in due course."

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 Proposal to Acquire Open Space - Killara

1

File: S07257

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 was 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 the proposed acquisition of property.

It is not in the public interest to release this information as it would prejudice Council's ability to acquire this and other property on appropriate terms and conditions.

Report by Director Strategy & Environment dated 3 September 2010.

John McKee
GENERAL MANAGER

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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.*

PETITION

PETITION IN SUPPORT OF EXOTIC ANIMALS IN CIRCUSES - (SEVEN THOUSAND, SEVEN HUNDRED AND NINETY-TWO [7,792] SIGNATURES)

"We, the undersigned, support the use of exotic animals, meaning Lions and Monkeys, in circuses and it is our belief that there is no cruelty involved and Councils should not ban them in circuses using Council-owned or controlled grounds."

RECOMMENDATION

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

ELECTION OF MAYOR FOR THE 2010/2011 MAYORAL TERM

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To elect the Mayor for the period 2010/2011.

BACKGROUND:

Section 290 of the Local Government Act provides that Council shall elect a Mayor and the Council is required to hold Mayoral elections in September of each year of its four year term.

COMMENTS:

It is customary in Ku-ring-gai Council for Mayoral elections to use the ordinary ballot method of voting.

RECOMMENDATION:

That the Council elect the Mayor for the period 2010/2011 using the ordinary ballot method.

PURPOSE OF REPORT

To elect the Mayor for the period 2010/2011.

BACKGROUND

Section 290 of the Local Government Act provides that Council shall elect a Mayor and the Council is required to hold mayoral elections in September of each year of its four year term.

NOMINATION

Schedule 7 - Election of Mayor by Councillors [Local Government (General) Regulations 2005] states:

2. *(1) A councillor may be nominated without notice for election as mayor or deputy mayor.*
- (2) The nomination is to be made in writing by 2 or more councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.*
- (3) The nomination is to be delivered or sent to the returning officer.*
- (4) The returning officer is to announce the names of the nominees at the council meeting at which the election is to be held.*

Nomination forms and Acceptance forms have been distributed with the Business Papers and will also be available on the night.

If there is more than one nomination, an election is carried out.

METHOD OF ELECTION

The election could be carried out in one of three ways.

The first is an ordinary ballot. In this type of election, each councillor is required to cast one vote for the candidate of his or her choice. If there are more than two candidates, the candidate who polled the lowest number of votes is eliminated and a further ballot takes place. In the case of a tied vote (ie 5 all for the final two candidates), the General Manager will conduct a draw of lots to determine the outcome - the one chosen by lot is elected Mayor. at any stage through the vote, if 2 or more candidates are tied on the lowest number of votes, the one to be excluded is chosen by lot.

The second possible method of voting is a preferential system. In this system each councillor is required to cast a vote listing the candidates in order of preference 1, 2, 3, etc. If no candidate receives an absolute majority of first preferences, then preferences are distributed until one candidate receives a majority.

Item 1

S03662
11 August 2010

The third possible method of voting is open voting. This voting method follows the same principles as the ordinary ballot, except that voting is conducted by Councillors raising their hands for the candidate of their choice.

COMMENTS

It is customary in Ku-ring-gai Council for Mayoral elections to use the ordinary ballot method of voting.

CONSULTATION

Not applicable.

FINANCIAL CONSIDERATIONS

Not applicable.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

It is also customary for the General Manager to be the returning officer in accordance with Schedule 7 of the Local Government (General) Regulations 2005.

Schedule 7 states:

Returning officer

- 1. The general manager (or a person appointed by the general manager) is the returning officer.*

RECOMMENDATION

That the Council elect the Mayor for the period 2010/2011 using the ordinary ballot method.

Geoff O'Rourke
Senior Governance Officer

John McKee
General Manager

ELECTION OF DEPUTY MAYOR FOR THE 2010/2011 TERM

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To elect the Deputy Mayor for the period 2010/2011.

BACKGROUND:

Section 231 of the Local Government Act 1993 empowers the Council to elect a Deputy Mayor.

The Deputy Mayor may be elected for the same term as the Mayor or a shorter period.

Traditionally, Ku-ring-gai Council has elected a Deputy Mayor for the same period as the Mayor, ie annually.

COMMENTS:

It is customary that the same method of voting as is used for the election of the Mayor is used to elect the Deputy Mayor.

RECOMMENDATION:

That Council elect the Deputy Mayor for the period 2010/2011 using the same election method as was used for the election of the Mayor.

PURPOSE OF REPORT

To elect the Deputy Mayor for the period 2010/2011.

BACKGROUND

Section 231 of the Local Government Act 1993 empowers the Council to elect a Deputy Mayor.

Schedule 7 - Election of Mayor by Councillors [Local Government (General) Regulations 2005] states:

2. (1) *A councillor may be nominated without notice for election as mayor or deputy mayor.*
- (2) *The nomination is to be made in writing by 2 or more councillors (one of whom may be the nominee). The nomination is not valid unless the nominee has indicated consent to the nomination in writing.*
- (3) *The nomination is to be delivered or sent to the returning officer.*
- (4) *The returning officer is to announce the names of the nominees at the council meeting at which the election is to be held.*

Nomination forms and Acceptance forms have been distributed with the Business Papers and will also be available on the night.

If there is more than one nomination, an election is carried out.

METHOD OF ELECTION

The election could be carried out in one of three ways.

The first is an ordinary ballot. In this type of election, each councillor is required to cast one vote for the candidate of his or her choice in the normal ballot method, ie secret. If there are more than two candidates, the candidate who polled the lowest number of votes is eliminated and a further ballot takes place. In the case of a tied vote, the General Manager will conduct a draw of lots to determine the outcome - the one chosen by lot is elected Deputy Mayor. At any stage through the vote, if 2 or more candidates are tied on the lowest number of votes, the one to be excluded is chosen by lot.

The second possible method of voting is a preferential system. In this system each councillor is required to cast a vote listing the candidates in order of preference 1, 2, 3, etc. If no candidate receives an absolute majority of first preferences, then preferences are distributed until one candidate receives a majority.

The third possible method of voting is open voting. This voting method follows the same principles as the ordinary ballot, except that voting is conducted by Councillors raising their hands for the candidate of their choice.

COMMENTS

It is customary that the same method of voting as is used for the election of the Mayor is used to elect the Deputy Mayor.

CONSULTATION

Not applicable.

FINANCIAL CONSIDERATIONS

Not applicable.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

It is also customary for the General Manager to be the returning officer in accordance with Schedule 7 of the Local Government (General) Regulations 2005.

Schedule 7 states:

Returning officer

1. *The general manager (or a person appointed by the general manager) is the returning officer.*

RECOMMENDATION

That the Council elect the Deputy Mayor for the period 2010/2011 using the same election method as was used for the election of the Mayor.

Geoff O'Rourke
Senior Governance Officer

John McKee
General Manager

DRAFT FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2010

EXECUTIVE SUMMARY

PURPOSE OF REPORT:

To present to Council the Draft Financial Statements for the year ended 30 June 2010 for certification and referral to Council's external auditors, Hill Rogers 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 2010 to Council's external auditors Hill Rogers Spencer Steer chartered accountants.

PURPOSE OF REPORT

To present to Council the Draft Financial Statements for the year ended 30 June 2010 for certification and referral to Council's external auditors, Hill Rogers 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 2010 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 12 October 2010. A representative from Council's external auditor, Hill Rogers 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 3

FY00259/2
23 August 2010**Annual Financial Statements 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 September 2010	Ordinary Meeting of Council – 2009/2010 Financial Statements presented to Council seeking Council to resolve to certify the draft statements and refer them for audit.
15 September 2010	Auditor's report anticipated to be received by Council and Financial Statements submitted to the Department of Local Government.
17 September 2010	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 24 September 2010. The advertisement also advises that the Financial Statements will be formally presented to Council on 12 October 2010 and submissions will be received until 19 October 2010
12 October 2010	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.
19 October 2010	Closing date for public submissions on the Financial Statements. All submissions received must be referred to Council's auditor for consideration (Section 420).

CONSULTATION

The Draft Financial Statements for the year ended 30 June 2010 were referred to the Audit Committee on 2 September 2010 for review and the committee recommended referral to Council's external auditor, Hill Rogers Spencer Steer chartered accountants to provide an opinion on the Draft Financial Statements and to report to Council.

The Draft Financial Statements will be on public exhibition for seven days from 17 September until 24 September 2010. Submissions from the public will be received until 19 October.

The advertisement also advises that the Financial Statements will be formally presented to Council on 12 October 2010 and submissions will be received until 19 October 2010.

Prior to the public meeting on 12 October 2010 further information will be provided to Councillors.

FINANCIAL CONSIDERATIONS

Not applicable.

CONSULTATION WITH OTHER COUNCIL DEPARTMENTS

Not applicable.

SUMMARY

The purpose of this report is to present to Council the Draft Financial Statements for the year ended 30 June 2010 for certification and referral to Council's external auditors, Hill Rogers Spencer Steer chartered accountants.

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).

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.

On 12 October 2010 the audited financial reports, together with the auditor's 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 2010.
- B. That the Draft Financial Statements be referred to Council's external auditor, Hill Rogers 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 one other Councillor, the General Manager and the Responsible Accounting Officer in accordance with Section 413(2)(C) of the Local Government Act 1993.
- D. That Tuesday 12 October 2010 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 2010 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 (distributed under separate cover) - 2010/170204

DRAFT

Ku-ring-gai Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

"...a creative, vibrant place where citizens respect each other and conserve the magnificent environment and society for our children and our grandchildren"



Ku-ring-gai Council

General Purpose Financial Statements for the financial year ended 30 June 2010

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4. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	
- On the Conduct of the Audit (Sect 417 [3])	

Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Ku-ring-gai Council.
- (ii) Ku-ring-gai Council is a body 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 the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian Currency.
 - (iv) These financial statements were authorised for issue by the Council on 15/09/10.
Council has the power to amend and reissue the financial statements.
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Ku-ring-gai Council

General Purpose Financial Statements for the financial year ended 30 June 2010

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 Statements have 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, these Financial Statements:

- present 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 the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 14 September 2010.

Ian Cross
MAYOR

Jennifer Anderson
COUNCILLOR

John McKee
GENERAL MANAGER

Tino Caltabiano
RESPONSIBLE ACCOUNTING OFFICER

Ku-ring-gai Council

Income Statement

for the financial year ended 30 June 2010

Budget ⁽¹⁾			Actual	Actual
2010	\$ '000	Notes	2010	2009
Income from Continuing Operations				
Revenue:				
58,663	Rates & Annual Charges	3a	59,614	54,948
15,530	User Charges & Fees	3b	15,827	14,788
1,618	Interest & Investment Revenue	3c	3,168	2,790
2,747	Other Revenues	3d	4,030	2,924
4,690	Grants & Contributions provided for Operating Purposes	3e,f	5,048	6,593
5,519	Grants & Contributions provided for Capital Purposes	3e,f	15,698	12,019
Other Income:				
-	Net gains from the disposal of assets	5	11,839	26
	Net Share of interests in Joint Ventures & Associated			
-	Entities using the equity method	19	-	-
88,767	Total Income from Continuing Operations		115,224	94,088
Expenses from Continuing Operations				
33,261	Employee Benefits & On-Costs	4a	33,763	30,892
505	Borrowing Costs	4b	507	576
24,458	Materials & Contracts	4c	25,619	26,339
7,850	Depreciation & Amortisation	4d	7,824	7,430
-	Impairment	4d	-	-
12,290	Other Expenses	4e	11,614	11,547
78,364	Total Expenses from Continuing Operations		79,327	76,784
10,403	Operating Result from Continuing Operations		35,897	17,304
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
10,403	Net Operating Result for the Year		35,897	17,304
10,403	Net Operating Result attributable to Council		35,897	17,304
-	Net Operating Result attributable to Minority Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
4,884			20,199	5,285

(1) Original Budget as approved by Council - refer Note 16 which explains material budget variations

Ku-ring-gai Council

Statement of Comprehensive Income

for the financial year ended 30 June 2010

\$ '000	Notes	Actual 2010	Actual 2009
<hr/>			
Net Operating Result for the year (as per Income statement)		35,897	17,304
Other Comprehensive Income			
Gain (loss) on revaluation & impairment of I,PP&E	20b (ii)	146,966	-
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Other Movements in Reserves (enter details here)	20b (ii)	-	-
		<hr/>	<hr/>
Total Other Comprehensive Income for the year		146,966	-
		<hr/>	<hr/>
Total Comprehensive Income for the Year		182,863	17,304
		<hr/>	<hr/>
Total Comprehensive Income attributable to Council		182,863	17,304
Total Comprehensive Income attributable to Minority Interests		-	-
		<hr/>	<hr/>

Ku-ring-gai Council

Balance Sheet

as at 30 June 2010

\$ '000	Notes	Actual 2010	Actual 2009	Actual 2008
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	798	1,114	4
Investments	6b	39,200	35,753	40,855
Receivables	7	5,706	5,439	4,999
Inventories	8	221	240	229
Other	8	585	976	328
Non-current assets classified as 'held for sale'	22	-	5,827	3,187
Total Current Assets		46,510	49,349	49,602
Non-Current Assets				
Investments	6b	67,166	39,314	31,825
Receivables	7	215	194	213
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	715,733	555,856	466,208
Investments accounted for using the equity method	19	-	-	-
Investment Property	14	-	-	-
Intangible Assets	25	-	-	-
Other	8	-	-	-
Total Non-Current Assets		783,114	595,364	498,246
TOTAL ASSETS		829,624	644,713	547,848
LIABILITIES				
Current Liabilities				
Payables	10	13,175	10,179	14,232
Borrowings	10	1,651	1,813	2,057
Provisions	10	8,888	8,091	7,126
Total Current Liabilities		23,714	20,083	23,415
Non-Current Liabilities				
Payables	10	-	-	-
Borrowings	10	5,244	6,895	7,718
Provisions	10	260	192	420
Total Non-Current Liabilities		5,504	7,087	8,138
TOTAL LIABILITIES		29,218	27,170	31,553
Net Assets		800,406	617,543	516,295
EQUITY				
Retained Earnings	20	626,781	590,884	489,636
Revaluation Reserves	20	173,625	26,659	26,659
Council Equity Interest		800,406	617,543	516,295
Minority Equity Interest		-	-	-
Total Equity		800,406	617,543	516,295

Ku-ring-gai Council

Statement of Changes in Equity for the financial year ended 30 June 2010

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2010						
Opening Balance (as per Last Year's Audited Accounts)		1,691,529	26,659	1,718,188	-	1,718,188
a. Correction of Prior Period Errors	20 (c)	41,972	-	41,972	-	41,972
b. Changes in Accounting Policies (prior year effects)	20 (d)	(1,142,617)	-	(1,142,617)	-	(1,142,617)
Revised Opening Balance (as at 1/7/09)		590,884	26,659	617,543	-	617,543
c. Net Operating Result for the Year		35,897	-	35,897	-	35,897
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Reserve	20b (ii)	-	146,966	146,966	-	146,966
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	146,966	146,966	-	146,966
Total Comprehensive Income (c&d)		35,897	146,966	182,863	-	182,863
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		626,781	173,625	800,406	-	800,406

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		1,674,225	26,659	1,700,884	-	1,700,884
a. Correction of Prior Period Errors	20 (c)	41,972	-	41,972	-	41,972
b. Changes in Accounting Policies (prior year effects)	20 (d)	(1,142,617)	-	(1,142,617)	-	(1,142,617)
Revised Opening Balance (as at 1/7/08)		573,580	26,659	600,239	-	600,239
c. Net Operating Result for the Year		17,304	-	17,304	-	17,304
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		17,304	-	17,304	-	17,304
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		590,884	26,659	617,543	-	617,543

Ku-ring-gai Council

Statement of Cash Flows

for the financial year ended 30 June 2010

Budget 2010	\$ '000	Notes	Actual 2010	Actual 2009
Cash Flows from Operating Activities				
Receipts:				
60,029	Rates & Annual Charges		59,273	54,852
18,135	User Charges & Fees		18,052	15,956
1,618	Investment & Interest Revenue Received		5,243	6,353
16,271	Grants & Contributions		20,607	18,363
7,796	Other		8,047	6,950
Payments:				
(32,371)	Employee Benefits & On-Costs		(33,043)	(30,246)
(25,153)	Materials & Contracts		(26,708)	(32,012)
(524)	Borrowing Costs		(508)	(590)
(17,273)	Other		(12,121)	(15,698)
28,528	Net Cash provided (or used in) Operating Activities	11b	38,842	23,928
Cash Flows from Investing Activities				
Receipts:				
33,600	Sale of Investment Securities		6,974	26,551
18,000	Sale of Infrastructure, Property, Plant & Equipment		18,351	754
Payments:				
(60,535)	Purchase of Investment Securities		(41,234)	(32,533)
-	Purchase of Investment Property		-	-
(18,500)	Purchase of Infrastructure, Property, Plant & Equipmer		(21,436)	(16,523)
(27,435)	Net Cash provided (or used in) Investing Activities		(37,345)	(21,751)
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		-	1,000
Payments:				
	Nil			
(1,862)	Repayment of Borrowings & Advances		(1,813)	(1,880)
(1,862)	Net Cash Flow provided (used in) Financing Activities		(1,813)	(880)
(769)	Net Increase/(Decrease) in Cash & Cash Equivalents		(316)	1,297
1,530	plus: Cash & Cash Equivalents - beginning of year	11a	1,114	(183)
761	Cash & Cash Equivalents - end of the year	11a	798	1,114
Additional Information:				
	plus: Investments on hand - end of year	6b	106,366	75,067
Total Cash, Cash Equivalents & Investments			107,164	76,181

Please refer to Note 11 for additional Cash Flow information.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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n/a - not applicable

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

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 these financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards, accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-for-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) 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, and
- 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 these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but it 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) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** 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 that are accounted for at fair valuation.

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

(iv) Changes in Accounting Policies

Council has revalued its Infrastructure, Property, Plant & Equipment (IPP&E) to fair value at 30 June 2010.

In revaluing the IPP&E Council has used the "brownfield rates" i.e. replacement value, as opposed to the "greenfield rates" used in the previous revaluation of IPP&E in 1996. Brownfield rates are considered Local Government industry best practice.

Greenfield values represent the cost on initial acquisition of the asset. Brownfield values represent the costs that would be incurred on the subsequent replacement of the asset.

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

There can be considerable differences in these rates leading to differences in reported asset values.

The change in valuation rates has resulted in a loss of \$1,142 M (see Note 20d). This amount has been adjusted under AASB 108 "Accounting Policies, Changes in Accounting estimates and Errors" against the opening balance of accumulated retained earnings as at 1 July 2008.

(v) Critical Accounting Estimates

The preparation of these financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

(vi) Financial Statements Presentation

The Council has applied the revised **AASB 101, Presentation of Financial Statements** which became effective on 1 January 2009.

The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity.

All non-owner changes in equity must now be presented in the statement of comprehensive income.

As a consequence, the Council had to change the presentation of its financial statements.

Comparative information has been re-presented so that it is also in conformity with the revised standard.

(b) Revenue recognition

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

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 contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

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

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

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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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 the impairment of these receivables 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.

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

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30/6/10) and (ii) all the related operating results (for the financial year ended the 30th June 2010).

(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 a Finance Lease or an Operating Lease.

Operating Leases

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

Payments made under operating leases (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 but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

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

- **financial assets at fair value through profit or loss**,
- **loans and receivables**,
- **held-to-maturity investments**, and

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

Financial assets at fair value through profit and loss are subsequently carried at fair value.

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

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in the income statement.

(iii) Types of Investments

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

Investments are placed and managed in accordance with the Policy and having particular regard to

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

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.

Council amended its policy following revisions to the Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order.

These will be disposed of when most financially advantageous to Council.

(g) Fair value estimation

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

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

(h) Receivables

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

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

A provision for impairment (ie. an allowance account) relating to 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.

(i) Inventories

Raw Materials, Stores and Finished Goods

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

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

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

Acquisition of assets

Council's non current assets are being progressively revalued to fair value in accordance with a staged implementation as advised by the Division 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)
- **Roads Assets including roads, bridges & footpaths** (Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)

The only remaining asset class that is to be revalued in a future reporting period is;

- **2010/11:** Community land, land improvements, other structures and other assets

Until the designated future reporting periods, the above remaining asset class is 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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

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

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

Asset Revaluations

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 recognised via the profit or loss, then 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.

Asset capitalisation threshold includes:

- Office Furniture & Equipment \$2,000
- Other Plant & Equipment \$2,000

In determining (and annually reviewing) such thresholds, regard are had to the nature of the asset and its estimated service life.

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life. Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

- Roads: Surface	20 - 30 years
Pavement	50 - 70 years
Formation	100 years
- Drain Structures	10 - 50 years
- Drain grates, inlets and pipes	100 years
- Buildings	60 years
- Motor vehicles	10 years
- Plant & Equipment	10 years
- Office Equipment	10 years

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(m) on Asset Impairment.

Disposal and De-recognition

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

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

(k) Land

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

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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(l) Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

Council has not acquired any land under roads after 1 July 2008

(m) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

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

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

(n) 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.

(o) 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.

(p) Borrowing costs

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

(q) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

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

Provisions are not recognised for future operating losses.

(r) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

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

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.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

(ii) Other Long Term Obligations

The liability for all long service and annual leave (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

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

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

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

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

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

Accordingly, Council's 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 Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities amounting to around \$286 million at 30 June 2010.

As a result, they have asked for significant increases in future contributions to recover that deficiency.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(s) Allocation between current and non-current assets & liabilities

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

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

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.

(t) 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.

(u) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2010.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect Council's accounting for its financial assets.

The standard is not applicable until 1 January 2013 but is available for early adoption.

Council is yet to assess its full impact.

However, initial indications are that it may affect Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

Applicable to Local Government but no implications for Council;

AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-Settled Share-based Payment Transactions [AASB 2] (effective from 1 January 2010)

The amendments made by the AASB to AASB 2 confirm that an entity receiving goods or services in a group share-based payment arrangement must recognise an expense for those goods or services

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 1. Summary of Significant Accounting Policies (continued)

regardless of which entity in the group settles the transaction or whether the transaction is settled in shares or cash.

They also clarify how the group share-based payment arrangement should be measured, that is, whether it is measured as an equity- or a cash-settled transaction.

AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132] (effective from 1 February 2010)

In October 2009 the AASB issued an amendment to AASB 132 Financial Instruments: Presentation which addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer.

Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities.

The amendment must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements.

Council does not make any such prepayments. The amendment is therefore not expected to have any impact on Council.

Applicable to Local Government but not relevant to Council at this stage;

None

Not applicable to Local Government per se;

Revised AASB 124 Related Party Disclosures and AASB 2009-12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies and simplifies the definition of a related party.

(v) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements 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 these financial statements and/or the notes.

(x) Disclaimer

Nothing contained within these statements 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 2010

Note 2(a). Council Functions / Activities - Financial Information

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		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2010	2010	2009	2010	2010	2009	2010	2010	2009	2010	2009	2010	2009
Governance	1	5	30	291	275	1,505	(290)	(270)	(1,475)		(7)	(1,142,607)	(1,142,617)
Administration	9,292	25,144	7,315	20,759	20,024	18,854	(11,467)	5,120	(11,539)	-	190	145,718	132,057
Public Order & Safety	252	622	313	3,770	4,162	3,811	(3,518)	(3,540)	(3,498)	320	162	4,762	4,316
Health	133	101	136	471	435	488	(338)	(334)	(352)	7	-	4,796	4,346
Environment	10,000	14,442	-	17,385	17,083	-	(7,385)	(2,641)	-	120	-	4,000	-
Community Services & Education	4,770	5,544	5,430	4,372	5,136	3,968	398	408	1,462	562	945	7,678	6,958
Housing & Community Amenities	692	732	13,661	3,225	3,573	19,577	(2,533)	(2,841)	(5,916)	123	434	41,521	37,628
Recreation & Culture	13,092	18,041	14,306	13,357	14,722	13,579	(265)	3,319	727	977	787	249,170	225,810
Mining, Manufacturing & Construction	3,026	2,066	2,456	5,075	5,437	5,002	(2,049)	(3,371)	(2,546)	-	-	1,276	1,156
Transport & Communication	3,735	5,836	5,223	9,445	8,423	9,797	(5,710)	(2,587)	(4,574)	1,495	2,700	1,513,310	1,375,059
Economic Affairs	110	-	115	214	57	203	(104)	(57)	(88)	-	-	-	-
Total Functions & Activities	45,103	72,533	48,985	78,364	79,327	76,784	(33,261)	(6,794)	(27,799)	3,604	5,211	829,624	644,713
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	43,664	42,691	45,103	-	-	-	43,664	42,691	45,103	3,305	3,940	-	-
Operating Result from Continuing Operations	88,767	115,224	94,088	78,364	79,327	76,784	10,403	35,897	17,304	6,909	9,151	829,624	644,713

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

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 2(b). Council Functions / Activities - Component Descriptions

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.

ENVIRONMENT

Landcare, lakes restoration, pollution and environmental systems

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.

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 2010

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2010	Actual 2009
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		35,312	37,624
Business		2,910	2,555
Total Ordinary Rates		38,222	40,179
Special Rates			
New Facility rate		1,414	-
Environmental Levy		2,173	1,959
Infrastructure Levy		5,793	1,915
Total Special Rates		9,380	3,874
Annual Charges (pursuant to s.496 & s.501)			
Stormwater Management Services		915	907
Domestic Waste Management Services		11,097	9,988
Total Annual Charges		12,012	10,895
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>59,614</u>	<u>54,948</u>

Council has used 2008 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 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(b). User Charges & Fees			
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Building Regulation		1,608	1,551
Certificates		551	446
DA Advertising Fees		28	63
Driveway Application Fees		466	473
Outstanding Notices		188	94
Regulatory Application Fees		220	323
Section 611 Charges		61	56
Tree Preservation Charges		102	87
Total Fees & Charges - Statutory/Regulatory		3,224	3,093
(ii) Fees & Charges - Other(incl. General User Charges (per s.610C))			
Art Centre		496	499
Bus Shelters		135	263
Family Day Care		822	806
Golf Courses		1,331	1,295
Halls		275	298
Holiday Activities		202	189
Leaseback Fees - Council Vehicles		328	330
Library		63	56
Nursery		97	115
Parks		560	491
Rental Income - Other Council Properties		3,299	2,944
Restoration Charges		2,564	2,085
Sale of Documents		24	18
Showground		145	139
Tennis Courts		280	256
Trade Waste Charges		1,699	1,616
Other		283	295
Total Fees & Charges - Other		12,603	11,695
TOTAL USER CHARGES & FEES		15,827	14,788

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		100	84
- Interest earned on Investments (interest & coupon payment income)		6,029	6,301
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		(1,507)	(3,595)
Impairment Losses/Reversals			
- Impairment (Losses)/Reversals - Investments other than AFS		(1,454)	-
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>3,168</u>	<u>2,790</u>

Interest Revenue is attributable to:

Unrestricted Investments/Financial Assets:

Overdue Rates & Annual Charges	100	84
General Council Cash & Investments	600	693

Restricted Investments/Funds - External:

Development Contributions		
- Section 94	2,004	1,806

Restricted Investments/Funds - Internal:

Internally Restricted Assets	464	207
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Total Interest & Investment Revenue Recognised

<u>3,168</u>	<u>2,790</u>
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(d). Other Revenues

Parking Fines	1,554	933
Other Fines	297	311
Legal Fees Recovery - Rates & Charges (Extra Charges)	214	276
Commissions & Agency Fees	17	15
Credit Card Surcharge	103	90
Dog Registration Fees	62	48
Filming Fees	11	39
Insurance Claim Recoveries	219	61
Program Fees	93	80
Recycling Income (non domestic)	603	613
Recycling Rebate	409	255
Trade Discount	16	-
Licence income	180	30
Other	252	173
<u>TOTAL OTHER REVENUE</u>	<u>4,030</u>	<u>2,924</u>

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance	2,964	3,617	-	-
Pensioners' Rates Subsidies - General Component	341	323	-	-
Total General Purpose	3,305	3,940	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	122	101	-	-
Community Care	-	-	101	-
Community Centres	461	438	-	-
Environmental Protection	121	-	-	-
Fire Management	117	295	-	-
Library per capita subsidy	200	198	-	-
Noxious Weeds	7	31	-	-
NSW Rural Fire Services	73	-	-	-
Road Safety	60	62	-	-
Recreation & Culture	-	487	519	-
Street Lighting	261	255	-	-
Transport	-	328	1,233	2,466
Other	132	306	197	244
Total Specific Purpose	1,554	2,501	2,050	2,710
Total Grants	4,859	6,441	2,050	2,710
Grant Revenue is attributable to:				
- Commonwealth Funding	2,964	3,617	-	-
- State Funding	1,895	2,824	2,050	2,710
- Other Funding	-	-	-	-
	4,859	6,441	2,050	2,710

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 3. Income from Continuing Operations (continued)

\$ '000	2010 Operating	2009 Operating	2010 Capital	2009 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	141	108	13,584	9,240
Total Developer Contributions ¹⁷	141	108	13,584	9,240
Other Contributions:				
Contribution to Works	48	44	64	69
Total Other Contributions	48	44	64	69
Total Contributions	189	152	13,648	9,309
<u>TOTAL GRANTS & CONTRIBUTIONS</u>	<u>5,048</u>	<u>6,593</u>	<u>15,698</u>	<u>12,019</u>

\$ '000	Actual 2010	Actual 2009
(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	58,783	48,960
add: Grants and contributions recognised in the current period which have not been spent:	17,857	14,939
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(7,776)	(5,116)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	10,081	9,823
Unexpended at the Close of this Reporting Period and held as Restricted Assets	<u>68,864</u>	<u>58,783</u>
Comprising:		
- Specific Purpose Unexpended Grants	1,368	2,304
- Developer Contributions	67,496	56,479
	<u>68,864</u>	<u>58,783</u>

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2010	Actual 2009
(a) Employee Benefits & On-Costs			
Salaries and Wages		25,234	23,730
Employee Leave Entitlements (ELE)		4,223	3,833
Superannuation		3,207	2,442
Workers' Compensation Insurance		1,689	1,057
Fringe Benefit Tax (FBT)		219	192
Training Costs (other than Salaries & Wages)		212	205
Other		125	162
Total Employee Costs		34,909	31,621
less: Capitalised Costs		(1,146)	(729)
TOTAL EMPLOYEE COSTS EXPENSED		33,763	30,892
Number of "Equivalent Full Time" Employees at year end		464	468
(b) Borrowing Costs			
Interest Bearing Liability Costs			
Interest on Loans		507	576
Total Interest Bearing Liability Costs Expensed		507	576
TOTAL BORROWING COSTS EXPENSED		507	576
(c) Materials & Contracts			
Raw Materials & Consumables		3,490	3,923
Contractor & Consultancy Costs		19,440	19,732
Auditors Remuneration			
i. Audit Services - Council's Auditor		49	49
Legal Expenses:			
- Legal Expenses - Planning & Development		1,545	1,724
- Legal Expenses - Other		424	251
Operating Leases:			
Operating Lease Rentals - Minimum Lease Payments ⁽¹⁾		412	449
Other		259	211
Total Materials & Contracts		25,619	26,339
TOTAL MATERIALS & CONTRACTS		25,619	26,339
1. Operating Lease Payments are attributable to:			
- Computers		408	449
		412	449

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2010	Actual 2009	Actual 2010	Actual 2009
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,585	1,505
Office Equipment		-	-	110	100
Furniture & Fittings		-	-	14	18
Land Improvements (depreciable)		-	-	247	154
Buildings		-	-	1,333	1,288
Other Structures		-	-	287	246
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	3,258	3,193
- Stormwater Drainage		-	-	486	477
- Library Books		-	-	478	441
- Other		-	-	26	8
Total Depreciation & Impairment Costs		-	-	7,824	7,430
less: Capitalised Costs		-	-	-	-
less: Impairments offset in ARR (Equity)	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	7,824	7,430

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2010	Actual 2009
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		304	366
Bad & Doubtful Debts		6	41
Bank Charges		199	189
Commissions		430	304
Computer Software Charges		620	531
Conferences		93	75
Contributions/Levies to Other Levels of Government			
- NSW Fire Brigade Levy		1,931	1,954
- Department of Planning Levy		344	337
- Other Contributions/Levies		-	155
Corporate Events		30	17
Councillor Expenses - Mayoral Fee		33	33
Councillor Expenses - Councillors' Fees		157	141
Donations, Contributions & Assistance to other organisations		130	137
Election Expenses		58	407
Electricity & Heating		505	394
External Plant Hire		20	37
Family Day Care (Child Care Assistance)		86	73
Insurance		866	1,012
Insurance Excess		52	48
Postage		196	228
Rate Issue Costs		39	47
Rental Rebates		1,676	1,292
Street Lighting		1,518	1,589
Subscriptions & Publications		160	164
Sydney Water		274	182
Telephone & Communications		540	575
Valuation Fees		185	146
Vehicle Registration		126	118
Other		1,036	955
Total Other Expenses		11,614	11,547
TOTAL OTHER EXPENSES		11,614	11,547

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2010	Actual 2009
Plant & Equipment			
Proceeds from Disposal		826	779
less: Carrying Amount of P&E Assets Sold		(660)	(753)
Net Gain/(Loss) on Disposal		166	26
Financial Assets*			
Proceeds from Disposal		6,974	26,551
less: Carrying Amount of Financial Assets Sold / Redeemed		(6,974)	(26,551)
Net Gain/(Loss) on Disposal		-	-
Non Current Assets Classified as "Held for Sale"			
Proceeds from Disposal		17,500	-
less: Carrying Amount of "Held for Sale" Assets Sold		(5,827)	-
Net Gain/(Loss) on Disposal		11,673	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		11,839	26

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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

		2010	2010	2009	2009
		Actual	Actual	Actual	Actual
\$ '000	Notes	Current	Non Current	Current	Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		798	-	1,114	-
Total Cash & Cash Equivalents		798	-	1,114	-
Investment Securities (Note 6b)					
- Managed Funds		13,694	-	8,865	-
- Long Term Deposits		20,500	27,501	20,500	5,000
- NCD's, FRN's (with Maturities > 3 months)		-	30,119	-	21,314
- CDO's		2,000	3,546	-	7,000
- Other Long Term Maturity Financial Instruments		3,006	6,000	6,388	6,000
Total Investment Securities		39,200	67,166	35,753	39,314
TOTAL CASH ASSETS, CASH					
EQUIVALENTS & INVESTMENTS					
		39,998	67,166	36,867	39,314

**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"	798	-	1,114	-
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Designated at Fair Value on Initial Recognition"	6(b-i)	16,700	-	15,253	-
b. "Held to Maturity"	6(b-ii)	22,500	67,166	20,500	39,314
Investments		39,200	67,166	35,753	39,314

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6b. Investments (continued)

	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
\$ '000				
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	15,253	-	40,855	-
Revaluations (through the Income Statement)	(1,507)	-	(3,595)	-
Additions	8,917	-	4,544	-
Disposals (sales & redemptions)	(5,963)	-	(26,551)	-
Balance at End of Year	16,700	-	15,253	-
Comprising:				
- Managed Funds	13,694	-	8,865	-
- Other Long Term Maturity Financial Assets	3,006	-	6,388	-
Total	16,700	-	15,253	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	20,500	39,314	-	31,825
Additions	-	32,317	18,000	9,989
Impairment (loss)/prior loss reversal (via P&L)	-	(1,454)	-	-
Disposals (sales & redemptions)	-	(1,011)	-	-
Transfers between Current/Non Current	2,000	(2,000)	2,500	(2,500)
Balance at End of Year	22,500	67,166	20,500	39,314
Comprising:				
- Long Term Deposits	20,500	27,501	20,500	5,000
- NCD's, FRN's (with Maturities > 3 months)	-	30,119	-	21,314
- CDO's	2,000	3,546	-	7,000
- Other Long Term Maturity Financial Assets	-	6,000	-	6,000
Total	22,500	67,166	20,500	39,314

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 6c. Restricted Cash, Cash Equivalents & Investments

\$ '000	2010 Actual Current	2010 Actual Non Current	2009 Actual Current	2009 Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	39,998	67,166	36,867	39,314
attributable to:				
External Restrictions (refer below)	14,543	58,166	21,657	39,314
Internal Restrictions (refer below)	18,905	9,000	13,644	-
Unrestricted	6,550	-	1,566	-
	39,998	67,166	36,867	39,314

2010 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
External Restrictions - Other				
Developer Contributions - General (D)	56,479	15,729	(4,712)	67,496
Specific Purpose Unexpended Grants (F)	2,304	2,127	(3,064)	1,368
Domestic Waste Management (G)	1,681	12,297	(11,804)	2,174
Stormwater Management (G)	-	915	(915)	-
Environmental Levy	507	2,052	(2,302)	257
Infrastructure Levy	-	2,040	(2,040)	-
New Facility Rate	-	1,414	-	1,414
External Restrictions - Other	60,971	36,574	(24,837)	72,709
Total External Restrictions	60,971	36,574	(24,837)	72,709
Internal Restrictions				
Employees Leave Entitlement	1,730	191	-	1,921
Infrastructure & Facilities Reserve	6,177	22,249	(6,434)	21,992
Golf Course Levy	1,590	248	(1,218)	620
Bonds and Deposits	816	328	(200)	944
Other	3,331	1,256	(2,159)	2,428
Total Internal Restrictions	13,644	24,272	(10,011)	27,905
TOTAL RESTRICTIONS	74,615	60,846	(34,848)	100,614

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

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 2010

Note 7. Receivables

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		1,729	168	1,406	150
Interest & Extra Charges		123	47	129	44
User Charges & Fees		1,292	-	2,171	-
- Other Asset Sales			-	25	-
Accrued Revenues					
- Interest on Investments		1,137	-	257	-
- Interest on Impaired Investments		9	-	-	-
- Other Income Accruals		334	-	394	-
Government Grants & Subsidies		1,333	-	794	-
Net GST Receivable		-	-	542	-
Other Debtors		5	-	20	-
Total		5,962	215	5,738	194
less: Provision for Impairment					
User Charges & Fees		(256)	-	(299)	-
Total Provision for Impairment - Receivables		(256)	-	(299)	-
<u>TOTAL NET RECEIVABLES</u>		5,706	215	5,439	194
Unrestricted Receivables		5,706	215	5,439	194
TOTAL NET RECEIVABLES		5,706	215	5,439	194

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest is charged on overdue rates & charges at 9.00%.
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 2010

Note 8. Inventories & Other Assets

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		71	-	72	-
Trading Stock		150	-	168	-
Total Inventories		221	-	240	-
Other Assets					
Prepayments		585	-	976	-
Total Other Assets		585	-	976	-
<u>TOTAL INVENTORIES & OTHER ASSETS</u>					
		806	-	1,216	-

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2009				Asset Movements during the Reporting Period					as at 30/6/2010				
	At	At	Accumulated	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in Equity)	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Deprec.	Value						Cost	Fair Value	Dep'n	Impairment	Value
Plant & Equipment	-	12,329	6,149	6,180	2,072	(627)	(1,585)	-	-	-	12,857	6,817	-	6,040
Office Equipment	-	1,006	474	532	399	(33)	(110)	-	-	-	1,314	526	-	788
Furniture & Fittings	-	190	146	44	-	-	(14)	-	-	-	190	160	-	30
Land:														
- Operational Land	-	23,668	-	23,668	-	-	-	-	6,345	-	30,013	-	-	30,013
- Community Land	195,076	-	-	195,076	2,414	-	-	-	-	197,490	-	-	-	197,490
Land Improvements - non depreciable	3,862	-	-	3,862	-	-	-	-	-	3,862	-	-	-	3,862
Land Improvements - depreciable	-	5,368	805	4,563	7,662	-	(247)	-	-	-	13,034	1,056	-	11,978
Buildings - Non Specialised	-	75,321	41,404	33,917	1,852	-	(1,333)	-	-	-	77,172	42,736	-	34,436
Other Structures	5,837	-	3,490	2,347	176	-	(287)	-	-	6,013	-	3,777	-	2,236
Infrastructure:														
- Roads, Bridges, Footpaths	325,626	-	140,633	184,993	5,568	-	(3,258)	-	33,970	-	391,260	169,987	-	221,273
- Bulk Earthworks (non-depreciable)	60,227	-	-	60,227	-	-	-	-	-	-	60,227	-	-	60,227
- Stormwater Drainage	60,282	-	23,216	37,066	723	-	(486)	-	106,651	-	235,417	91,463	-	143,954
Other Assets:														
- Library Books	9,609	-	6,691	2,918	529	-	(478)	-	-	10,138	-	7,169	-	2,969
- Other	4,601	-	4,138	463	-	-	(26)	-	-	4,601	-	4,164	-	437
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	665,120	117,882	227,146	555,856	21,395	(660)	(7,824)	-	146,966	222,104	821,484	327,855	-	715,733

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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

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

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2010		2009	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		7,187	-	5,966	
Goods & Services - capital expenditure		322	-	363	-
Payments Received In Advance		264	-	314	-
Accrued Expenses:					
- Borrowings		-	-	1	-
Security Bonds, Deposits & Retentions		2,998	-	3,265	-
ATO - Net GST Payable		1,032	-	-	-
Urban Sustainability Program		784	-	-	-
Other		588	-	270	-
Total Payables		13,175	-	10,179	-
Borrowings					
Loans - Secured ¹		1,651	5,244	1,813	6,895
Total Borrowings		1,651	5,244	1,813	6,895
Provisions					
Employee Benefits;					
Annual Leave		2,714	-	2,458	-
Sick Leave		413	-	414	-
Long Service Leave		4,933	260	4,414	192
Gratuities		828	-	805	-
Total Provisions		8,888	260	8,091	192
Total Payables, Borrowings & Provisions					
		23,714	5,504	20,083	7,087

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.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	2010	2009
(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.		
Provisions - Employees Benefits	6,057	4,580
Payables - Security Bonds, Deposits & Retentions	2,498	2,565
	8,555	7,145

Note 10b. Description of and movements in Provisions

Class of Provision	2009	2010				Closing Balance as at 30/6/10
	Opening Balance as at 1/7/09	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	2,458	2,264	(2,008)	-	-	2,714
Sick Leave	414	7	(8)	-	-	413
Long Service Leave	4,606	973	(386)	-	-	5,193
Gratuities	805	23	-	-	-	828
TOTAL	8,283	3,267	(2,402)	-	-	9,148

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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2010	Actual 2009
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	798	1,114
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		798	1,114
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		35,897	17,304
Adjust for non cash items:			
Depreciation & Amortisation		7,824	7,430
Net Losses/(Gains) on Disposal of Assets		(11,839)	(26)
Impairment Losses / (Prior Period Reversals) - Financial Investments		1,454	-
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		1,507	3,595
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(270)	(377)
Increase/(Decrease) in Provision for Doubtful Debts		(43)	(19)
Decrease/(Increase) in Inventories		19	(11)
Decrease/(Increase) in Other Current Assets		391	(648)
Increase/(Decrease) in Payables		1,221	(3,268)
Increase/(Decrease) in accrued Interest Payable		(1)	(14)
Increase/(Decrease) in Other Current Liabilities		1,817	(775)
Increase/(Decrease) in Employee Leave Entitlements		865	737
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		38,842	23,928
(c) Non-Cash Investing & Financing Activities			
Nil			
(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		50	50
Total Financing Arrangements		2,050	2,050

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.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2010	Actual 2009
(a) Capital Commitments (exclusive of GST)			
Nil			
(b) Other Expenditure Commitments (exclusive of GST)			
DWM & Recycling Services		32,081	23,620
Cleaning Services		546	463
Audit Services		98	147
Insurance		-	137
Grass Cutting		582	31
Operating Leases - Cancellable		487	529
Building		766	-
Other		258	397
Total Commitments		34,818	25,324
These expenditures are payable as follows:			
Within the next year		11,692	4,611
Later than one year and not later than 5 years		23,126	12,576
Later than 5 years		-	8,137
Total Payable		34,818	25,324
(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		277	321
Later than one year and not later than 5 years		210	208
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		487	529
(e) 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		1,283	1,237
Later than one year and not later than 5 years		1,921	3,147
Later than 5 years		-	-
Total Payable		3,204	4,384

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 13a. Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2010	Indicator 2010	Prior Periods 20092008	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	31,967	2.11 : 1	2.14	1.84
Current Liabilities less Specific Purpose Liabilities ^(2,3)	15,159			
2. Debt Service Ratio				
Debt Service Cost	2,320	2.37%	3.09%	3.43%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	97,783			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	59,614	51.74%	58.40%	54.72%
Revenue from Continuing Operations	115,224			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	2,067	3.35%	3.04%	2.98%
Rates, Annual & Extra Charges Collectible	61,657			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	8,143	160.39%	166.82%	159.21%
Depreciation, Amortisation & Impairment (Buildings & Infrastructure Assets)	5,077			

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 payables & provisions not expected to be paid in the next 12 months (incl. ELE).

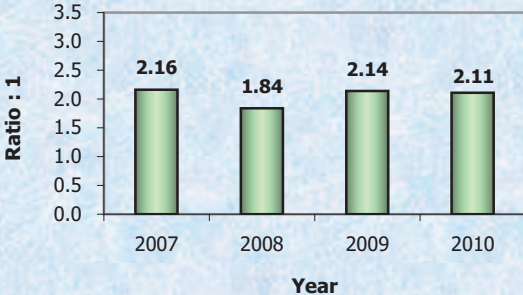
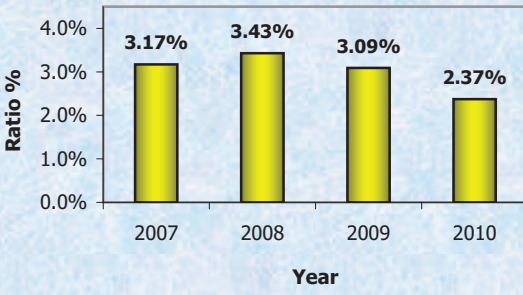
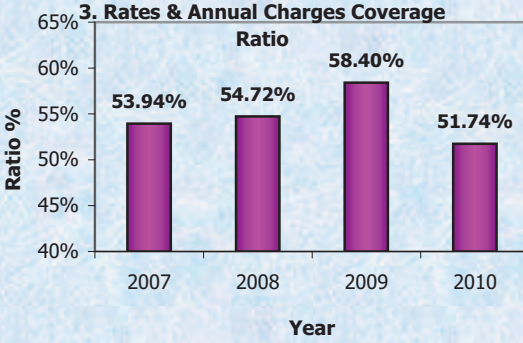
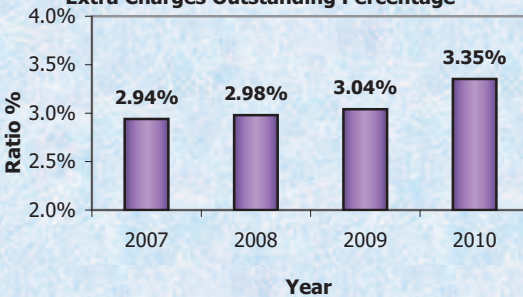
⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

Note 13a. Statement of Performance Measurement - Graphs (Consolidated)

\$ '000

<div><div>1. Unrestricted Current Ratio</div><table><thead><tr><th>Year</th><th>Ratio : 1</th></tr></thead><tbody><tr><td>2007</td><td>2.16</td></tr><tr><td>2008</td><td>1.84</td></tr><tr><td>2009</td><td>2.14</td></tr><tr><td>2010</td><td>2.11</td></tr></tbody></table></div>	Year	Ratio : 1	2007	2.16	2008	1.84	2009	2.14	2010	2.11	<div><div>Purpose of Unrestricted Current Ratio</div><div>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</div></div>	<div><div>Commentary on 2009/10 Result</div><div>2009/10 Ratio2.11 : 1</div><div>Council can easily pay its debts as they fall due. Recurrent or revenue funded project expenditure cutting strategies or income generation strategies recommended to ensure liquidity is stable or increasing, rather than decreasing.</div></div>
Year	Ratio : 1											
2007	2.16											
2008	1.84											
2009	2.14											
2010	2.11											
<div><div>2. Debt Service Ratio</div><table><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2007</td><td>3.17%</td></tr><tr><td>2008</td><td>3.43%</td></tr><tr><td>2009</td><td>3.09%</td></tr><tr><td>2010</td><td>2.37%</td></tr></tbody></table></div>	Year	Ratio %	2007	3.17%	2008	3.43%	2009	3.09%	2010	2.37%	<div><div>Purpose of Debt Service Ratio</div><div>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</div></div>	<div><div>Commentary on 2009/10 Result</div><div>2009/10 Ratio2.37%</div><div>Council's ability to service its debt is excellent. The Long Term Financial Model assumes \$6.5M loan borrowings in 2010/2011, \$10.06M in 2011/2012 and \$2.91M in 2012/2013.</div></div>
Year	Ratio %											
2007	3.17%											
2008	3.43%											
2009	3.09%											
2010	2.37%											
<div><div>3. Rates & Annual Charges Coverage</div><table><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2007</td><td>53.94%</td></tr><tr><td>2008</td><td>54.72%</td></tr><tr><td>2009</td><td>58.40%</td></tr><tr><td>2010</td><td>51.74%</td></tr></tbody></table></div>	Year	Ratio %	2007	53.94%	2008	54.72%	2009	58.40%	2010	51.74%	<div><div>Purpose of Rates & Annual Charges Coverage Ratio</div><div>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</div></div>	<div><div>Commentary on 2009/10 Result</div><div>2009/10 Ratio51.74%</div><div>Council's dependence upon rates revenue has decreased from 58.40% in 2008/09 to 51.74% in 2009/10.</div></div>
Year	Ratio %											
2007	53.94%											
2008	54.72%											
2009	58.40%											
2010	51.74%											
<div><div>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</div><table><thead><tr><th>Year</th><th>Ratio %</th></tr></thead><tbody><tr><td>2007</td><td>2.94%</td></tr><tr><td>2008</td><td>2.98%</td></tr><tr><td>2009</td><td>3.04%</td></tr><tr><td>2010</td><td>3.35%</td></tr></tbody></table></div>	Year	Ratio %	2007	2.94%	2008	2.98%	2009	3.04%	2010	3.35%	<div><div>Purpose of Rates & Annual Charges Outstanding Ratio</div><div>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</div></div>	<div><div>Commentary on 2009/10 Result</div><div>2009/10 Ratio3.35%</div><div>Rates, Annual, Interest and Extra charges outstanding assesses only the impact of Rates, Annual, Interest and Extra Charges on liquidity and the adequacy of recovery efforts and is acceptable.</div></div>
Year	Ratio %											
2007	2.94%											
2008	2.98%											
2009	3.04%											
2010	3.35%											

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 14. Investment Properties

\$ '000

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 **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

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

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

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	
	2010	2009	2010	2009
Financial Assets				
Cash and Cash Equivalents	798	1,114	798	1,114
Investments				
- "Designated At Fair Value on Initial Recognition"	16,700	15,253	16,700	15,253
- "Held to Maturity"	89,666	59,814	86,319	57,036
Receivables	5,921	5,633	5,664	5,633
Total Financial Assets	113,085	81,814	109,481	79,036
Financial Liabilities				
Payables	12,911	9,865	12,911	9,870
Loans / Advances	6,895	8,708	6,486	8,708
Total Financial Liabilities	19,806	18,573	19,397	18,578

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 (in active markets for identical investments) at the reporting date or independent valuation.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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 its Cash & Investments portfolio with the assistance of independent advisors.

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

The 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 these 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 independent advisors 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
2010				
Possible impact of a 10% movement in Market Values	1,670	1,670	(1,670)	(1,670)
Possible impact of a 1% movement in Interest Rates	167	167	(167)	(167)
2009				
Possible impact of a 10% movement in Market Values	1,525	1,525	(1,525)	(1,525)
Possible impact of a 1% movement in Interest Rates	152	152	(152)	(152)

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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.

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:

	2010	2010	2009	2009
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	29	2,703	528	3,434
Past due by up to 30 days	1,386	242	38	240
Past due between 31 and 180 days	482	1,335	990	702
	1,897	4,280	1,556	4,376
(ii) Movement in Provision for Impairment of Receivables			2010	2009
Balance at the beginning of the year			299	318
- amounts provided for but recovered during the year			(43)	(19)
Balance at the end of the year			256	299

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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 & overdraft facilities can be drawn down.

The contractual undiscounted cash outflows (ie. principal and interest) 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		
2010									
Trade/Other Payables	2,998	9,910	-	-	-	-	-	12,908	12,911
Loans & Advances	-	2,066	1,714	1,349	1,105	856	1,126	8,216	6,895
Total Financial Liabilities	2,998	11,976	1,714	1,349	1,105	856	1,126	21,124	19,806
2009									
Trade/Other Payables	3,265	6,600	-	-	-	-	-	9,865	9,865
Loans & Advances	-	2,306	2,067	1,714	1,349	1,105	1,978	10,519	8,708
Total Financial Liabilities	3,265	8,906	2,067	1,714	1,349	1,105	1,978	20,384	18,573

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:

	2010		2009	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	12,911	5.0%	9,865	5.0%
Loans & Advances - Fixed Interest Rate	5,152	6.3%	5,678	6.8%
Loans & Advances - Variable Interest Rate	1,743	5.8%	3,030	6.5%
	<u>19,806</u>		<u>18,573</u>	

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 09/10 was incorporated as part of its Management Plan and was adopted by the Council on 09 June 2009.

While the Income Statement included in this General Purpose Financial Statement must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

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	2010 Budget	2010 Actual	2010 Variance*	
REVENUES				
Interest & Investment Revenue	1,618	3,168	1,550	96% F
The variation in investment revenue has been caused by actual earning rates being higher than forecast and additional funds invested throughout the year due to increase in Section 94 revenue and underruns in capital expenditure.				
Other Revenues	2,747	4,030	1,283	47% F
Other revenue is up by \$1.28 million due to parking fine income, rental income, legal costs recovery and other various revenue being budgeted lower than anticipated.				
Capital Grants & Contributions	5,519	15,698	10,179	184% F
Capital Grants and Contributions is up by \$10.17 million on budget mainly due to a lower than anticipated budget for Section 94 income and contributions to works.				
Net Gains from Disposal of Assets	-	11,839	11,839	0% F
Net Gains from the disposal of assets is up due to the book value of assets that were disposed being lower than anticipated, primarily relating to the sale of depot in Carlotta Avenue, Gordon.				

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Traffic Facilities	379	70	-	14	-	-	463	17,652	(34,022)	(15,907)	-
Parking	2,303	-	-	75	-	-	2,378	-	(2,378)	-	-
Open Space	43,045	11,953	-	1,548	(3,797)	-	52,749	22,269	(93,745)	(18,727)	-
Community Facilities	10,598	1,348	-	359	(640)	-	11,665	4,068	(80,881)	(65,148)	-
Access & Transport Facility	(526)	-	-	(17)	-	-	(543)	5,186	(12,101)	(7,458)	-
Other	680	354	-	25	(275)	-	784	181	(1,063)	(98)	-
S94 Contributions - under a Plan	56,479	13,725	-	2,004	(4,712)	-	67,496	55,340	(234,075)	(111,239)	-
S94A Levies - under a Plan	-	-	-	-	-	-	-				-
Total S94 Revenue Under Plans	56,479	13,725	-	2,004	(4,712)	-	67,496				-
S94 not under Plans	-	-	-	-	-	-	-	-	-	-	-
Total Contributions	56,479	13,725	-	2,004	(4,712)	-	67,496	55,340	(234,075)	(111,239)	-

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 2 - 1993 Plan

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Traffic Facilities	1	-	-	-	-	-	1	-	(1)	-	-
Parking	2,303	-	-	75	-	-	2,378	-	(2,378)	-	-
Community Facilities	283	-	-	9	-	-	292	-	(292)	-	-
Other	2	-	-	-	-	-	2	-	(2)	-	-
Total	2,589	-	-	84	-	-	2,673	-	(2,673)	-	-

CONTRIBUTION PLAN NUMBER 3 - 2000 to 2003 Residential Plan

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	8,368	33	-	246	(1,781)	-	6,866	-	(6,866)	-	-
Community Facilities	2,261	-	-	65	(535)	-	1,791	-	(1,791)	-	-
Other	20	-	-	1	-	-	21	-	(21)	-	-
Total	10,649	33	-	312	(2,316)	-	8,678	-	(8,678)	-	-

CONTRIBUTION PLAN NUMBER 4 - Ku-ring-gai SEPP 5 Plan

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	465	-	-	15	-	-	480	-	(480)	-	-
Total	465	-	-	15	-	-	480	-	(480)	-	-

Notes to the Financial Statements
for the financial year ended 30 June 2010

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 5 - 2004/2009 Residential Plan

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Traffic Facilities	378	70	-	14	-	-	462	-	-	462	-
Open Space	34,212	11,920	-	1,287	(2,016)	-	45,403	7,009	(56,008)	(3,596)	-
Community Facilities	8,054	1,348	-	285	(105)	-	9,582	334	(20,953)	(11,037)	-
Other	658	354	-	24	(275)	-	761	86	(858)	(11)	-
Total	43,302	13,692	-	1,610	(2,396)	-	56,208	7,429	(77,819)	(14,182)	-

CONTRIBUTION PLAN NUMBER - Town Centre Plan

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Access & Transport Facility	(526)	-	-	(17)	-	-	(543)	5,186	(12,101)	(7,458)	-
Roads	-	-	-	-	-	-	-	5,984	(9,885)	(3,901)	-
Traffic Facilities	-	-	-	-	-	-	-	17,652	(34,021)	(16,369)	-
Open Space	-	-	-	-	-	-	-	15,260	(30,391)	(15,131)	-
Community Facilities	-	-	-	-	-	-	-	3,734	(57,845)	(54,111)	-
Other	-	-	-	-	-	-	-	95	(182)	(87)	-
Total	(526)	-	-	(17)	-	-	(543)	47,911	(144,425)	(97,057)	-

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

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) Local Government Superannuation Scheme

Council contributes to the Local Government Superannuation Scheme which has a closed section where a portion of member entitlements are defined as a multiple of salary. Member councils bear the responsibility of ensuring there are sufficient monies available to pay out benefits as these members cease employment.

The Scheme has a deficit of assets over liabilities totalling \$286 million as at 30 June 2010.

Effective from 1 July 2009, employers are required to contribute at twice the "notional" or long term cost for a period of up to ten years on order to rectify this deficit.

The share of this deficit that can be broadly attributed to Council was estimated to be in the order of \$2,521,836 as at 30 June 2010.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the Fund Years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

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

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

(iv) Other Guarantees

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

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) S94 Plans

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

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

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

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

(ii) Remediation works Council Depot-Carlotta Avenue, Gordon

In accordance with the contract of sale of 1-7 Carlotta Avenue, Gordon, the Council has entered into a Remediation Deed, relating to the remediation of the property and other works to be carried out by Council. Council must complete the remediation of the land in accordance with the provisions contained in the Remediation Deed.

Remediation works are being undertaken in two stages. Stage 1 will be completed in 2010/2011 and Stage 2 completed within 12 months of vacating depot site.

A security deposit in the amount of \$1.5M has been provided to the Purchaser as a guarantee that remediation works are completed in accordance with the Remediation Deed.

The security amount is invested with the purchaser's solicitor, on trust for the Council, but on condition that no amount can be withdrawn from the Deposit without the consent of the purchaser. Once the purchaser receives independent audit sign-off on the remediation works the \$1.5M will be released by the purchaser to the Vendor.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

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

\$ '000

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

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2010	Actual 2009
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,691,529	1,674,225
a. Correction of Prior Period Errors	20 (c)	41,972	41,972
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	(1,142,617)	(1,142,617)
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		35,897	17,304
e. Distributions to/(Contributions from) Minority Interests		-	-
Balance at End of the Reporting Period		626,781	590,884

b. Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	173,625	26,659
Total	173,625	26,659

(ii). Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	26,659	26,659
- Revaluations for the year	146,966	-
- Balance at End of Year	173,625	26,659

TOTAL VALUE OF RESERVES

173,625 **26,659**

(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 2010

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

\$ '000	Notes	Actual 2010	Actual 2009
c. Correction of Error/s relating to a Previous Reporting Period			
<p>As part of Council's transition to measuring all it's I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for the following Asset Classes:</p> <p>Roads Stormwater Drainage</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 30/6/09 (the closing date for the comparative figures in this report).</p> <p>As a result, Council has adjusted the accumulated depreciation for the following asset classes as at 30/6/09 to reflect the correct value of accumulated depreciation;</p> <p>Roads 24,888 Stormwater Drainage 17,084</p> <p>This adjustment resulted in net increase / (decrease) in Council's Accumulated Surplus as at 30/6/09.</p> <p>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.</p> <p>These amounted to the following Equity Adjustments:</p> <p>- Adjustments to Opening Equity - 1/7/08 41,972 - (relating to adjustments for the 30/6/08 reporting year end and prior periods)</p> <p>- Adjustments to Closing Equity - 30/6/09 - (relating to adjustments for the 30/6/09 year end)</p> <p>Total Prior Period Adjustments - Prior Period Errors 41,972 -</p>			

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2010

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

\$ '000	Notes	Actual 2010	Actual 2009
d. Voluntary Changes in Accounting Policies			
Council has revalued its Infrastructure, Property, Plant & Equipment (IPP&E) to fair value at 30 June 2010. In revaluing the IPP&E Council has used "brownfield rates" as opposed to "greenfield rates" used in the previous revaluation of IPP&E in 1996.			
The change in valuation rates has resulted in a loss of :		(1,142,618)	
This amount has been adjusted under AASB 108 against the opening balance of accumulated retained earnings as at 1 July 2008.			
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above changes in Accounting Policy have been recognised retrospectively.			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/08		(1,142,617)	-
(relating to adjustments for the 30/6/08 reporting year end and prior periods)			
- Adjustments to Closing Equity - 30/6/09			-
(relating to adjustments for the 30/6/09 year end)			
Total Prior Period Adjustments - Accounting Policy Changes		(1,142,617)	-

Note 21. Financial Result & Financial Position by Fund

Council funds its operations & activities from General Fund only.

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000	2010		2009	
	Current	Non Current	Current	Non Current
(i) Non Current Assets & Disposal Group Assets				
Non Current Assets "Held for Sale"				
Land	-	-	3,928	-
Buildings	-	-	1,899	-
<u>TOTAL NON CURRENT ASSETS</u>				
<u>CLASSIFIED AS "HELD FOR SALE"</u>	<u>-</u>	<u>-</u>	<u>5,827</u>	<u>-</u>

\$ '000	Assets "Held for Sale"		Disposal Groups	
	2010	2009	2010	2009
(iv) Reconciliation of Non Current Assets "Held for Sale" & Disposal Groups - i.e. Discontinued Operations				
Opening Balance	5,827	3,187	-	-
less: Carrying Value of Assets/Operations Sold	(5,827)	-	-	-
Balance still unsold after 12 months:	-	3,187	-	-
plus New Transfers in:				
Assets "Held for Sale"	-	2,640	-	-
Closing Balance of "Held for Sale"				
Non Current Assets & Operations	<u>-</u>	<u>5,827</u>	<u>-</u>	<u>-</u>

Ku-ring-gai Council

Notes to the Financial Statements

for the financial year ended 30 June 2010

Note 23. Events occurring after Balance Sheet Date

\$ '000

Events that occur after the reporting date of 30 June 2010, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 15/09/10.

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 statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2010.

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

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2010 and which are only indicative of conditions that arose after 30 June 2010.

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

Note 24. Discontinued Operations

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

Note 25. Intangible Assets

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

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

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

Ku-ring-gai Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2010

"...a creative, vibrant place where citizens respect each other and conserve the magnificent environment and society for our children and our grandchildren"



Ku-ring-gai Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

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2. Special Purpose Financial Statements:	
- 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
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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Ku-ring-gai Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

Statement by Councillors and Management

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

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

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

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

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

Signed in accordance with a resolution of Council made on 14 September 2010.

Ian Cross
MAYOR

Jennifer Anderson
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 2010

\$ '000	Thomas Carlyle Children's Centre		Art Centre	
	Actual 2010	Actual 2009	Actual 2010	Actual 2009
Income from continuing operations				
Access charges	-	-	-	-
User charges	808	793	496	499
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	110	80	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	12	8
Total income from continuing operations	918	873	508	507
Expenses from continuing operations				
Employee benefits and on-costs	770	693	533	502
Borrowing costs	-	-	-	-
Materials and contracts	70	75	50	50
Depreciation and impairment	25	25	43	44
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	86	60	62	88
Total expenses from continuing operations	951	853	688	684
Surplus (deficit) from Continuing Operations before capital amounts	(33)	20	(180)	(177)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(33)	20	(180)	(177)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(33)	20	(180)	(177)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(6)	-	-
SURPLUS (DEFICIT) AFTER TAX	(33)	14	(180)	(177)
plus Opening Retained Profits	751	785	1,664	1,678
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	6	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	179	163
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	(46)	(54)	-	-
Closing Retained Profits	672	751	1,663	1,664
Return on Capital %	-4.4%	2.4%	-10.6%	-10.4%
Subsidy from Council	71	27	266	271

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2010

	Trade Waste		Gordon Golf Club	
	Actual	Actual	Actual	Actual
\$ '000	2010	2009	2010	2009
Income from continuing operations				
Access charges	-	-	-	-
User charges	1,699	1,616	718	763
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	81	82	-	-
Total income from continuing operations	1,780	1,698	718	763
Expenses from continuing operations				
Employee benefits and on-costs	51	48	301	321
Borrowing costs	-	-	-	-
Materials and contracts	1,298	1,249	180	162
Depreciation and impairment	-	-	5	3
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	1	7	228	172
Total expenses from continuing operations	1,350	1,304	714	658
Surplus (deficit) from Continuing Operations before capital amounts	430	394	4	105
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	430	394	4	105
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	430	394	4	105
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(129)	(118)	(1)	(32)
SURPLUS (DEFICIT) AFTER TAX	301	276	3	74
plus Opening Retained Profits	(28)	(25)	2,187	2,213
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	129	118	1	32
add:				
- Subsidy Paid/Contribution To Operations	-	-	24	262
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	(533)	(397)	-	(393)
Closing Retained Profits	(131)	(28)	2,215	2,187
Return on Capital %	n/a	n/a	0.2%	4.7%
Subsidy from Council	-	-	110	20

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2010

	Turramurra Golf Course		Tennis Courts	
	Actual	Actual	Actual	Actual
\$ '000	2010	2009	2010	2009
Income from continuing operations				
Access charges	-	-	-	-
User charges	836	765	279	256
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	8	4
Total income from continuing operations	836	765	287	260
Expenses from continuing operations				
Employee benefits and on-costs	281	201	-	-
Borrowing costs	-	-	-	-
Materials and contracts	154	206	52	51
Depreciation and impairment	14	14	44	41
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	212	220	36	56
Total expenses from continuing operations	661	641	132	148
Surplus (deficit) from Continuing Operations before capital amounts	175	124	155	112
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	175	124	155	112
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	175	124	155	112
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(53)	(37)	(47)	(34)
SURPLUS (DEFICIT) AFTER TAX	123	87	109	78
plus Opening Retained Profits	4,422	4,386	3,588	3,697
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	53	37	47	34
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	(224)	(88)	(262)	(221)
Closing Retained Profits	4,373	4,422	3,481	3,588
Return on Capital %	4.0%	2.8%	4.5%	3.1%
Subsidy from Council	51	-	23	-

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2010

	Swimming Pool		Nursery	
	Actual	Actual	Actual	Actual
\$ '000	2010	2009	2010	2009
Income from continuing operations				
Access charges	-	-	-	-
User charges	-	-	96	115
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	-	-	32	37
Total income from continuing operations	-	-	128	152
Expenses from continuing operations				
Employee benefits and on-costs	-	-	173	167
Borrowing costs	-	-	-	-
Materials and contracts	8	4	36	34
Depreciation and impairment	85	35	9	9
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	23	21	46	-
Total expenses from continuing operations	116	60	264	210
Surplus (deficit) from Continuing Operations before capital amounts	(116)	(60)	(136)	(58)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(116)	(60)	(136)	(58)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(116)	(60)	(136)	(58)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(116)	(60)	(136)	(58)
plus Opening Retained Profits	1,044	1,093	77	116
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	-	-
add:				
- Subsidy Paid/Contribution To Operations	66	11	152	19
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	994	1,044	93	77
Return on Capital %	-11.7%	-5.7%	-116.2%	-46.8%
Subsidy from Council	116	60	136	58

Ku-ring-gai Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2010

	Commercial Leasing	
\$ '000	Actual 2010	Actual 2009
Income from continuing operations		
Access charges	-	-
User charges	990	1,073
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	182	31
Total income from continuing operations	1,172	1,104
Expenses from continuing operations		
Employee benefits and on-costs	358	295
Borrowing costs	-	-
Materials and contracts	20	39
Depreciation and impairment	329	324
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	507	478
Total expenses from continuing operations	1,214	1,136
Surplus (deficit) from Continuing Operations before capital amounts	(42)	(32)
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(42)	(32)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(42)	(32)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(42)	(32)
plus Opening Retained Profits	1,221	1,315
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	(4)	(62)
Closing Retained Profits	1,175	1,221
Return on Capital %	-3.4%	-2.5%
Subsidy from Council	42	32

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

	Thomas Carlyle Children's Centre		Art Centre	
	Category 2		Category 2	
\$ '000	Actual 2010	Actual 2009	Actual 2010	Actual 2009
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	747	841	1,692	1,695
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	747	841	1,692	1,695
TOTAL ASSETS	747	841	1,692	1,695
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	75	90	29	31
Total Current Liabilities	75	90	29	31
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	75	90	29	31
NET ASSETS	672	751	1,663	1,664
EQUITY				
Retained earnings	672	751	1,663	1,664
Revaluation reserves	-	-	-	-
Council equity interest	672	751	1,663	1,664
Minority equity interest	-	-	-	-
TOTAL EQUITY	672	751	1,663	1,664

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

	Trade Waste		Gordon Golf Club	
	Category 2		Category 2	
\$ '000	Actual 2010	Actual 2009	Actual 2010	Actual 2009
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	-	-	2,243	2,250
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	-	-	2,243	2,250
TOTAL ASSETS	-	-	2,243	2,250
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	131	28	28	63
Total Current Liabilities	131	28	28	63
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	131	28	28	63
NET ASSETS	(131)	(28)	2,215	2,187
EQUITY				
Retained earnings	(131)	(28)	2,215	2,187
Revaluation reserves	-	-	-	-
Council equity interest	(131)	(28)	2,215	2,187
Minority equity interest	-	-	-	-
TOTAL EQUITY	(131)	(28)	2,215	2,187

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

	Turramurra Golf Course		Tennis Courts	
	Category 2		Category 2	
\$ '000	Actual 2010	Actual 2009	Actual 2010	Actual 2009
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	4,426	4,436	3,481	3,588
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	4,426	4,436	3,481	3,588
TOTAL ASSETS	4,426	4,436	3,481	3,588
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	53	14	-	-
Total Current Liabilities	53	14	-	-
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	53	14	-	-
NET ASSETS	4,373	4,422	3,481	3,588
EQUITY				
Retained earnings	4,373	4,422	3,481	3,588
Revaluation reserves	-	-	-	-
Council equity interest	4,373	4,422	3,481	3,588
Minority equity interest	-	-	-	-
TOTAL EQUITY	4,373	4,422	3,481	3,588

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

\$ '000	Swimming Pool		Nursery	
	Category 2		Category 2	
	Actual 2010	Actual 2009	Actual 2010	Actual 2009
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	994	1,044	117	124
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	994	1,044	117	124
TOTAL ASSETS	994	1,044	117	124
LIABILITIES				
Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	24	47
Total Current Liabilities	-	-	24	47
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	-	-	24	47
NET ASSETS	994	1,044	93	77
EQUITY				
Retained earnings	994	1,044	93	77
Revaluation reserves	-	-	-	-
Council equity interest	994	1,044	93	77
Minority equity interest	-	-	-	-
TOTAL EQUITY	994	1,044	93	77

Ku-ring-gai Council

Balance Sheet of Council's Other Business Activities

as at 30 June 2010

\$ '000	Commercial Leasing	
	Category 2	
	Actual 2010	Actual 2009
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	1,248	1,289
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	1,248	1,289
TOTAL ASSETS	1,248	1,289
LIABILITIES		
Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	73	68
Total Current Liabilities	73	68
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	73	68
NET ASSETS	1,175	1,221
EQUITY		
Retained earnings	1,175	1,221
Revaluation reserves	-	-
Council equity interest	1,175	1,221
Minority equity interest	-	-
TOTAL EQUITY	1,175	1,221

Ku-ring-gai Council

Special Purpose Financial Statements

for the financial year ended 30 June 2010

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 Statements

for the financial year ended 30 June 2010

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

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

National Competition Policy

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

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Division 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 the Gordon Golf Course.

e. Turramurra Golf Course

Comprising the whole of the operations and assets of Turramurra Golf Course.

f. Tennis Courts

Comprising the whole of the operations and assets of Council's Tennis Courts.

g. 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 Statements

for the financial year ended 30 June 2010

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 in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

Income Tax

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

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

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

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

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has

no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's GPFS.

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

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) 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 2010

"...a creative, vibrant place where citizens respect each other and conserve the magnificent environment and society for our children and our grandchildren"



Ku-ring-gai Council

Special Schedules

for the financial year ended 30 June 2010

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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. 7	Condition of Public Works	5
- Special Schedule No. 8	Financial Projections	7

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 NSW Office of Water,
 - the Department of Environment, Climate Change and Water, and
 - the Division 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 the financial activities of specific services.

Ku-ring-gai Council

Special Schedule No. 1 - Net Cost of Services for the financial year ended 30 June 2010

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Administration	20,299	24,933	216	4,850
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	2,812	362	-	(2,450)
Beach Control	-	-	-	-
Enforcement of Local Govt Regs	1,159	175	-	(984)
Animal Control	191	85	-	(106)
Other	-	-	-	-
Total Public Order & Safety	4,162	622	-	(3,540)
Health	435	101	-	(334)
Environment				
Noxious Plants and Insect/Vermin Control	10	7	-	(3)
Other Environmental Protection	1,350	1,699	-	349
Solid Waste Management	10,908	12,297	70	1,459
Street Cleaning	1,044	-	-	(1,044)
Drainage	1,546	12	214	(1,320)
Stormwater Management	2,225	143	-	(2,082)
Total Environment	17,083	14,158	284	(2,641)
Community Services and Education				
Administration & Education	2,330	2,896	170	736
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	563	506	29	(28)
Childrens Services	2,243	1,893	50	(300)
Total Community Services & Education	5,136	5,295	249	408
Housing and Community Amenities				
Public Cemeteries	-	-	-	-
Public Conveniences	52	-	-	(52)
Street Lighting	1,524	261	-	(1,263)
Town Planning	1,862	289	-	(1,573)
Other Community Amenities	135	182	-	47
Total Housing and Community Amenities	3,573	732	-	(2,841)

Ku-ring-gai Council

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

for the financial year ended 30 June 2010

\$'000

Function or Activity	Expenses from continuing operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	3,929	337	137	(3,455)
Museums	-	-	-	-
Art Galleries	667	516	1	(150)
Community Centres and Halls	1,218	608	-	(610)
Other Cultural Services	447	93	328	(26)
Sporting Grounds and Venues	2,752	721	29	(2,002)
Swimming Pools	112	2	112	2
Parks & Gardens (Lakes)	5,262	1,624	12,525	8,887
Other Sport and Recreation	335	151	857	673
Total Recreation and Culture	14,722	4,052	13,989	3,319
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	5,437	2,066	-	(3,371)
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	5,437	2,066	-	(3,371)
Transport and Communication				
Urban Roads (UR) - Local	6,900	3,106	470	(3,324)
Parking Areas	632	1,726	-	1,094
Footpaths	890	44	182	(664)
Other Transport & Communication	1	-	308	307
Total Transport and Communication	8,423	4,876	960	(2,587)
Economic Affairs				
Other Economic Affairs	57	-	-	(57)
Total Economic Affairs	57	-	-	(57)
Totals – Functions	79,327	56,835	15,698	(6,794)
General Purpose Revenues⁽¹⁾		42,691	-	42,691
Share of interests - joint ventures & associates using the equity method	-	-	-	-
NET OPERATING RESULT FOR YEAR	79,327	99,526	15,698	35,897

(1) Includes: Rates & Annual Charges (incl. Ex Gratia), Untied 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 2010

\$'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	1,813	6,895	8,708	-	1,813	-	-	507	1,651	5,244	6,895
Other	-	-	-							-	-
Total Loans	1,813	6,895	8,708	-	1,813	-	-	507	1,651	5,244	6,895
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	-	-	-							-	-
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	1,813	6,895	8,708	-	1,813	-	-	507	1,651	5,244	6,895

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 GPFS's).

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition / standard ⁽¹⁾	Required ⁽²⁾ Annual M'ntce	Current ⁽³⁾ Annual M'ntce
Buildings		per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>>			
	Council Offices	1.67%	219		18,223	10,533	7,690	4	12,182	1,347	842
	Council Works Depot	1.67%	8		189	128	61	4	145	94	63
	Council Halls	1.67%	137		7,830	4,521	3,309	4	2,672	500	253
	Council Houses	1.67%	41		2,429	1,253	1,176	4	1,400	65	49
	Library	1.67%	178		7,591	2,132	5,459	4	1,685	654	467
	Childcare Centre(s)	1.67%	82		3,836	1,750	2,086	4	2,080	339	226
	Art Centre	1.67%	41		1,354	913	441	4	1,184	106	53
	Amenities/Toilets	1.67%	150		7,374	3,982	3,392	4	4,063	229	144
	Other	1.67%	477		28,346	17,524	10,822	4	18,674	92	60
	sub total		1,333	-	77,172	42,736	34,436		44,085	3,426	2,157
Public Roads											
	Roads	1.00%	3,236		227,681	85,505	142,176	3	66,347	1,905	1,314
	Bridges				8,981	2,254	6,727	2	7,778	61	60
	Footpaths	1.00%	22		41,572	17,253	24,319	3	10,751	1,182	815
	Kerb and Gutter				105,248	62,858	42,390	3	36,271	217	153
	Road Furniture				7,778	2,117	5,661	2	210	53	50
		sub total		3,258	-	391,260	169,987	221,273		121,357	3,418

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
Drainage Works		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>				<<<<<<< per Section 428(2d) >>>>>>>			
	Retarding Basins						-				
	Inlet and Junction Pits	1.00%	48		23,402	8,795	14,607	3	1,557	202	185
	Pipe	1.00%	436		211,131	82,488	128,643	3	18,047	1,187	1,089
	Other	1.00%	2		884	180	704	3		20	20
	sub total		486	-	235,417	91,463	143,954		19,604	1,409	1,294
	TOTAL - ALL ASSETS		5,077	-	703,849	304,186	399,663		185,046	8,253	5,843

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

1	Near Perfect - Ranges from New or Good
2	Superficial Deterioration - Ranges from Generally Good to Fair
3	Deterioration Evident - Ranges from Fair to Marginal
4	Requires Major Reconstruction - Ranges from Poor to Critical

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Ku-ring-gai Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2010

\$'000	Actual ⁽¹⁾ 09/10	Forecast 10/11	Forecast 11/12	Forecast ⁽³⁾ 12/13	Forecast ⁽³⁾ 13/14
(i) RECURRENT BUDGET					
Income from continuing operations	115,224	90,003	93,257	96,734	100,425
Expenses from continuing operations	79,327	79,225	82,725	85,981	88,295
Operating Result from Continuing Operations	35,897	10,778	10,532	10,753	12,130
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	10,769	30,565	24,882	16,877	17,266
Replacement/Refurbishment of Existing Assets	10,473	12,820	10,436	7,079	7,242
Total Capital Budget	21,242	43,385	35,318	23,956	24,508
Funded by:					
– Loans	-	4,768	8,178	569	-
– Asset sales	-	-	-	-	-
– Reserves	16,798	15,417	4,063	5,608	69
– Grants/Contributions	2,729	2,093	793	500	1,162
– Recurrent revenue	1,715	21,107	22,284	17,279	23,277
	21,242	43,385	35,318	23,956	24,508

Notes:

(1) From 09/10 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.

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DEVELOPMENT APPLICATION

SUMMARY SHEET

REPORT TITLE:	22 WOODLANDS ROAD, EAST LINDFIELD - ALTERATIONS AND ADDITIONS INCLUDING EXTENSION TO FIRST FLOOR AND NEW DECK
WARD:	Roseville
DEVELOPMENT APPLICATION N^o:	0448/10
SUBJECT LAND:	22 Woodlands Road, East Lindfield
APPLICANT:	Beecraft Pty Ltd
OWNER:	Ms Kellie Jayne Reid and Mr Scott John Lovegrove
DESIGNER:	Beecraft Pty Ltd
PRESENT USE:	Residential Dwelling
ZONING:	Residential 2(a)
HERITAGE:	No
PERMISSIBLE UNDER:	Ku-ring-gai Planning Scheme Ordinance
COUNCIL'S POLICIES APPLICABLE:	KPSO, DCP 38 - Residential Design Manual, DCP 40 - Waste Management, DCP 43 - Car Parking, DCP 47 - Water Management, DCP 56 - Notification
COMPLIANCE WITH CODES/POLICIES:	No
GOVERNMENT POLICIES APPLICABLE:	SEPP 1 - Development Standards, SEPP 55 - Remediation of Land, SEPP Building Sustainability Index (2004), SREP (Sydney Harbour Catchment) 2005
COMPLIANCE WITH GOVERNMENT POLICIES:	No
DATE LODGED:	30 June 2010
40 DAY PERIOD EXPIRED:	9 August 2010
PROPOSAL:	Alterations and additions including extension to first floor and new deck
RECOMMENDATION:	Approval.

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DEVELOPMENT APPLICATION N^o 0448/10
PREMISES: 22 WOODLANDS ROAD, EAST LINDFIELD
PROPOSAL: ALTERATIONS AND ADDITIONS INCLUDING
EXTENSION TO FIRST FLOOR AND NEW
DECK
APPLICANT: BEECRAFT PTY LTD
OWNER: MS KELLIE JAYNE REID AND MR SCOTT
JOHN LOVEGROVE
DESIGNER BEECRAFT PTY LTD

PURPOSE FOR REPORT

To determine Development Application No.0448/10, which is for alterations and additions to an existing dwelling house including a first floor extension and new deck.

The application is required to be determined by full Council in accordance with the requirement of the Department of Planning, where there is a variation to a development standard of 10% or greater.

Council's attention is directed to the attached planning circular PS 08-014 from the NSW Department of Planning concerning the determination by Council of Development Applications where a variation to a development standard is sought under the provisions of SEPP No. 1

The circular requires all development applications which involve a variation greater than 10% under the provisions of SEPP No. 1 to be determined by full Council.

EXECUTIVE SUMMARY

Issues:	SEPP 1 – Built upon area Side setback Building height plane Tree replenishment
Submissions:	No
Land & Environment Court Appeal:	No
Recommendation:	Approval

HISTORY

Site history:

DA94/01835	Development Application for alterations and additions to the existing dwelling was approved on 6 December 1994.
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Current application history:

30 June 2010	Application lodged.
8 July – 22 July 2010	Application notified to surrounding property owners.
8 July 2010	Council officers wrote to the applicant requesting a SEPP 1 objection be submitted given the breach of the built upon area development standard.
14 July 2010	SEPP 1 objection submitted.
30 July 2010	Council officers wrote to the applicant seeking clarification regarding the built upon area, requested greater relief in the first floor southern elevation and a schedule of materials and finishes.
26 August 2010	Applicant submits amended plans.

THE SITE AND SURROUNDING AREA

The site:

Zoning:	Residential 2(a)
Visual Character Study Category:	1920 - 1945
Lot Number:	50
DP Number:	10267
Area:	973.3m ²
Side of Street:	North-western
Cross Fall:	North-East to South-West
Stormwater Drainage:	To Woodlands Road
Heritage Affected:	No
Integrated Development:	No
Bush Fire Prone Land:	No
Endangered Species:	No
Urban Bushland:	No
Contaminated Land:	No

SITE DESCRIPTION

The site is legally described as Lot 50 within DP 10267 and is known as 22 Woodlands Road, East Lindfield. The site is rectangular in shape, with an area of 973.3m², a width of 15.24 metres and a depth of 64.01 metres. The site is situated on the high side of the street, with a gentle site slope and cross fall north-east to south-west.

The site accommodates a two storey dwelling with vehicular access obtained from Woodlands Road adjacent to the south-western side boundary. The site also contains a timber detached carport. Other site works include extensive paving in the rear yard, swimming pool and tennis court at the rear of the site.

Surrounding development:

The adjoining property to the south-west, known as 20 Woodlands Road, contains a single dwelling with a detached carport located within the front setback and a large Gum tree adjacent to the

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shared boundary at the rear of the site. The property to the north-east, known as 24 Woodlands Road, contains a two storey dwelling.

THE PROPOSAL

The proposal is for alterations and additions to the existing dwelling including a first floor extension and new deck as follows:

Ground floor alterations and additions, including:

- addition of a new enclosed store room adjacent to the existing carport with roofing
- new gate addition
- enclosure of existing windows in western and eastern elevation and addition of new openings in all elevations
- addition of skylights
- removal of existing fire place
- internal reconfiguration including new internal stairs
- rear deck addition including external stairs

First floor alterations and additions, including:

- demolition of walls both internal and external
- new fenestration in all elevations
- first floor extension comprising bedroom, bathroom, linen, ensuite, walk in robe, study and internal stairs
- addition of robes within existing two front bedrooms

Amended plans

- first floor southern elevation stepped 500mm to relieve wall length and reduce floor area
- amended BASIX certificate
- colour and finishes provided

CONSULTATION - COMMUNITY

In accordance with Development Control Plan no. 56 - Notification, owners of adjoining properties were given notice of the application. No submissions were received.

STATUORY PROVISIONS

State Environmental Planning Policy (SEPP) No. 1 – Development Standards

Clause 60C of the KPSO states that the maximum built-upon area of land on which a dwelling house is proposed to be erected or extended is 60%.

The existing built-upon area of the site is 799m² or 82.1% of the total site area. The applicant seeks to retain the existing built-upon area. Accordingly, a SEPP No. 1 objection has been lodged.

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State Environmental Planning Policy No. 55 - Remediation of Land

The provisions of SEPP 55 require consideration of the potential for a site to be contaminated. The subject site has a history of residential use and, as such, it is unlikely to contain any contamination and further investigation is not warranted in this case.

State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004

A valid BASIX certificate has been submitted with the application (Certificate No. A92772 dated 25 August 2010).

SREP (Sydney Harbour Catchment) 2005

Matters for consideration under SREP 2005 include biodiversity, ecology and environmental protection, public access to and scenic qualities of foreshores and waterways, maintenance of views, control of boat facilities and maintenance of a working harbour. The proposal is not in close proximity to or within view of a waterway or wetland and is considered satisfactory.

Ku-ring-gai Planning Scheme Ordinance**Permissibility**

The site is zoned Residential 2(a). The proposed works, being alterations and additions to an existing dwelling and ancillary structures, are permissible with development consent pursuant to Clause 23(b) of Ku-ring-gai Planning Scheme Ordinance.

Part A: Development Standards

COMPLIANCE TABLE KPSO		
Development Standard	Proposals Numeric Compliance	Complies
Site Area: 973.3m ²		
Building Height 8m (max)	6.5m	YES
Built-Up Area 60%(583.98m ²)(max)	82.1% (799m ²) (existing)	NO

State Environmental Planning Policy (SEPP) No. 1 – Development Standards

Clause 60 of the KPSO states that the maximum built upon area is 60% of the site area. The proposed development has a built-upon area of 82.1% and exceeds the maximum built-upon area permitted. Accordingly, a SEPP No. 1 objection has been lodged.

whether the planning control is a development standard

The limit on built-upon area for land zoned Residential is 60% prescribed under Clause 60C of the KPSO. As the KPSO is a statutory planning instrument, this control is identified to be a development standard as defined under Section 4 of Environmental Planning & Assessment Act, 1979.

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the underlying objective or purpose behind the standard

There is no specific underlying objective or purpose identified with respect of clause 60C of the KPSO.

However, it is considered the underlying objective behind the standard is:

- to ensure that development provides for sufficient soft landscape area for planting and retention of large canopy trees in scale with proposed development
- to ensure amenity is maintained to surrounding properties and future occupants by limiting the extent of built form on site
- to achieve consistencies with the principles of ecologically sustainable development

The proposal is considered to be consistent with the underlying purpose of the control. The proposal maintains the existing built –upon area of site and does not result in a further breach of the standard. The proposal does not result in any adverse amenity impacts upon adjoining properties.

whether compliance with the development standard is consistent with the aims of the policy and, in particular, whether compliance with the development standard hinders the attainment of the objectives specified under Section 5(A)(i), (ii), (iii) and (iv) of the Environmental Planning and Assessment Act 1979

The aim of SEPP 1 is to:

Provide flexibility in the application of planning controls operating by virtue of development standards in circumstances where strict compliance with those standards would, in any particular case, be unreasonable or unnecessary or tend to hinder the attainment of the objects specified in Section 5(a) (i) and (ii) of the Act.

In this regard, the objectives of Section 5(a)(i) and (ii) of the Act are:

(a) To encourage:

1. *the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment;*
2. *the promotion and co-ordination of the orderly and economic use and development of land.*

It is concluded that the non-compliance with the development standard is consistent with the aims of SEPP 1 as it is unreasonable and unnecessary in this instance (as discussed in detail below) to comply with the requirement. In this particular circumstance, compliance with the development standard would hinder the attainment of the objectives specified in Section 5(a) (i) and (ii) of the Act.

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whether compliance with the development standard is unreasonable or unnecessary in the circumstances of the case

The applicant submits that strict compliance with the maximum built-upon area control *is both unreasonable and unnecessary for the following reasons:*

- *whilst the development proposes new structure it will not add to the existing built upon area with all new works located over existing hard surfaces*
- *the property is unique in that it includes a full size tennis court established well before the introduction of Ku-ring-gai Planning Scheme Ordinance. The tennis court is hard surfaced and occupies 50% of the site*
- *the bulk and scale of the proposed works will result in a structure that will remain compatible to surrounding development and therefore the proposal will not represent an overdevelopment of the site although technically nonconforming in respect to built upon area*
- *the property drains naturally to the street and **as** all new work is located over existing built upon area there will be no additional impact on adjoining properties or the street drainage system*

It is considered unnecessary in this circumstance to comply with the development standard as no increase in the existing built upon area is proposed.

whether the objection is well founded

In considering the SEPP 1 objection, including the arguments raised by the applicant, it is considered the objection is well founded and the development will achieve the underlying objectives of the control. It is also concluded strict compliance with the prescribed development standard would unnecessarily hinder the attainment of the objectives specified by Section 5(a) (i) & (ii) of the EP&A Act, 1979.

Aims and Objectives for Residential Zones

The development is considered to have satisfied the relevant aims and objectives for residential development as outlined by Schedule 9. The proposal is considered to be an appropriate form of development which despite the non-compliances with built form requirements of the DCP does not result in any adverse impacts upon adjoining properties or the streetscape.

POLICY PROVISIONS

Development Control Plan No. 38 – Ku-ring-gai Residential Design Manual

Development Control	Proposals Numeric Compliance	Complies
4.1 Streetscape:		
Building Setbacks (s.4.1.3)		
Front Setback:		
14m Ave -75% front elevation	8.6m to storage room addition	NO
12m (min) – 25% front elevation	(existing 3.6m – 9.6m)	

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Development Control	Proposals Numeric Compliance	Complies
Side Setback: Ground Floor: 2.0m(min)	3.3m from western side	YES
First Floor: 2.5m	1.2m – 2.5m from eastern 4.7m from western	NO YES
Rear Setback: 12m (min)	34.6m	YES
Front Fences (s.4.1.5) Height: 1.0m(max) 1.2m if visually transparent	None proposed	N/A
Side & Rear Fences (s.4.1.5)	None proposed	N/A
4.2 Building Form:		
FSR (s.4.2.1) 0.373:1 (max 363.3m ²)	0.246:1 (239.4m ²)	YES
Height of Building (s.4.2.2) 2 storey (max) 7m (site <20° slope)	Two storey and 6.5m	YES
Building Height Plane (s.4.2.3) 45° from horizontal at any point 3m above boundary	1.8m breach along eastern elevation 600mm breach at rear of eastern elevation	NO
First Floor (s.4.2.4) FSR: < 40% total FSR	46%	NO
Roof Line (s.4.2.6) Roof Height (5m – single storey) (3m – two ⁺ storey) Roof Pitch 35° (max)	2.2m 25°	YES YES
Built-Upon Area (s.4.2.7) 54% (525.58m ²) (max)	82.1% (799m ²)	NO
Unrelieved wall length (s.4.2.8) 12m (min) 8m min if height above 4m	9.09m southern (street) elevation (existing) 8.03m western first floor	YES NO
Additions and alterations (s.4.2.9)		
Matching external finishes to existing	Rendered walls to match existing, timber windows and tile roofing	YES
Solar Access (4.2.11) 4h solar access to adjoining properties between 9am to 3pm	Proposed results in an increased shadow impact upon 20 Woodlands at 9am and 24 Woodlands at 3pm. These properties will receive compliant solar access.	YES

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Development Control	Proposals Numeric Compliance	Complies
Cut and Fill (s4.2.14)		
max cut 900mm	250mm	YES
max cut & fill across building area of 1800mm and 900mm	250mm	YES
no cut or fill within side setbacks	decking 1.2m from eastern side boundary	YES
External Finishes (4.2.15) Harmonise with natural environment and low reflective finish	Rendered brick, painted timber windows and doors with tile roof.	YES
4.3 Open Space & Landscaping:		
Soft Landscaping Area (4.3.3) 46% (447.718m ²) (min)	17.9% (174m ²) (existing)	NO
Tree Replenishment (s.4.3.6) 5 Trees Required	1 tree via condition	NO
max cut or fill 500mm relative to natural ground	No change to landscape levels	YES
no cut & fill within 2m of boundary	No change to landscape levels	YES
Useable Open Space (s.4.3.8) Min depth 5m and min area 50m ²	Decking 37m ² Swimming pool and associated paving 76m ²	YES
4.4 Privacy and Security:		
Visual Privacy (s4.4.1)	Complies	YES
Acoustic Privacy (s4.4.2)	Complies	YES
Safety and Security (s4.4.3)	Complies	YES

Design Elements – Streetscape (Part 4.1)

Front Setback

The front setback requirement is a minimum of 14 metres and an average of 12 metres. The existing dwelling and stacked double carport are located forward of the required front set back with the dwelling being 8.6 metres to 9.6 metres from the front boundary and the carport being 3.6 metres from the boundary. The proposal seeks to provide a storage area set back 8.6 metres from the front boundary and adjacent to the western wall of the dwelling and carport. The proposed storage room is 1.0 metre in width and incorporates an extended tile roof between the carport and dwelling.

The proposed store room will necessitate the relocation of the existing side gate which provides access along the western side of the dwelling the landscape area. The gate is relocated to the rear of the carport. The house hold bins are located between the dwelling and carport. The store room will necessitate the relocation of the bins in front of the dwelling which will have an unsightly impact upon the streetscape. The proposed store room is not supported, given the breach of the front setback and the resultant presentation to the streetscape.

The existing carport is located adjacent to the side boundary and the proposal incorporates an extension of the carport roof to attach to the existing dwelling. Given the extent of built form on site, it is considered the detached carport and separation between the dwelling and carport

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achieves a more sympathetic presentation to the streetscape. The location of the store room will impact upon the usability of the existing carport, restricts access to the soft landscape area through the carport only and necessitates the relocation of the house hold bins in front of the dwelling. It is recommended that the store room addition be deleted **(Condition 8)**.

Side Setback

The first floor minimum setback requirement is 2.5 metres. The proposed first floor addition results in the stair case being set back 1.2 metres from the eastern boundary and does not comply with the control requirement. The existing first floor addition is set back 1.2 metres from the eastern boundary. The proposed addition breaches the setback for a length of 2.1 metres. However, this is considered acceptable in this circumstance for the following reasons:

- the proposal does not contain any fenestration within the eastern elevation at first floor where it does not comply with the setback requirement
- the proposal has been designed to minimise the extent of non-compliance with the remainder of the addition being set back the required 2.5 metres
- due to the articulation and varied setback at first floor, the proposal does not result in an excessive bulk or scale
- there are no amenity impacts as a result of the non-complying setback
- the proposal does not result in an unacceptable presentation to the streetscape

Design Elements – Building Form (Part 4.2)

Building height plane

The proposal does not comply with the required building height plane. The first floor addition along the eastern elevation results in a varied breach between 1.8 metres and 600mm of the building height plane. The proposed breach is nevertheless considered acceptable for the following reasons:

- the proposal complies with the maximum height control
- the proposal complies with the solar access requirements
- the breach of the building height plane does not result in an excessive bulk and scale presenting to the adjoining property or the streetscape
- the breach along the north western elevation occurs notwithstanding a generally compliant side setback and is mostly attributable to the existing building configuration and the slope of the site

First floor

The proposed first floor area is 111.1m² which equates to 46% of the total floor area. The proposal marginally exceeds the control requirement limiting the first floor floor space to 40%. The proposal is considered acceptable for the following reasons:

- the proposed floor space ratio of 0.246:1, is well within the maximum floor space ratio of 0.373:1 a difference of 123.9m²

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- the location of additional floor space is restricted by the existing swimming pool, tennis court and location of the dwelling
- the site has a built upon area of 82.1% which limits the ability to provide additional floor space at the ground floor level which would reduce the first floor area non-compliance
- the first floor addition is 111.1m² in area and exceeds the 40% requirement by 15.34m². The breach is not considered to be excessive
- the proposal does not result in any amenity impacts to adjoining properties

Built upon area

DCP 38 specifies a maximum built upon area of 54% (525.58m²). The site has an existing built upon area of 82.1%. The proposal does not seek to alter the existing built upon area on site and therefore is considered acceptable.

Unrelieved wall length

The existing southern (street) elevation has a length of 9.09 metres. The western elevation at first floor has a length of 8.03 metres. The control requires walls to be relieved which are greater than 8 metres in length where the height is above 4 metres. The proposal represents a very minor 3cm breach of the control which is not considered to be discernible from the public domain.

Open space and landscaping (Part 4.3)

Soft landscape area

The control requires a minimum soft landscape area of 46% (447.718m²). The proposal has an existing soft landscape area of 174m² or 17.9% and does not comply with the control. The proposal does not seek to remove any existing soft landscape area. The proposed deck is located where existing sandstone pavers are which is the main private open space associated with the dwelling. Due to the existing site works, there is little scope to provide reinstatement of existing soft landscaping. The proposal is therefore considered acceptable.

Tree replenishment

The control requires five (5) trees capable of attaining a minimum height of 13 metres to be provided. The site has a soft landscape area of 174m² and built upon area of 799m². The existing tennis court and swimming pool on site restrict its ability to accommodate the required number of trees.

The limited available soft landscape area is located within the front setback and adjacent to the western side boundary is also constrained as follows:

- the area between the carport and swimming pool is only 4.7 metres in width which is insufficient width to accommodate canopy trees.
- a stormwater pipe bisects the front setback area and limits the number of canopy trees that can be planted.

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Given these constraints Council's Landscape Assessment Officer indicated there was only sufficient area to accommodate a single canopy tree representative of the Sydney Turpentine Ironbark Forest in the front set back area (**Condition 28**).

Privacy and Security (Part 4.4)

The first floor eastern elevation contains one window associated with bathroom and given it is a low use room no concerns are raised.

The first floor windows in western elevation are associated with a bedroom and study. The adjoining dwelling is single storey with the windows having a lintel height of RL90.92. Given the proposed floor level of the first floor addition is FFL93.32 no privacy impact results.

Development Control Plan 40 – Construction and Demolition Waste Management.

The applicant has submitted a waste management plan which could comply with DCP 40 subject to conditions of consent.

Development Control Plan 43 – Car Parking Code

The existing car parking arrangement is generally compliant with DCP 43.

Development Control Plan 47 – Water Management

The proposal has been considered in accordance with DCP 47.

LIKELY IMPACTS

The above assessment demonstrates that the proposal will not have any adverse impacts upon any adjoining properties or the environment in general.

SUITABILITY OF THE SITE

The site is zoned Residential and the proposed alterations and additions are considered to be complementary to the existing dwelling and streetscape. The site is considered suitable to accommodate the proposed alterations and additions to the dwelling.

PUBLIC INTEREST

The proposal has been assessed against the relevant environmental planning instruments and is deemed to be acceptable. On this basis, the proposal is not considered to raise any issues that are contrary to the public interest.

CONCLUSION

This application has been assessed under the heads of consideration of Section 79C of the Environmental Planning and Assessment Act 1979 and all relevant instruments and policies.

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The proposal is considered to be generally consistent with the relevant Council statutory and policy controls. Where strict compliance has not been achieved, the proposal has been considered with respect of the expected control outcomes and is supported on merit.

RECOMMENDATION

That the Council, as the consent authority, is of the opinion that the objection under State Environmental Planning Policy No.1 – Development Standards to clause 60C of the Ku-ring-gai Planning Scheme Ordinance in respect of the built upon area development standard is well founded. The Council is also of the opinion that strict compliance with the development standard is unreasonable and unnecessary in the circumstances of this case.

AND

That the Council, as the consent authority, being satisfied that the objection under SEPP No. 1 is well founded and also being of the opinion that the granting of consent to DA0448/10 is consistent with the aims of the Policy, grants development consent to DA0448/10 for alterations and additions to the existing dwelling at 22 Woodlands Road, East Lindfield, for a period of five (5) years from the date of the Notice of Determination, subject to the following conditions:

CONDITIONS THAT IDENTIFY APPROVED PLANS:

1. Approved architectural plans and documentation (alterations and additions)

The development must be carried out in accordance with work shown in colour on the following plans and documentation listed below and endorsed with Council's stamp, except where amended by other conditions of this consent:

Plan No.	Drawn by	Dated
Sheet 1A Ground Floor Plan	Beecraft Pty Ltd	24-8-10
Sheet 2A First Floor Plan	Beecraft Pty Ltd	24-8-10
Sheet 3A West and South Elevation	Beecraft Pty Ltd	24-8-10
Sheet 4A East and North Elevation	Beecraft Pty Ltd	24-8-10
Sheet 5A Sections	Beecraft Pty Ltd	24-8-10
Sheet 6A Site Plan and Calculations	Beecraft Pty Ltd	25-8-10

Document(s)	Dated
Colours and finishes schedule	26 August 2010 received by Council

Reason: To ensure that the development is in accordance with the determination.

Item 4

2. Inconsistency between documents

In event of any inconsistency between conditions of this consent and the drawings/documents referred to above, the conditions of this consent prevail.

Reason: To ensure that the development is in accordance with the determination.

3. No demolition of extra fabric

Alterations to, and demolition of the existing building shall be limited to that documented on the approved plans (by way of notation). No approval is given or implied for removal and/or rebuilding of any portion of the existing building which is shown to be retained.

Reason: To ensure compliance with the development consent.

CONDITIONS TO BE SATISFIED PRIOR TO DEMOLITION, EXCAVATION OR CONSTRUCTION:

4. Road opening permit

The opening of any footway, roadway, road shoulder or any part of the road reserve shall not be carried out without a road opening permit being obtained from Council (upon payment of the required fee) beforehand.

Reason: Statutory requirement (Roads Act 1993 Section 138) and to maintain the integrity of Council's infrastructure.

5. Notice of commencement

At least 48 hours prior to the commencement of any development (including demolition, excavation, shoring or underpinning works), a notice of commencement of building or subdivision work form and appointment of the principal certifying authority form shall be submitted to Council.

Reason: Statutory requirement.

6. Notification of builder's details

Prior to the commencement of any development or excavation works, the Principal Certifying Authority shall be notified in writing of the name and contractor license number of the owner/builder intending to carry out the approved works.

Reason: Statutory requirement.

7. Structural adequacy (alterations and additions)

Prior to commencement of any development or excavation works, the Principal

Item 4

Certifying Authority shall be satisfied that those components of the building to be retained and/or altered will be structurally sound and able to withstand the excavation and demolition process.

C1. Note: Evidence from a qualified practising structural engineer, demonstrating compliance with the above and detailing, where relevant, means of support for those parts of the retained building shall be provided to the Principal Certifying Authority.

Reason: To ensure that the development can be undertaken in accordance with accepted construction practices as indicated on the endorsed development plans, without the need for modification of the consent.

CONDITIONS TO BE SATISFIED PRIOR TO THE ISSUE OF THE CONSTRUCTION CERTIFICATE:

8. Design modification

The store room and roof extension shown on drawing Sheet 1A prepared by Beecraft Pty Ltd and notated in red is to be deleted from all plans and specifications prior to the issue of a construction certificate.

Reason: To maintain streetscape character and the use of the existing carport and access through the site.

9. Long service levy

In accordance with Section 109F(i) of the Environmental Planning and Assessment Act a Construction Certificate shall not be issued until any long service levy payable under Section 34 of the Building and Construction Industry Long Service Payments Act 1986 (or where such levy is payable by instalments, the first instalment of the levy) has been paid. Council is authorised to accept payment. Where payment has been made elsewhere, proof of payment is to be provided to Council.

Reason: Statutory requirement.

10. Builder's indemnity insurance

The applicant, builder, developer or person who does the work on this development, must arrange builder's indemnity insurance and submit the certificate of insurance in accordance with the requirements of Part 6 of the Home Building Act 1989 to the Certifying Authority for endorsement of the plans accompanying the Construction Certificate.

It is the responsibility of the applicant, builder or developer to arrange the builder's indemnity insurance for residential building work over the value of \$12,000. The builder's indemnity insurance does not apply to commercial or industrial building work or to residential work valued at less than \$12,000, nor to work undertaken by

Item 4

persons holding an owner/builder's permit issued by the Department of Fair Trading (unless the owner/builder's property is sold within 7 years of the commencement of the work).

Reason: Statutory requirement.

CONDITIONS TO BE SATISFIED PRIOR TO THE ISSUE OF THE CONSTRUCTION CERTIFICATE OR PRIOR TO DEMOLITION, EXCAVATION OR CONSTRUCTION (WHICHEVER COMES FIRST):

11. Infrastructure restorations fee

To ensure that damage to Council Property as a result of construction activity is rectified in a timely matter:

- a) All work or activity taken in furtherance of the development the subject of this approval must be undertaken in a manner to avoid damage to Council Property and must not jeopardise the safety of any person using or occupying the adjacent public areas.
- b) The applicant, builder, developer or any person acting in reliance on this approval shall be responsible for making good any damage to Council Property, and for the removal from Council Property of any waste bin, building materials, sediment, silt, or any other material or article.
- c) The Infrastructure Restoration Fee must be paid to the Council by the applicant prior to both the issue of the Construction Certificate and the commencement of any earthworks or construction.
- d) In consideration of payment of the Infrastructure Restorations Fee, Council will undertake such inspections of Council Property as Council considers necessary and also undertake, on behalf of the applicant, such restoration work to Council Property, if any, that Council considers necessary as a consequence of the development. The provision of such restoration work by the Council does not absolve any person of the responsibilities contained in (a) to (b) above. Restoration work to be undertaken by the Council referred to in this condition is limited to work that can be undertaken by Council at a cost of not more than the Infrastructure Restorations Fee payable pursuant to this condition.

- e) In this condition:

"Council Property" includes any road, footway, footpath paving, kerbing, guttering, crossings, street furniture, seats, letter bins, trees, shrubs, lawns, mounds, bushland, and similar structures or features on any road or public road within the meaning of the Local Government Act 1993 (NSW) or any public place; and

"Infrastructure Restoration Fee" means the Infrastructure Restorations Fee calculated in accordance with the Schedule of Fees & Charges adopted by

Item 4

Council as at the date of payment and the cost of any inspections required by the Council of Council Property associated with this condition.

Reason: To maintain public infrastructure.

CONDITIONS TO BE SATISFIED DURING THE DEMOLITION, EXCAVATION AND CONSTRUCTION PHASES:

12. Prescribed conditions

The applicant shall comply with any relevant prescribed conditions of development consent under clause 98 of the Environmental Planning and Assessment Regulation. For the purposes of section 80A (11) of the Environmental Planning and Assessment Act, the following conditions are prescribed in relation to a development consent for development that involves any building work:

- The work must be carried out in accordance with the requirements of the Building Code of Australia
- In the case of residential building work for which the Home Building Act 1989 requires there to be a contract of insurance in force in accordance with Part 6 of that Act, that such a contract of insurance is in force before any works commence.

Reason: Statutory requirement.

13. Hours of work

Demolition, excavation, construction work and deliveries of building material and equipment must not take place outside the hours of 7.00am to 5.00pm Monday to Friday and 8.00am to 12 noon Saturday. No work and no deliveries are to take place on Sundays and public holidays.

Excavation or removal of any materials using machinery of any kind, including compressors and jack hammers, must be limited to between 7.30am and 5.00pm Monday to Friday, with a respite break of 45 minutes between 12 noon 1.00pm.

Where it is necessary for works to occur outside of these hours (ie) placement of concrete for large floor areas on large residential/commercial developments or where building processes require the use of oversized trucks and/or cranes that are restricted by the RTA from travelling during daylight hours to deliver, erect or remove machinery, tower cranes, pre-cast panels, beams, tanks or service equipment to or from the site, approval for such activities will be subject to the issue of an "outside of hours works permit" from Council as well as notification of the surrounding properties likely to be affected by the proposed works.

Note: Failure to obtain a permit to work outside of the approved hours will result in on the spot fines being issued.

Reason: To ensure reasonable standards of amenity for occupants of neighbouring properties.

Item 4

14. Approved plans to be on site

A copy of all approved and certified plans, specifications and documents incorporating conditions of consent and certification (including the Construction Certificate if required for the work) shall be kept on site at all times during the demolition, excavation and construction phases and must be readily available to any officer of Council or the Principal Certifying Authority.

Reason: To ensure that the development is in accordance with the determination.

15. Engineering fees

For the purpose of any development related inspections by Ku-ring-gai Council engineers, the corresponding fees set out in Councils adopted Schedule of Fees and Charges are payable to Council. A re-inspection fee per visit may be charged where work is unprepared at the requested time of inspection, or where remedial work is unsatisfactory and a further inspection is required. Engineering fees must be paid in full prior to any final consent from Council.

Reason: To protect public infrastructure.

16. Statement of compliance with Australian Standards

The demolition work shall comply with the provisions of Australian Standard AS2601: 2001 The Demolition of Structures. The work plans required by AS2601: 2001 shall be accompanied by a written statement from a suitably qualified person that the proposal contained in the work plan comply with the safety requirements of the Standard. The work plan and the statement of compliance shall be submitted to the satisfaction of the Principal Certifying Authority prior to the commencement of any works.

Reason: To ensure compliance with the Australian Standards.

17. Construction noise

During excavation, demolition and construction phases, noise generated from the site shall be controlled in accordance with the recommendations of the approved noise and vibration management plan.

Reason: To ensure reasonable standards of amenity to neighbouring properties.

18. Site notice

A site notice shall be erected on the site prior to any work commencing and shall be displayed throughout the works period.

The site notice must:

- be prominently displayed at the boundaries of the site for the purposes of informing the public that unauthorised entry to the site is not permitted

Item 4

- display project details including, but not limited to the details of the builder, Principal Certifying Authority and structural engineer
- be durable and weatherproof
- display the approved hours of work, the name of the site/project manager, the responsible managing company (if any), its address and 24 hour contact phone number for any inquiries, including construction/noise complaint are to be displayed on the site notice
- be mounted at eye level on the perimeter hoardings/fencing and is to state that unauthorised entry to the site is not permitted

Reason: To ensure public safety and public information.

19. Use of road or footpath

During excavation, demolition and construction phases, no building materials, plant or the like are to be stored on the road or footpath without written approval being obtained from Council beforehand. The pathway shall be kept in a clean, tidy and safe condition during building operations. Council reserves the right, without notice, to rectify any such breach and to charge the cost against the applicant/owner/builder, as the case may be.

Reason: To ensure safety and amenity of the area.

20. Recycling of building material (general)

During demolition and construction, the Principal Certifying Authority shall be satisfied that building materials suitable for recycling have been forwarded to an appropriate registered business dealing in recycling of materials. Materials to be recycled must be kept in good order.

Reason: To facilitate recycling of materials.

21. Construction signage

All construction signs must comply with the following requirements:

- are not to cover any mechanical ventilation inlet or outlet vent
- are not illuminated, self-illuminated or flashing at any time
- are located wholly within a property where construction is being undertaken
- refer only to the business(es) undertaking the construction and/or the site at which the construction is being undertaken
- are restricted to one such sign per property
- do not exceed 2.5m²
- are removed within 14 days of the completion of all construction works

Reason: To ensure compliance with Council's controls regarding signage.

Item 4

22. Road reserve safety

All public footways and roadways fronting and adjacent to the site must be maintained in a safe condition at all times during the course of the development works. Construction materials must not be stored in the road reserve. A safe pedestrian circulation route and a pavement/route free of trip hazards must be maintained at all times on or adjacent to any public access ways fronting the construction site. Where public infrastructure is damaged, repair works must be carried out when and as directed by Council officers. Where pedestrian circulation is diverted on to the roadway or verge areas, clear directional signage and protective barricades must be installed in accordance with AS1742-3 (1996) "Traffic Control Devices for Work on Roads". If pedestrian circulation is not satisfactorily maintained across the site frontage, and action is not taken promptly to rectify the defects, Council may undertake proceedings to stop work.

Reason: To ensure safe public footways and roadways during construction.

23. Services

Where required, the adjustment or inclusion of any new utility service facilities must be carried out by the applicant and in accordance with the requirements of the relevant utility authority. These works shall be at no cost to Council. It is the applicants' full responsibility to make contact with the relevant utility authorities to ascertain the impacts of the proposal upon utility services (including water, phone, gas and the like). Council accepts no responsibility for any matter arising from its approval to this application involving any influence upon utility services provided by another authority.

Reason: Provision of utility services.

24. Erosion control

Temporary sediment and erosion control and measures are to be installed prior to the commencement of any works on the site. These measures must be maintained in working order during construction works up to completion. All sediment traps must be cleared on a regular basis and after each major storm and/or as directed by the Principal Certifying Authority and Council officers.

Reason: To protect the environment from erosion and sedimentation.

25. Drainage to existing system

Stormwater runoff from all new impervious areas and subsoil drainage systems shall be piped to the existing site drainage system. The installation of new drainage components must be completed by a licensed contractor in accordance with AS3500.3 (Plumbing Code) and the BCA. No stormwater runoff is to be placed into the Sydney Water sewer system. If an illegal sewer connection is found during construction, the drainage system must be rectified to the satisfaction of Council and Sydney Water.

Item 4

Reason: To protect the environment.

26. No storage of materials beneath trees

No activities, storage or disposal of materials shall take place beneath the canopy of any tree protected under Council's Tree Preservation Order at any time.

Reason: To protect existing trees.

27. Removal of refuse

All builders' refuse, spoil and/or material unsuitable for use in landscape areas shall be removed from the site on completion of the building works.

Reason: To protect the environment.

28. Canopy replenishment trees to be planted

A canopy replenishment tree representative of the Sydney Turpentine Ironbark Forest such as a *Angophora costata* (Sydney Redgum) or *Syncarpia glomulifera* (Turpentine)

shall be provided within the front setback a minimum of 3 metres from the existing stormwater pipe. The tree shall be maintained in a healthy and vigorous condition until they attain a height of 5.0 metres whereby they will be protected by Council's Tree Preservation Order. If the tree is found faulty, damaged, dying or dead it shall be replaced with the same species.

Reason: To maintain the treed character of the area.

29. On site retention of waste dockets

All demolition, excavation and construction waste dockets are to be retained on site, or at suitable location, in order to confirm which facility received materials generated from the site for recycling or disposal.

- Each docket is to be an official receipt from a facility authorised to accept the material type, for disposal or processing.
- This information is to be made available at the request of an Authorised Officer of Council.

Reason: To protect the environment.

CONDITIONS TO BE SATISFIED PRIOR TO THE ISSUE OF AN OCCUPATION CERTIFICATE:

30. Compliance with BASIX Certificate

Prior to the issue of an Occupation Certificate, the Principal Certifying Authority shall

Item 4

be satisfied that all commitments listed in BASIX Certificate No. A92772 and dated 25 August 2010 have been complied with.

Reason: Statutory requirement.

31. Infrastructure repair

Prior to issue of the Occupation Certificate, the Principal Certifying Authority must be satisfied that any damaged public infrastructure caused as a result of construction works (including damage caused by, but not limited to, delivery vehicles, waste collection, contractors, sub contractors, concrete vehicles) is fully repaired to the satisfaction of Council Development Engineer and at no cost to Council.

Reason: To protect public infrastructure.

K Munn
**Executive Assessment
Officer**

C Swanepoel
**Manager
Development Assessment
Services**

M Miocic
**Director
Development & Regulation**

Attachments:

1. **Locality Sketch – 2010/170529**
2. **Zoning Map – 2010/170536**
3. **Survey – 2010/170535**
4. **Site Plan – 2010/170534**
5. **Floor Plans – 2010/170528**
6. **Elevations – 2010/170527**
7. **Sections – 2010/170531**
8. **DOP Circular PS08-014 – 2010/010577**

LOCATION SKETCH

22 Woodlands Road, EAST LINDFIELD

DEVELOPMENT APPLICATION No. 0448/10



DATE: 31/08/2010

Metres
0 5 10 20 30 40 50

No Written Response

- ▲ AGREEMENT
- OBJECTION
- ▣ PETITION
- SUBMISSION

- ▨ SUBJECT LAND
- HERITAGE ITEM
- CIRCULATED AREA

**Ku-ring-gai
Council**

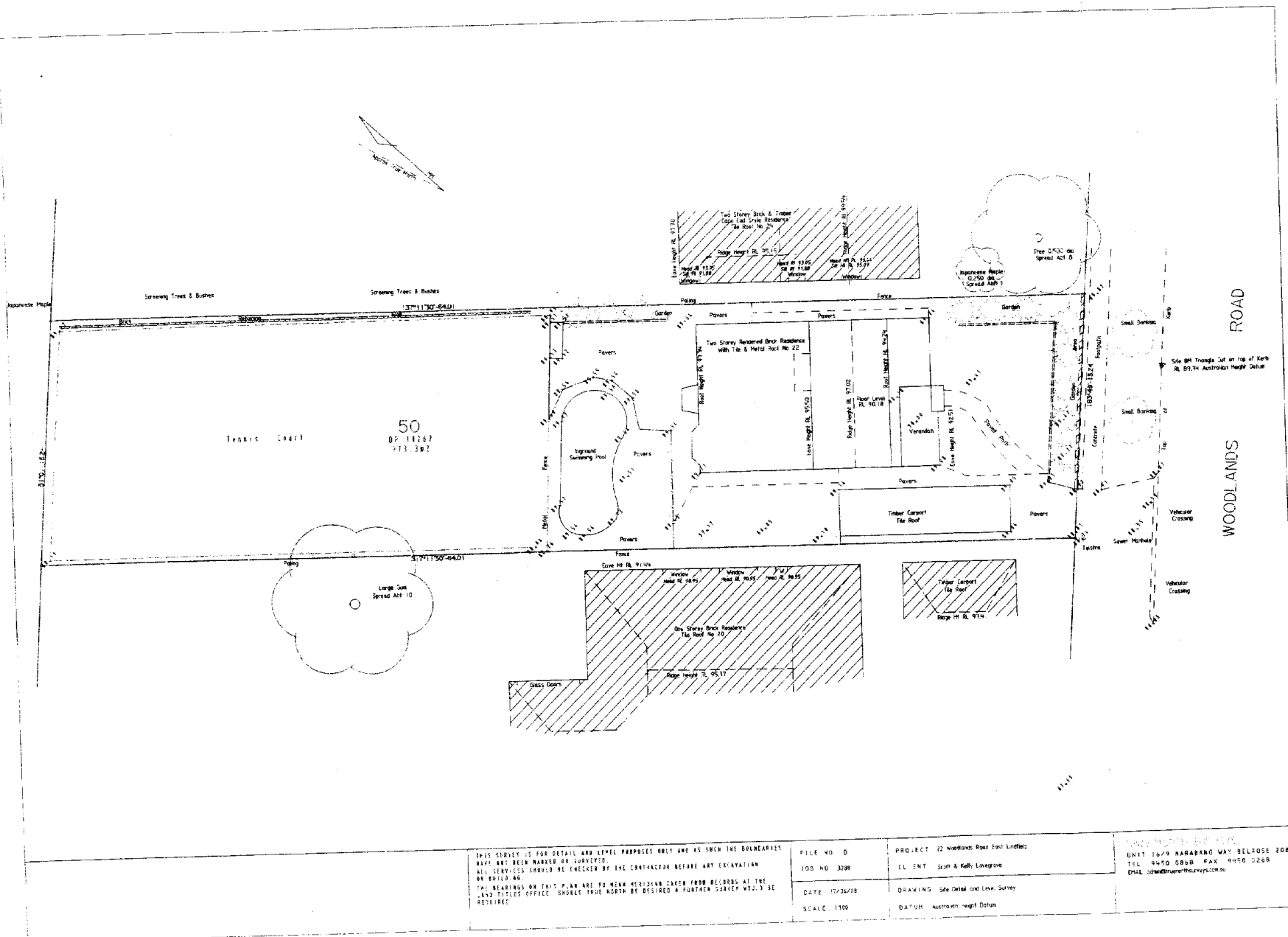


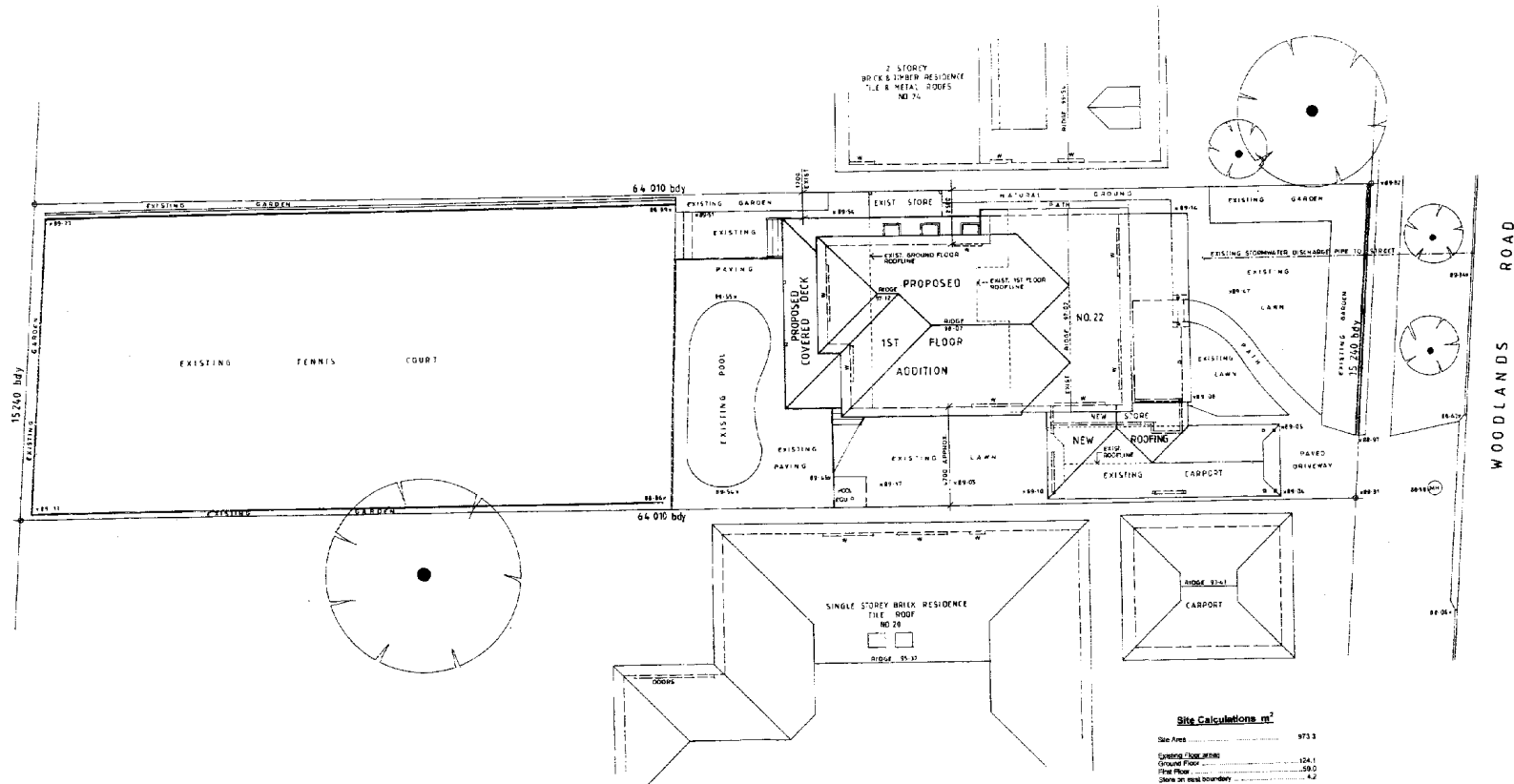
Ku-ring-gai Planning Scheme Zoning Extract

22 Woodlands Road, EAST LINDFIELD - DA0448/10



ZONES		RESERVATIONS		GENERAL	
2. RESIDENTIAL (a) RESIDENTIAL A (b) RESIDENTIAL B (c) RESIDENTIAL C (d) RESIDENTIAL C1 (e) RESIDENTIAL C2 (f) RESIDENTIAL D (g) RESIDENTIAL D3 (h) RESIDENTIAL E (i) RESIDENTIAL F (j) RESIDENTIAL G (k) RESIDENTIAL H		3. BUSINESS (a) RETAIL SERVICES FLOOR SPACE RATIOS A1 2:1 A2 1:1 A3 0.75:1 (b) COMMERCIAL SERVICES FLOOR SPACE RATIOS B1 1:1 B2 1:0.5		5. SPECIAL USES (a) SPECIAL USES A (Shops etc.) (a1) SPECIAL USES A1 (b) SPECIAL USES (Recreation) 6. OPEN SPACE (a) RECREATION EXISTING (a1) RECREATION EXISTING (b) RECREATION PROPOSED	
4. OPEN SPACE (a) OPEN SPACE (a1) OPEN SPACE (b) COUNTRY OPEN SPACE		RESERVATIONS (a) OPEN SPACE (a1) OPEN SPACE (b) COUNTRY OPEN SPACE SPECIAL USES SPECIAL USES (Parks etc.) ROADS (a) COUNTY ROAD WIDENING (b) COUNTY ROAD PROPOSED (c) LOCAL ROAD PROPOSED (d) LOCAL ROAD WIDENING		OTHER EXISTING COUNTRY ROAD OTHER PLANNING INSTRUMENT Scale 1:2000 Date 31/08/10	





SITE PLAN

Site Calculations m²

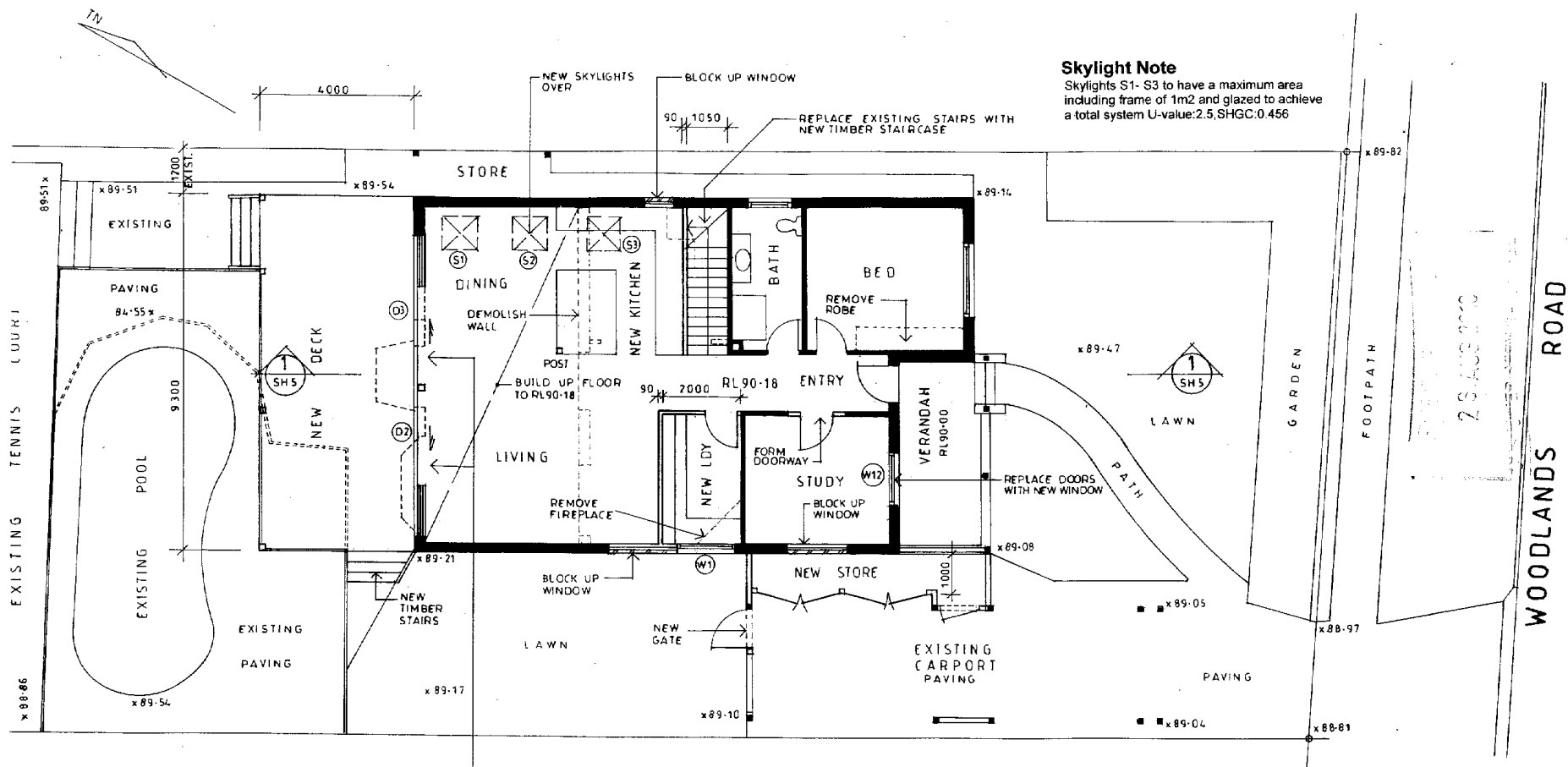
Site Area	973.3
Existing Floor Area	124.1
Ground Floor	59.0
First Floor	65.1
Store on east boundary	0.0
Proposed Floor Area	124.1
Ground Floor unchanged	59.0
First Floor	65.1
Store on east boundary unchanged	0.0
New store in carport	0.0
F.O.R.	0.255
Allowable F.O.R.	0.275
Proposed First Floor	45.6
Allowable	40.2
Buildable Area	74.7
Existing (52.1%)	unchanged
Proposed	5.4%
Buildable Area	174.6
Existing (52.1%)	unchanged
Proposed	40.2

Beecraft
BUILDING DESIGN & CONSULTANTS
15-17 KING KILLY LANE
WARRINGTON, CHESHIRE, WA9 1JH
01925 831111
www.beecraft.co.uk

ALTERATIONS & ADDITIONS
22 WOODLANDS ROAD
EAST LINDSEY
LOT 50 DP10167

CLIENT
15-17 KING KILLY LANE
WARRINGTON, CHESHIRE, WA9 1JH

DATE 15/01/2015
SCALE 1:100
ISSUE 1
BY J.A.
CHECKED S



GROUND FLOOR PLAN

Window & Door Schedule

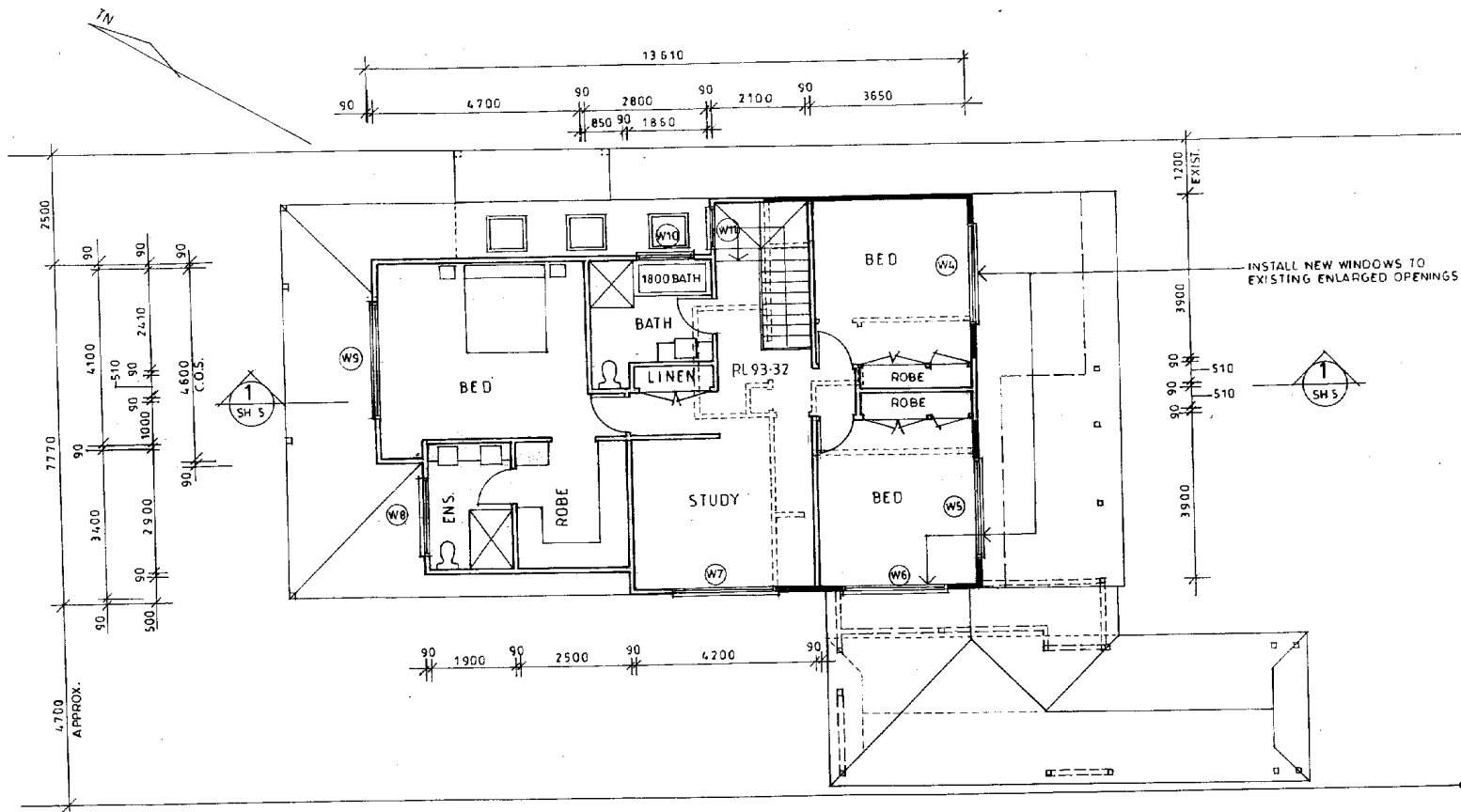
Legend Height x Width Description
W1 1200 x 1500 Timber casement windows
D2 & D3 2400 x 3800 Timber stacking glass doors
W12 1200 x 1400 Timber casement windows

Glazing Note

Windows and doors to be glazed with single clear glass to achieve a total system U-value:5.71,SHGC:0.66

Beecraft P/L
BUILDING CONTRACTORS,
DESIGNERS & CONSULTANTS
6A Lancel Road
Terry Hills
NSW 2064
Phone: (02) 9450 1530
Licence No. 32483
A.C.N. 002 281 263

DATE	AMENDMENT
A 24-8-10	WINDOW W12 DETAILS ADDED
ALTERATIONS & ADDITIONS 22 WOODLANDS ROAD EAST LINDFIELD LOT 50 DP10267	
CLIENT SCOTT AND KELLY LOVEGROVE	
DRAWING GROUND FLOOR PLAN	
DATE MAY 2010	DRAWN J. WRIGHT
SCALE 1:100	ISSUE D.A.
	DRG. NO. 05-10-WO
	SHEET NO. 1A



FIRST FLOOR PLAN

Window & Door Schedule

Legend	Height x Width	Description
W4-W7	1200 x 2400	Timber casement windows
W8	1200 x 1800	Timber casement windows
W9	1200 x 2700	Timber casement windows
W10	1000 x 1300	Timber casement windows
W11	1200 x 1000	Timber casement window

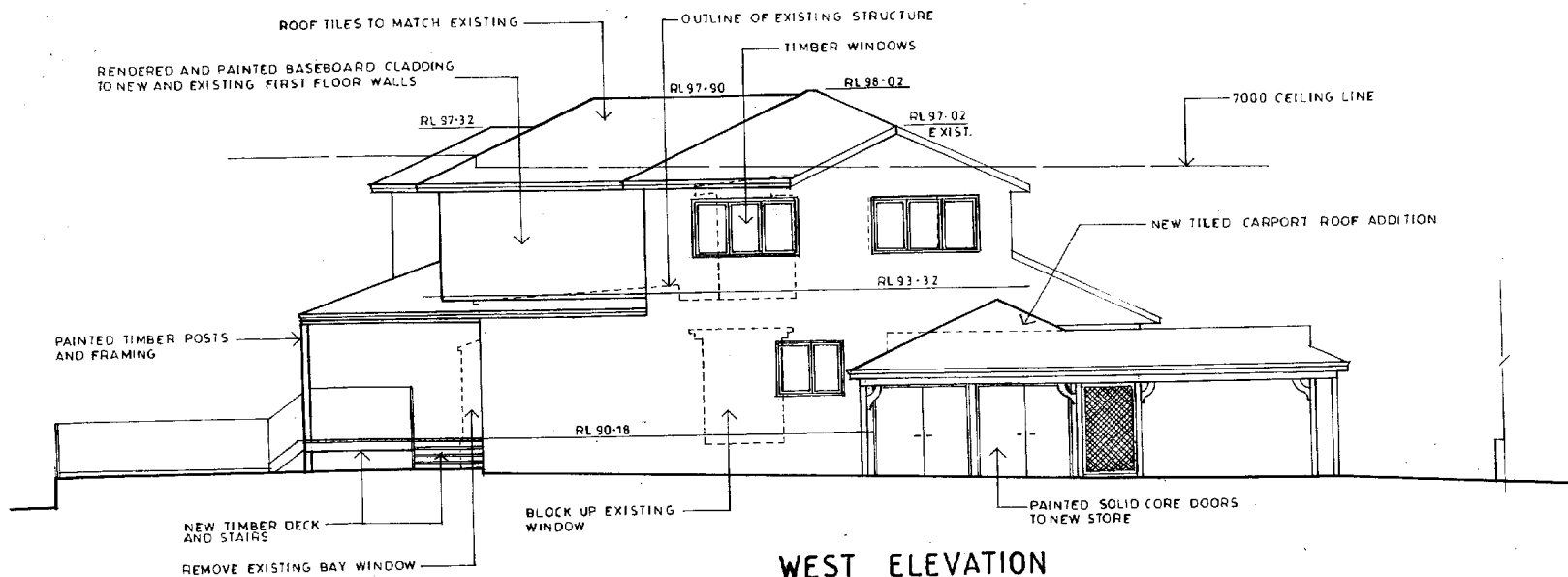
Glazing Note

W4 - W7, W10, W11 to be glazed with single clear glass to achieve a total system U-value: 5.71, SHGC: 0.66
W8 & W9 to be glazed with single pyrolytic low-e glass to achieve a total system U-value: 3.99, SHGC: 0.40

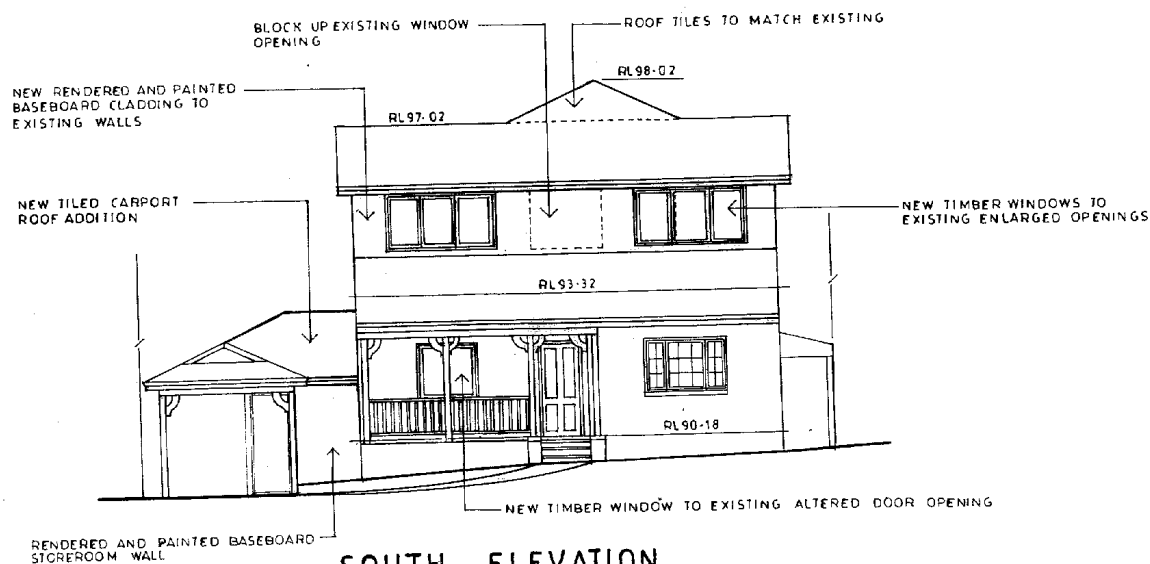
DATE	AMENDMENT
A 24-8-10	ENSUITE AND ROBE STEPPED IN 500 MM

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Tenny Hills License No. 32463
NSW 2054 A.C.N. 002 261 263

ALTERATIONS & ADDITIONS		
22 WOODLANDS ROAD EAST LINDFIELD LOT 50 DP10267		
CLIENT SCOTT AND KELLY LOVEGROVE		
DRAWING FIRST FLOOR PLAN		
DATE MAY 2010	DRAWN J. WRIGHT	ORG. NO. 05-10-WO
SCALE 1:100	ISSUE D.A.	SHEET NO. 2A

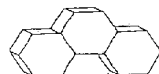


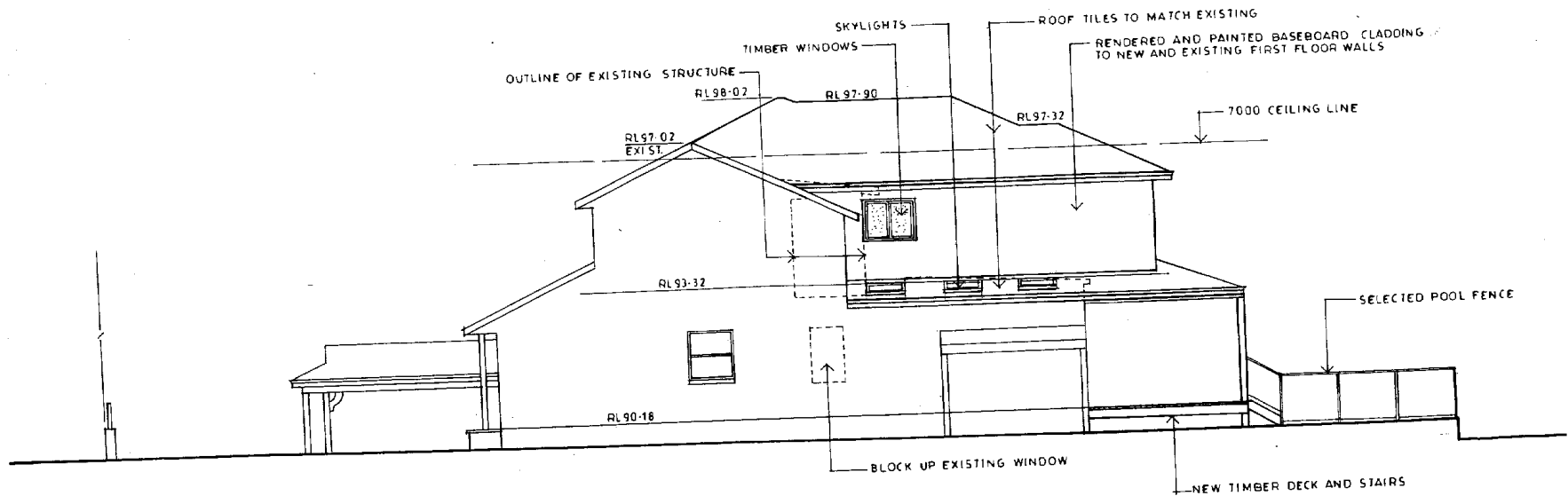
WEST ELEVATION



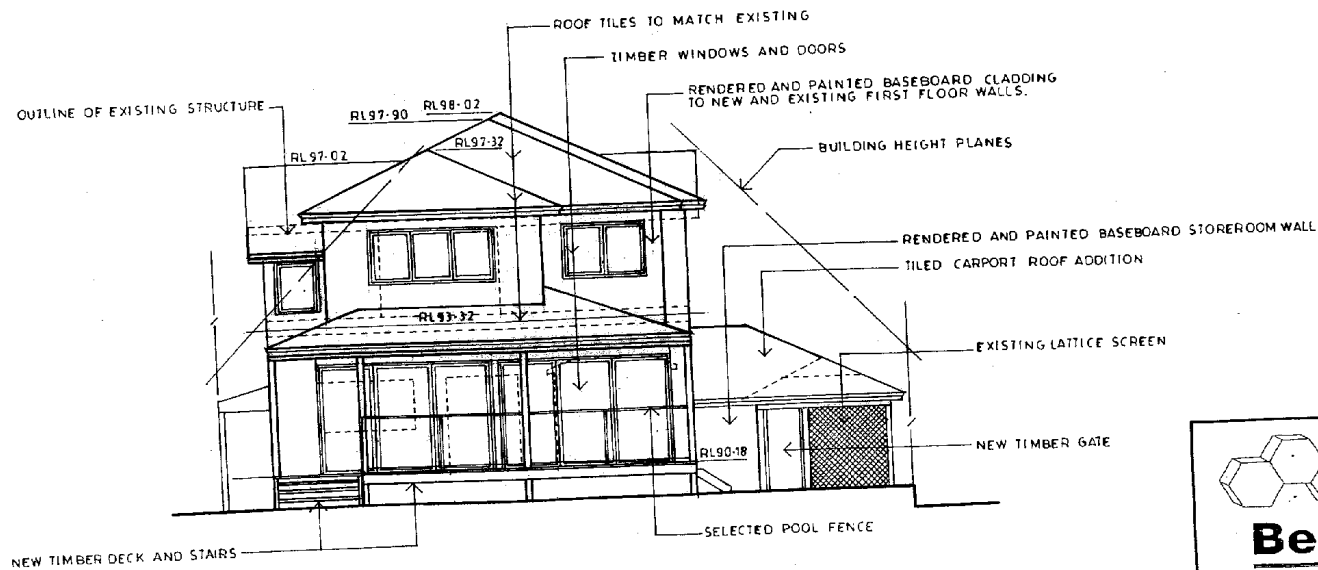
SOUTH ELEVATION

	DATE	AMENDMENT
A	24-8-10	REVISED TO SUIT 1ST FLOOR ENSUITE AND ROBE CHANGE

 Beecraft		ALTERATIONS & ADDITIONS	
		22 WOODLANDS ROAD EAST LINDFIELD LOT 50 DP10267	
BUILDING CONTRACTORS, DESIGNERS & CONSULTANTS		CLIENT SCOTT AND KELLY LOVEGROVE	
6A Larool Road Terrey Mills NSW 2084		DRAWING WEST AND SOUTH ELEVATION	
Phone: (02) 9450 1530 Licence No. 32483 A.C.N. 002 281 263		DATE MAY 2010	DRAWN J. WRIGHT
		SCALE 1:100	ISSUE D.A.
			DRG. NO. 05-10-WO SHEET NO. 3A



EAST ELEVATION

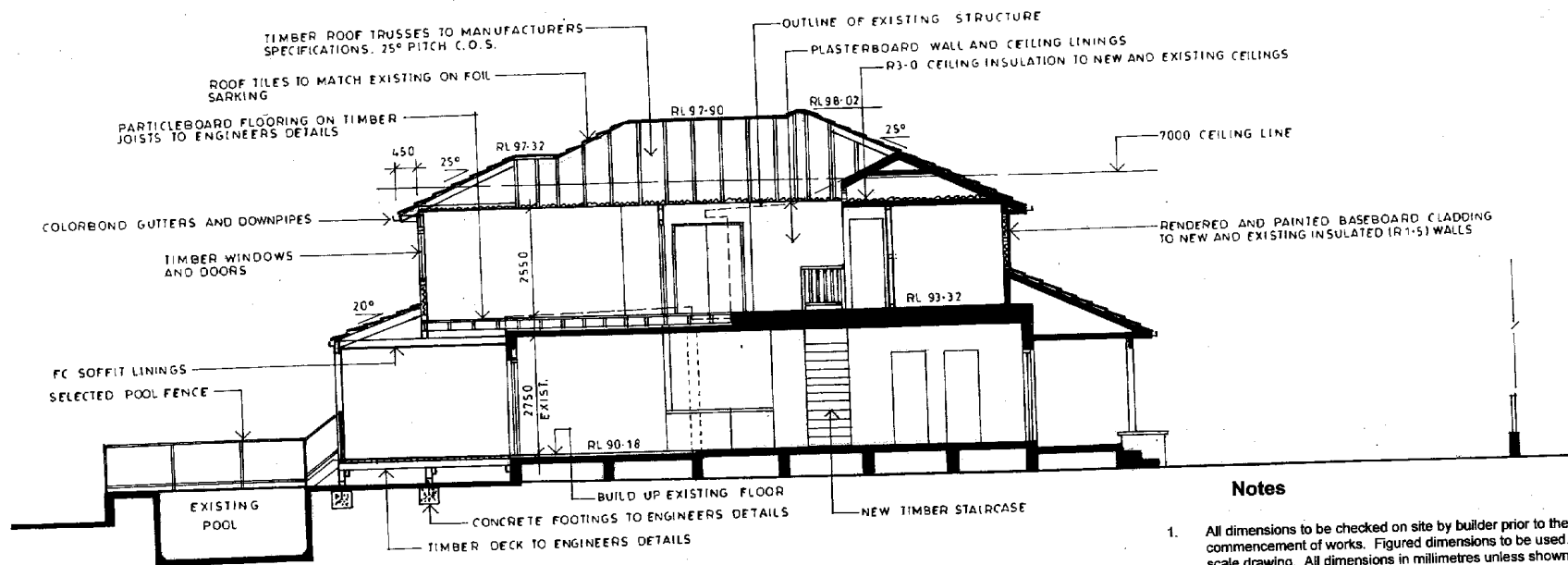


NORTH ELEVATION

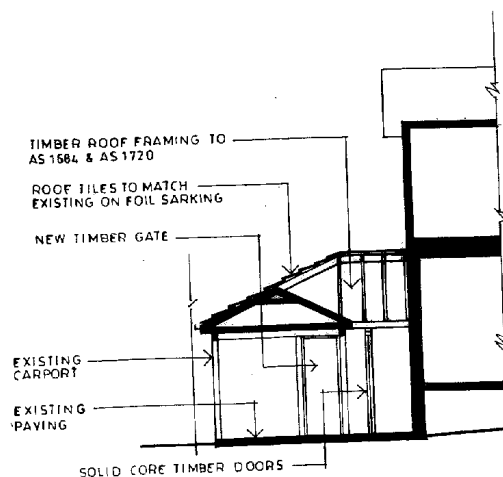
DATE	AMENDMENT
A 24-8-10	REVISED TO SUIT 1ST FLOOR ENSUITE AND ROBE CHANGE

ALTERATIONS & ADDITIONS	
22 WOODLANDS ROAD EAST LINDFIELD LOT 50 DP10267	
CLIENT SCOTT AND KELLY LOVEGROVE	
DRAWING EAST AND NORTH ELEVATION	
DATE MAY 2010	DRAWN J. WRIGHT
SCALE 1:100	ISSUE D.A.
	DRG. NO. 05-10-WO SHEET NO. 4A


Beecraft
 BUILDING CONTRACTORS,
 DESIGNERS & CONSULTANTS
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 Torrey Hills License No. 32483
 NSW 2054 A.C.N. 002 281 263



SECTION 1



SECTION 2

Basix Specification

Lighting

- A minimum of 40% of new or altered light fittings are to be fitted with fluorescent, compact fluorescent, or light-emitting-diode (LED) lamps.

Fixtures

- New or altered shower heads have a flow rate no greater than 9 litres per minute or a 3 star water rating.
- New or altered toilets have a flow rate no greater than 4 litres per average flush or a minimum 3 star water rating.
- New or altered taps have a flow rate no greater than 9 litres per minute or minimum 3 star water rating.

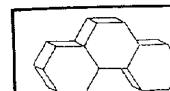
Insulation to new or altered construction

- Floor above existing dwelling - nil additional insulation
- External wall/framed & baseboard clad - R1.3 additional insulation (or R1.70 including construction)
- Flat ceiling, pitched tile roof/framed - ceiling: R2.5 (up) roof: foil/sarking
- Roof colour - medium (solar absorptance 0.475-0.70)

Notes

- All dimensions to be checked on site by builder prior to the commencement of works. Figured dimensions to be used. Do not scale drawing. All dimensions in millimetres unless shown otherwise.
- All concrete works to be in accordance with AS3600 and Engineers plans and specifications.
- All timber framing to AS1684 & 1720. Any proprietary timber elements used to manufacturers relevant span tables for their intended use.
- All steelwork to AS4100
- All new gutters and downpipes to be connected to the existing stormwater to street.
- All works generally to be in accordance with local council bylaws and the Building Code of Australia.
- All work to be left in a safe and stable condition at the end of each day.
- Pool fencing to be in accordance with; Part G1.1 of the Building Code of Australia The swimming Pools Act 1992 and regulations AS2818: Guide to swimming pool safety AS1926.1: fencing for swimming
- For additional survey information refer to drawing by True North Surveys Job No. 3288

	DATE	AMENDMENT
A	26-8-10	ROOFLINE REVISED TO SUIT 1ST FLOOR ENSUITE AND ROBE CHANGE



Beecraft[®]

BUILDING CONTRACTORS,
DESIGNERS & CONSULTANTS

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A.C.N. 002 281 263

ALTERATIONS & ADDITIONS
22 WOODLANDS ROAD
EAST LINDFIELD
LOT 50 DP10267

CLIENT
SCOTT AND KELLY LOVEGROVE

DRAWING
SECTIONS

DATE	DRAWN	DRG. NO.
MAY 2010	J. WRIGHT	05-10-WO
SCALE	ISSUE	SHEET NO.
1:100	D.A.	5A



PLANNING circular

PLANNING SYSTEM

State environmental planning policies

Circular	PS 08-014
Issued	14 November 2008
Related	PS 08-003 May 2008

Reporting variations to development Standards

The purpose of this circular is to remind councils of their responsibilities to complete quarterly returns on variations to development standards under delegations using State Environmental Planning Policy No. 1 - Development Standards or similar provisions under the Standard Instrument. The returns for the past two quarters – 1 April to 30 June 2008 and 1 July to 30 September 2008 – are to be forwarded to the Department by no later than 4 weeks from the date of this circular.

Introduction

Circular PS 08-003 reminded councils of their responsibilities to monitor the use of the Director-General's assumed concurrence under State Environmental Planning Policy No. 1 – Development Standards (SEPP 1) or under clause 4.6 of the Standard Instrument (or similar provision) on a quarterly basis.

Councils were reminded of the need to keep accurate records of the use of SEPP 1, or the relevant provision of the Standard Instrument and to report quarterly from the April to June 2008 quarter.

Reports due 4 weeks from date of this Circular

Despite the previous circular, a number of councils have not submitted their responses to the Department for the period 1 April to 30 June, which were due on 31 July 2008.

Councils are now advised that they are to forward their reporting of the use of SEPP 1 or clause 4.6 of the Standard Instrument (or similar provision) for the periods 1 April to 30 June and 1 July to 30 September **within 4 weeks from the date of this circular**. Where a council has not exercised its concurrence in a particular quarter, then a nil return is to be forwarded.

Quarterly reports are to be emailed to developmentstandards@planning.nsw.gov.au

If a council does not respond to this request by 15 December 2008, then the Director-General will commence the process of revocation of the concurrence.

Councils are to then report quarterly within one month of the end of the quarter. Failure to do so will trigger a review into the need to revoke of the concurrence.

Further Requirements

In response to the findings of the recent ICAC investigation into corruption allegations affecting Wollongong City Council, councils are required to adopt the following four measures:

- 1) Establish a register of development applications determined with variations in standards under SEPP 1;
- 2) Require all development applications where there has been a variation greater than 10% in standards under SEPP 1 to be determined by full council (rather than general manager or nominated staff member);
- 3) Provide a report to each council meeting on the development applications determined where there had been a variation in standards under SEPP 1;
- 4) Make the register of development applications determined with variations in standards under SEPP 1 available to the public on the council's website.

Further information

The Department will also be undertaking a number of random audits in 2009 on SEPP 1 decisions based on the data received this year.

Links to SEPP 1 and the Standard Instrument can be found on the Department of Planning's website at: <http://www.planning.nsw.gov.au>

If you have further enquiries, please phone the Planning Information Centre 02 9228 6333 or email information@planning.nsw.gov.au

Note: This and other Department of Planning circulars are published on the web at www.planning.nsw.gov.au/planningsystem

Authorised by:

Sam Haddad,
Director-General
NSW Department of Planning

Important note: This circular does not constitute legal advice. Users are advised to seek professional advice and refer to the relevant legislation, as necessary, before taking action in relation to any matters covered by this circular.

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NOTICE OF MOTION

MEMORIAL IN UK TO KU-RING-GAI RESIDENT - FI/SGT LW LEAN OF LINDFIELD AND HIS CREW

Notice of Motion from Councillor Tony Hall dated 30 August 2010

A request published in the NORTH SHORE TIMES of 25 August 2010 seeks information about relatives of an Australian pilot, Flt/Sgt Leonard Wentworth Lean of Lindfield who was killed with his crew on April 10, 1943 when his Lancaster bomber crashed near the village of Halam, Nottinghamshire, England. The UK contact is chris.denyer@virgin.net.

I move:

- "1. That Council undertake enquiries as to the whereabouts of the relatives of this brave pilot from within its own records that might assist the residents of Halam who seek to build a memorial to this former Ku-ring-gai resident, Flt Sgt Leonard Wentworth Lean of Lindfield and his crew.
2. Make contact with the RAAF Association missing relatives' Committee to assist these enquiries to pass on to the organiser in Halam, Chris Denyer, email chris.denyer@virgin.net and
3. Ku-ring-gai Council support such a memorial in memory of this pilot, one of many Ku-ring-gai residents who served their country in WW11 in the RAAF overseas.
4. The Mayor be authorised to make contact with Mr Denyer to offer assistance on behalf of the people of Ku-ring-gai and advise Council in due course."

RECOMMENDATION

That the above Notice of Motion as printed be adopted.

Tony Hall
Councillor for St Ives Ward

Attachments: Background information under separate cover:
1. NST Article of 25 August 2010 - 2010/166380
2. Page from Honour Roll Book - 2010/169300
3. Page from Honours Dedication Book - 2010/169303
4. All Saints Air Force Memorial Church Sign - 2010/169304

NEWS

UK village seeks airman's family

ANDREW PRIESTLEY

A MEMORIAL will be dedicated to a Lindfield airman killed during World War II in England.

The village of Halam in Nottinghamshire, about 200km north of London, is building a memorial to Leonard Wentworth Lean, who was killed when his Lancaster bomber crashed in a field on April 10, 1943.

Flight-Sergeant Lean was 22.

The bomber hit powerlines during a night navigation exercise, killing Lean, Armidale



RELATIVE OBSCURITY: Lindfield's Leonard Wentworth Lean died when a Lancaster bomber crashed near Halam, England, in 1943.

sergeant Frank Dunkin, four Britons and two Canadians.

Tony Denyer, of the Halam Lancaster Bomber Memorial Group, said the accident had

had a big impact on the town, then and now.

And now its 200 residents want to recognise the air crew.

Mr Denyer wants to contact

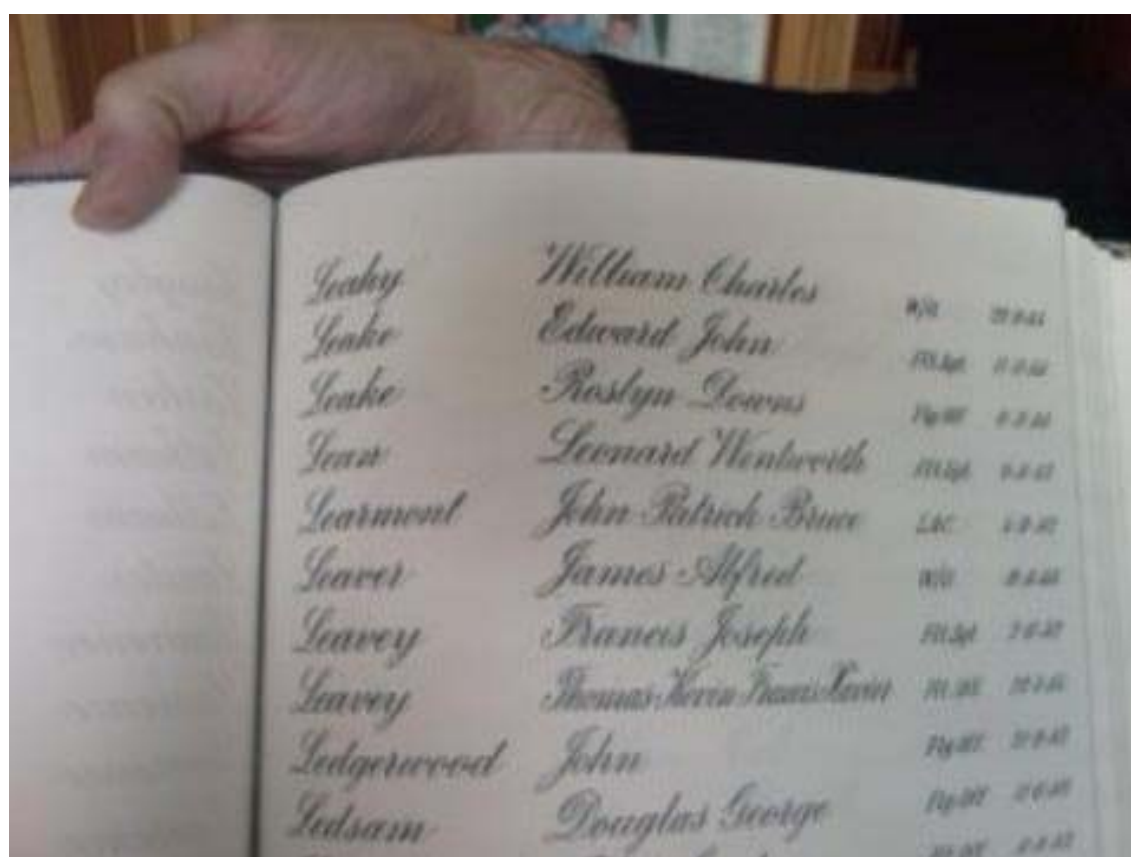


Did you know Leonard Lean or his family? Comment at northshoretimes.com.au

any relatives of Flight-Sergeant Lean to invite them to be part of the dedication service.

"We wish to raise a memorial in recognition of their ultimate sacrifice," he said.

Relatives of Flight-Sergeant Lean are asked to contact Mr Denyer by email: chris.denyer@virgin.net or by phone on 0011 44 01636 814 708.



Leahy	William Charles	W/O	27.9.01
Leake	Edward John	FSMgt	11.2.02
Leake	Roslyn Lewis	FSMgt	8.2.02
Leah	Leonard Wentworth	FSMgt	9.2.02
Learmont	John Patrick Bruce	LAC	1.2.02
Leaver	James Alfred	W/O	8.2.02
Leavey	Francis Joseph	FSMgt	2.2.02
Leavey	Thomas Kevin Francis Lavin	FSMgt	10.2.02
Ledgerwood	John	FSMgt	27.2.02
Ledsam	Douglas George	FSMgt	27.2.02
		FSMgt	27.2.02

