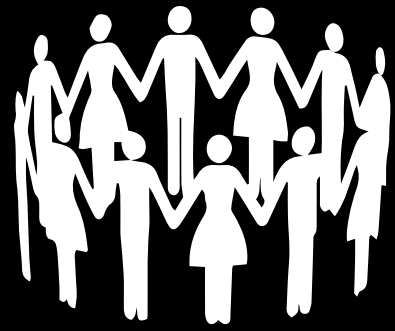


**OUR COMMUNITY. OUR COMMITMENT.
GROWING OUR CAPACITY.**

ANNUAL REPORT 2012 - 2013



Ku-ring-gai Council
 818 Pacific Highway, Gordon
 NSW 2072
 Locked Bag 1056, Pymble
 NSW 2073
 P 02 9424 0711
 F 02 9424 0001
 E kmc@kmc.nsw.gov.au
www.kmc.nsw.gov.au



We recognise the traditional custodians of the land, the Guringai people, on whose land we stand.

This is Ku-ring-gai Council's report to the community on Council's achievements and performance during the 2012 – 2013 financial year.

The report focuses on our achievements and progress towards the objectives and targets in Council's 2009 – 2013 Delivery Program and 2012 - 2013 Operational Plan.

Our performance is measured in three ways:

- Our achievements
- Our financial management
- Our progress towards longer term strategic objectives for Ku-ring-gai.

The report includes a summary of key achievements and challenges over the last year as well as an overview of the year ahead.

Our focus - Growing our Capacity

While this Report reflects on Council's activities during 2012/2013, Council's motivation during the year was on growing our capacity, both for our community and as an organisation.

Our Community - Our Future Community Strategic Plan 2030 was developed through a range of engagement and consultation opportunities with our community to establish long-term objectives for our area.

The Delivery Program and Operational Plan set a number of objectives and tasks to enhance Council's capacity to deliver best value services to the community through the improvement of its operations, doing things in more efficient and effective ways and building the community's capacity to actively contribute to decision-making and programs for the local area.

Specific projects and programs were aimed at improving the organisation's capacity to respond to change as well as providing services, facilities and support to a growing and changing community. While many of these projects, programs and tasks have been achieved, there were challenges and some delays to others. These are explained throughout the Report.

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





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Ku-ring-gai – our place

The Ku-ring-gai local government area (LGA) is located 16 kilometres north of the Sydney CBD in Sydney's northern suburbs, and covers about 84 square kilometres. The area is geographically diverse, comprising significant areas of urban bushland with high conservation status and a visually significant tree canopy.

Approximately 20% of Ku-ring-gai is covered by three National Parks (Ku-ring-gai Chase National Park, Garigal National Park and Lane Cove National Park). The extent of bushland and biodiversity of the area is unique for a local government area situated so close to the centre of Sydney. Bushland and waterways are highly accessible with residents living in close proximity to local bushland, national parks or waterways (including Middle Harbour, Lane Cove River and Cowan Creek)

Ku-ring-gai contains extensive residential development, concentrated along the railway line and Pacific Highway. While detached dwellings remain the predominant housing stock, Ku-ring-gai has experienced high growth in residential unit development over the past 5 years. This development has occurred mainly along the Pacific Highway and close to the St Ives shopping precinct.

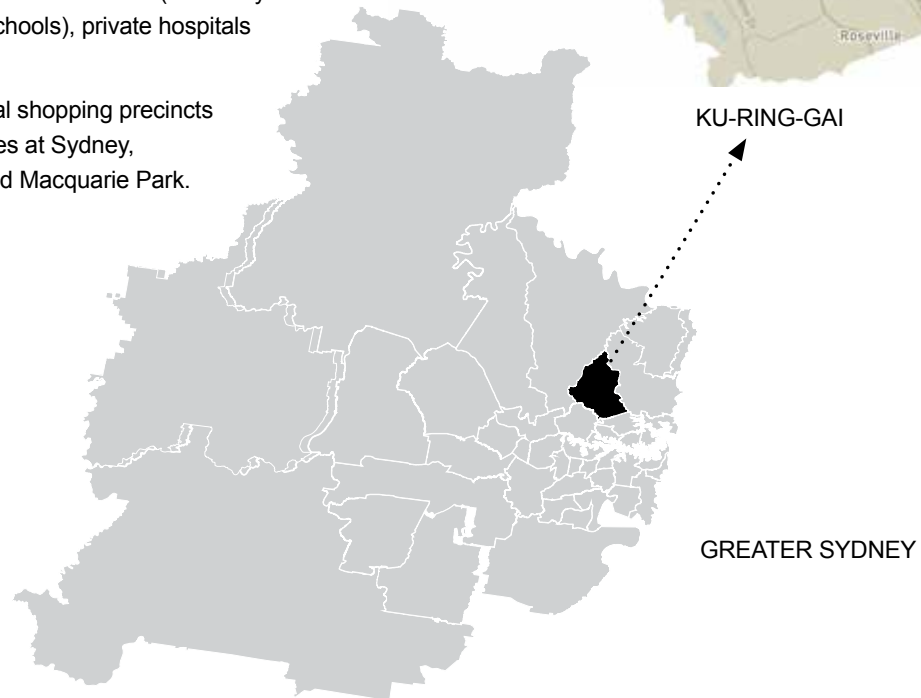
Ku-ring-gai has nine suburbs, each with its own local business centre and smaller neighbourhood shopping strips. Local business centres have individual character and provide a wide range of local retail shops, professional and commercial services, including local supermarkets, specialty food and retail shops, medical and health services, financial and commercial services. Other important land uses include the Pymble business office park, educational institutions (university campus, public and private schools), private hospitals and retirement housing.

Ku-ring-gai is close to regional shopping precincts and major employment centres at Sydney, North Sydney, Chatswood and Macquarie Park.

Who we are

Ku-ring-gai's estimated resident population was 116,527* in 2012, up from 105,103 in 2006, giving an annual growth rate of 1.74%. The population is expected to increase to 134,000 people by 2036.

* ABS Estimated Resident Population (ERP)



Ku-ring-gai is becoming more culturally diverse consistent with trends across Greater Sydney. About 35% of residents were born overseas including about 20% born in non-English speaking countries. Newer residents are mainly from Chinese and Korean backgrounds along with residents from the UK, South Africa and Europe.

Out of 50,306 employed residents 61% are working full-time and 38% part time. There are more professionals in Ku-ring-gai Council area than any other occupation.

Nearly three quarters of employed residents travel to work outside the area each day.

| 2011 Census data for Ku-ring-gai Local Government Area | Number of people | % Total persons (Ku-ring-gai LGA) | % Total persons (Greater Sydney) |
|--|------------------|-----------------------------------|----------------------------------|
| Person characteristics | | | |
| Total persons (estimated resident population) | 116,527* | | |
| Australian citizens | 93,780 | 85.8 | 82.5 |
| Persons born overseas | 38,775 | 35.5 | 34.2 |
| Aboriginal and Torres Strait Islander peoples | 151 | N/A | N/A |
| Persons involved in volunteer work | 22,965 | 26.5 | 15.1 |
| Service age groups | | | |
| Babies and pre-schoolers (0 to 4) | 5,755 | 5.3 | 6.8 |
| Primary schoolers (5 to 11) | 11,315 | 10.4 | 8.7 |
| Secondary schoolers (12 to 17) | 11,036 | 10.1 | 7.4 |
| Tertiary education and independence (18 to 24) | 9,481 | 8.7 | 9.5 |
| Young workforce (25 to 34) | 7,865 | 7.2 | 15.4 |
| Parents and home-builders (35 to 49) | 23,453 | 21.5 | 21.9 |
| Older workers and pre-retirees (50 to 59) | 15,130 | 13.8 | 12.2 |
| Empty nesters and retirees (60 to 69) | 11,357 | 10.4 | 9.0 |
| Seniors (70 to 84) | 10,435 | 9.5 | 7.2 |
| Frail aged (85 and over) | 3,470 | 3.2 | 1.8 |
| Families | | | |
| Couple families with children | 16,979 | 46.0 | 34.8 |
| Dwelling characteristics | | | |
| Separate house | 30,718 | 77.5 | 58.9 |
| Qualifications | | | |
| Diploma, Advanced Diploma, Bachelor or higher degree | 46,847 | 54.0 | 33.1 |
| Employment industry sector | | | |
| Professional, scientific and technical services | 8,901 | 17.7 | 9.6 |
| Health care and social assistance | 6,432 | 12.8 | 10.9 |
| Financial and insurance services | 5,022 | 10.0 | 6.6 |
| Education and training | 4,887 | 9.7 | 7.6 |
| Travel to work** | | | |
| Residents who travel to work outside Ku-ring-gai | 34,206 | 68.0 | N/A |
| Residents who live and work in the area | 12,314 | 24.5 | N/A |
| Residents who work from home *** | 3,965 | 8.0 | 4.0 |

Source: Demographic statistics are taken from the 2011 Australian bureau of Statistics Census figures for Ku-ring-gai and Greater Sydney.
 *Note: The Census count is not the official population of an area. To provide a more accurate population figure which is updated more frequently than every five years, the Australian Bureau of Statistics also produces 'Estimated Resident Population' (ERP) numbers.
 ** Note: Total employed residents in 2011 – 50,306.
 ***Note: Employed persons 15 years+ who worked from home.



Circa 1920 - bread cart and horse with Dick Pierce and his son John. Pierce family property was on Bobbin Head Road, Turrumurra



Our guiding strategic vision

Our community's vision and values

In 2008 the Ku-ring-gai community, with the help of Council, developed a vision and set of values to guide future community planning and directions for Ku-ring-gai, as part of the development of its first 20-year Community Strategic Plan.

The original vision and values were retained in our second Community Strategic Plan, which was endorsed by the community and adopted by Council in June 2013.

Values

- ▶ **Care for the local environment and people**
- ▶ **Respect the needs of future generations**
- ▶ **Learn and share knowledge**
- ▶ **Behave ethically**
- ▶ **Take responsibility for our actions**
- ▶ **Lead in sustainability**



Our History

Aboriginal Heritage

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

European History

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

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

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

Vision

Ku-ring-gai will be a creative, healthy and liveable place where people respect each other, conserve the magnificent environment and society for the children and grandchildren of the future.



45,000
people attended local
events in 2012/13

**Ku-ring-gai
will reach
134,000
people by 2036**

**Nationally
significant ecology**

26%
of our population
is under 17 years

Growing our capacity

Our focus in 2012 – 2013 was one of growing the capacity of both our organisation and the community. That is, the capacity to respond to the challenges brought about by the growing numbers and diversity of our residents, more varied urban areas, the continued need to protect our natural environment and heritage, our ageing infrastructure and limits on Council's own resources.

We set tasks to improve communication and engagement with the community, deliver services more efficiently, complete new community facilities, improve existing facilities and infrastructure and better protect the environment, all in response to the needs of a growing and changing population.

Summary of 2012 - 2013

The following pages provide a summary of our key achievements and challenges for 2012/2013 as well as those issues and projects that we will focus on in the year ahead. Information is provided under the six Principal Activities or outcome areas under which Council delivered its planned services, projects and programs for the 2012 – 2013 year.



Our year in review

Summary of 2012/2013

Principal Activity – Community Development – page 48 - 62

This activity is about ensuring that Council's community and cultural programs and services are accessible, affordable and meet current and emerging needs. Also that our community is culturally and socially aware and participates in activities that contribute to a sense of well-being.

| KEY ACHIEVEMENTS | CHALLENGES | THE YEAR AHEAD |
|---|---|---|
| Stage 2 of Gordon Library's major refurbishment commenced. | The need for new and upgraded parks, recreational and sporting facilities. | Completing Gordon Library Stage 2 refurbishment. |
| Strengthened community groups through workshops and over \$110,000 in community grants. | Extra demands on community services and facilities from a growing population. | Planning for a new library in Lindfield Local Centre. |
| Over 38,500 people attend very successful major events program. | Many of our community buildings are old and in need of upgrades. | Planning for new community spaces in Lindfield Local Centre. |
| Purchased new wheelchair- accessible libraribus. | Our existing library services are reaching capacity. | Continuing works on new and upgraded local parks and sporting facilities. |
| Over 8000 young people attended 410 workshops and programs. | Mental health is a growing issue across the population. | Completing new ageing and youth strategies. |
| Completed research and consultation for new ageing and youth strategies. | | Maintaining active health and fitness programs. |
| Commenced planning for new community spaces in Lindfield Local Centre. | | Maintaining a focus on mental health. |
| Increased participation in active health and fitness programs. | | |

Principal Activity – Urban Environment – page 64 - 81

This activity is about ensuring that our assets are managed effectively to meet community needs and standards within our available resources.

| KEY ACHIEVEMENTS | CHALLENGES | THE YEAR AHEAD |
|---|---|--|
| Completed new \$19m Council work depot. | Removal of extensive asbestos fragments from new work depot site. | Submitting an application to IPART for a Section 508(2) levy to improve the standard of all of Council's assets. |
| Completed new \$3.6 million Ku-ring-gai SES/RFS headquarters. | Council's assets continue to have a funding gap to bring them up to a satisfactory standard. | Completing sports field upgrades at Golden Jubilee Oval No.2, Wahroonga, and Allan Small Oval, East Killara. |
| Acquired 4,000m ² of land for local parks, new open space and a road link. | Council granted only a one year extension to the Infrastructure Levy and will need to reapply to extend it. | Completing Eton Road Oval and community centre at former UTS site. |
| Spent \$1,210,000 upgrading 9 parks and playgrounds. | Koola Park, East Killara upgrade delayed. | Completing new park in Bruce Avenue, Killara. |
| Spent \$1,850,000 upgrading sportsfields. | Adjusting open space maintenance schedules to meet changing community needs. | Completing West Pymble Aquatic and Fitness Centre. |
| Completed major sports field upgrades at Acron Oval, St Ives; Golden Jubilee Oval No 1 Wahroonga and 11 sport courts. | Ensuring satisfactory restoration of Council's roads and footpaths by public utility authorities. | Establishing agreement between Council and Public Utility Authorities for road and footpath restoration works. |
| Opened new Balcombe Park, Wahroonga. | Managing rising costs for street lighting in excess of rate pegging. | Reviewing and adopting service levels for Council's operations to improve effectiveness and efficiencies. |
| Substantial progress made on West Pymble Aquatic and Fitness Centre and North Turramurra Recreation Area. | Footpath upgrade for Lucinda Avenue delayed due to a reallocation of funding for other footpath works. | Completing an increased roadworks and footpath upgrade program. |
| Completed major roads and footpaths upgrade program. | | Managing rising costs for street lighting in excess of rate pegging. |
| Completed \$720,000 Blackspot program works. | | |
| Achieved \$80,000 efficiencies from operations restructure. | | |

Summary of 2012/2013

Principal Activity – Natural Environment – page 82 - 96

This activity is about ensuring that Council and the community value, respect and actively participate in the care and management of our environment.

| KEY ACHIEVEMENTS | CHALLENGES | THE YEAR AHEAD |
|---|--|---|
| Delivered bush regeneration program within 68.3 hectares of bushland. | Meeting community expectations with limited resources. | Building resilience to the impacts of climate change. |
| Delivered Environmentally Sensitive Lands (ESL) staff training program. | Unfavourable weather conditions limit bushfire hazard reduction activities. | Expanding our stormwater management program. |
| 3 stormwater harvesting systems for open space irrigation (700kL capacity). | Decreasing and competitive funding opportunities for environmental programs. | Delivering a sustainable apartments program. |
| 18,229kL of stormwater reused through Council's stormwater harvesting and reuse program. | Reducing energy and water consumption in our facilities with increasing service levels and asset acquisition and upgrades. | Rolling out Council's energy and water building retrofit program. |
| Water and energy audits at 15 key Council facilities and on-the-spot retrofits. | Managing resident impacts and conservation outcomes in bushland on the urban interface. | Reviewing environmental strategies, policies and Bushland Reserves Plan of Management. |
| Rainwater tanks at Philip Mall and Community Hall, West Pymble. | | Developing a greenhouse gas emission reduction pathway to 2020. |
| 12kW solar PV system installed at Roseville Art Centre - Council's total solar capacity now 52kW. | | Implementing a sustainability data management and reporting system. |
| Reduced energy use in Council's facilities by 4%. | | Expanding opportunities for our community to interact with the environment and live more sustainably. |
| Supported 764 volunteers at 99 Bushcare sites. | | Promoting sustainable building design to residents. |
| Distributed over \$43,000 in small grants funds. | | Expanding our business sustainability program. |
| Finalist - World Environment Day Awards. | | |

Principal Activity – Planning and Development – page 98 - 109

This activity is about planning and regulating to make our urban areas more liveable and sustainable as we respond to State Government and community demands for additional housing, greater housing choice and associated infrastructure and facilities.

| KEY ACHIEVEMENTS | CHALLENGES | THE YEAR AHEAD |
|--|---|---|
| Local Centres LEP approved by the State Government. | Engaging with the community regarding new land use plans and improvements to urban areas. | Gazettal of the consolidating Principal LEP and preparation of a DCP. |
| Local Centres DCP adopted. | Monitoring compliance with development consent conditions and investigating unauthorised works. | Finalising plans for new and upgraded parks. |
| Consultation for Local Centres LEP highly commended by Planning Institute. | Monitoring trends to complying development certificates and private certification. | Planning for Lindfield Village Green. |
| Consolidating Principal LEP exhibited. | | Finalising and implementing public domain plans for local centres. |
| Completed planning for new parks and Princes Street shops upgrade. | | Finalising plans for the new Lindfield Community Hub and contributions to the Gordon Railway interchange. |
| Finalised planning process for new Heritage Conservation Areas. | | Implementing private swimming pool legislation requirements. |
| Launched Electronic Housing Code. | | Responding to the next stage of State Government planning reforms. |
| Won 90% of cases in the NSW Land and Environment Court to protect Ku-ring-gai's character, heritage and natural environment. | | |

Principal Activity – Civic Leadership and Corporate Services – page 110 - 124

This activity is about Ku-ring-gai Council working to ensure that its operations and activities are effective and efficient and contribute to the community's medium and longer term objectives, and that its decision-making processes are conducted in an open and transparent manner.

| KEY ACHIEVEMENTS | CHALLENGES | THE YEAR AHEAD |
|--|--|--|
| <p>Achieved efficiencies with operational staff relocated to new depot.</p> <p>Purchased new Council administrative and civic building to provide contemporary office/ customer service facilities.</p> <p>Achieved approximately \$18m operational savings over the next 10 years.</p> <p>Adopted new Community Strategic Plan, Delivery Program/ Operational Plan and Resourcing Strategy.</p> <p>Aligned all Integrated Planning and Reporting documents.</p> <p>Finalist for 2012/13 AR Bluett Memorial Award</p> <p>Received Bronze Award for distinguished reporting in our 2011/2012 Annual Report.</p> <p>Launched new corporate website and mobile phone site.</p> <p>Comprehensive program of engagement with community.</p> <p>Established and launched economic development unit in Council.</p> <p>Carried out a major upgrade of our IT systems.</p> | <p>Planning for the relocation of Council's administrative/ civic centre to new premises.</p> <p>Managing the major upgrade to Council's systems with minimal disruption to customer services.</p> <p>Continuing to implement productivity and efficiency improvements.</p> <p>Continuing to provide service levels that meet community needs within available resources.</p> <p>Responding to NSW State Government reforms.</p> | <p>Relocation of Council's administrative/civic functions.</p> <p>Continued upgrade of Council's systems.</p> <p>Continuation of service level reviews.</p> <p>Development of a workforce action plan.</p> <p>Developing a high performing, collaborative work environment.</p> <p>Delivering economic development initiatives to support local business and employment.</p> <p>Identifying visitation opportunities in Ku-ring-gai.</p> |

Principal Activity – Financial Sustainability – page 126 - 133

This activity is about effectively managing our finances and resources to meet community expectations for service delivery.

| KEY ACHIEVEMENTS | CHALLENGES | THE YEAR AHEAD |
|--|--|---|
| <p>Successfully applied for the renewal of the Infrastructure Levy for 2012/13.</p> <p>Received a sound financial report card from NSW Treasury Corporation.</p> <p>Maintained a strong operating surplus.</p> <p>Significantly increased funding for infrastructure asset renewal.</p> <p>Completed a funding strategy for the acquisition of a new administration/civic building.</p> <p>Designed a new budgeting system and procedures.</p> <p>Upgraded the Property and Rating system.</p> | <p>The Infrastructure Levy was renewed for one year only.</p> <p>Continuing to seek new funding sources for the delivery of community long-term objectives.</p> <p>Redirecting funding available from efficiency gains to asset renewal expenditure.</p> <p>Resources required to integrate asset management strategy and plans with the Long-term Financial Plan.</p> | <p>Determining community support for a Special Rate Variation that funds the renewal and upgrade of all our assets.</p> <p>Maintaining an operating surplus that funds day to day operations and capital projects.</p> <p>Maximising funds available for projects to upgrade or renew infrastructure.</p> <p>Fully integrating Asset Management Strategy and Plans with the Long-term Financial Plan.</p> <p>Continuing to satisfy all performance measures for financial sustainability.</p> <p>Implementing new asset management and budgeting systems.</p> <p>Reviewing the Long-term Financial Plan.</p> <p>Proactively investigating new funding sources.</p> <p>Integrating Enterprise Risk Management into organisation decision-making and systems.</p> |



Additional \$36m of funding directed to asset renewal over 20 years



In my 20 or so years on Council, several as Mayor, I have never known a year of achievement quite like 2012/13.

We have delivered or commenced a range of facilities for our residents that are unequalled in Ku-ring-gai's history. I am proud to have worked with so many Councillors and staff whose vision for the future is finally being delivered. We hope you will use and enjoy these new facilities we are providing.

Council's fine work was recognised when we were shortlisted for the most prestigious award for NSW local government - the AR Bluett Memorial Award. It certainly was a real achievement and testament to Council's performance this year to be chosen as finalists for the award.

This was due in part to our high focus on consulting with the community. We held five Ward Summits – which involved close to 200 local residents speaking directly with their elected ward Councillors to discuss important issues, bugbears, what they like about their communities and visions for the future. As our children will be the ones inheriting that future, we also held a Youth Summit with over 100 school-aged children to find out their views.

This feedback, along with responses from other major recent consultations, was used to inform Ku-ring-gai's Community Strategic Plan 2030 – *Our Community - Our Future*, completed in June. In all, the views of 4,500 people were sourced to create this impressive plan, which expresses the long-term vision for our local government area and how we can achieve this in a practical way.

Part of this is planning for Ku-ring-gai's growing population, and this year we undertook an unprecedented amount of work to improve our facilities and services for the community's longer-term future.

In August we completed construction of a new depot for our operational staff and equipment. This new facility in Pymble houses 170 staff and brings together Council depots across our local government area into one central location. By selling the

site of our old depot, the new building was constructed at zero cost to ratepayers.

I was so pleased to launch the new 'Hero Headquarters' in May. The emergency services station in North Wahroonga brings together over 300 of our local Rural Fire Service and State Emergency Service volunteers into a state-of-the-art facility. This will ensure the two services can coordinate more easily to improve responses to bushfires, storms and other emergencies. Council funded \$2.6 million of the \$3.6 million facility and coordinated the construction project.

The North Turramurra Recreation Area will see a new sports precinct created from an old disused waste tip and landfill site. Work continues on the West Pymble Aquatic and Fitness Centre. This much anticipated \$15 million project will offer year-round swimming facilities and will open in early 2014.

In November we opened the delightful new Balcombe Park in Wahroonga, set in front of a State Heritage-listed house. An exciting new park is also on the way for Bruce Avenue in Killara and we are doubling the size of Cameron Park in Turramurra.

Planning is well advanced on the Gordon Library upgrade which will deliver a fresh, modern space that will better meet the diverse information needs of our community.

The Warrimoo Oval and Clubhouse development is a great example of how we work well with our community and sporting groups to achieve results and we started a program of upgrading neighbourhood centres such as West Pymble Philip Mall.

We have also developed a new principal Local Environmental Plan (LEP) as well as having our Local Centres LEP approved by the NSW Government. For the first time since 1971 Council will have a comprehensive and updated Local Environment Plan that was widely consulted on with the community and endorsed by the State Government for public exhibition.

Plans for a new housing subdivision on the former B2 lands site at South Turramurra are well progressed. This will provide 26 new lots for free-standing homes, further improving housing choice in Ku-ring-gai.

We are also facing many real challenges in local government and these will impact on the people of Ku-ring-gai. A number of current State Government reviews will change the manner in which local government operates forever by reducing the level of involvement the community can have in the future of their area.

The NSW State Government has released the White Paper – A New Planning System for NSW. These reforms will directly affect the way councils consult with the community, prepare town planning documents, fund infrastructure and access applications for development in local government areas.

The Independent Local Government Review Panel has released the latest version of Future Directions for Local Government paper that proposes Council amalgamations - however many councils are already advanced in their discussions about resource sharing to create greater efficiencies.

We kept the community well-informed about these changes, canvassed their opinions and wrote comprehensive feedback to the NSW Government about these reforms and will continue to advocate for the rights for our community to be heard.

During the past 12 months, Council has worked together with many individuals, community groups, businesses and government departments to further progress our vision for the area.

I would particularly like to thank all those residents who have contributed to our community during the year.

These include the hundreds of volunteers who generously give their time to charities, churches, schools, sports clubs and other community groups, and community representatives on Council's various reference committees. You have all helped to make Ku-ring-gai a stronger community.

A strong platform has been laid to build our capacity and enable the new Council to continue delivering positive outcomes for the Ku-ring-gai community.

Elaine Malicki

Elaine Malicki, Mayor 2012/13



During the past 12 months, Council has worked together with many individuals, community groups, businesses and government departments to further progress our vision for the area.



As General Manager, I'm delighted to present our 2012/2013 Annual Report which reviews our achievements, challenges and performance across the wide array of services and facilities we provide for our community.

This document contains a summary of our financial accounts as well as detailed information across our six key functional areas:

- Community development
- Urban environment
- Natural environment
- Planning and development
- Civic leadership and corporate services
- Financial sustainability

Council is extremely proud of its role in maintaining and improving our unique environment and we continuously strive to achieve the community's visions and aspirations through our integrated planning and inclusive community consultation.

The Local Environment Plan (Local Centres) 2012 (LEP), was gazetted by the State Government on 25 January 2013, and successfully meeting the Government's timeframe to complete this Plan was an enormous undertaking. I thank everyone who contributed – from Councillors and staff to residents and other stakeholders who took part in the community consultation process.

Planning staff have also made significant progress on development of the new Principal Local Environment Plan and continue work on master plans for key facilities.

Nonetheless, the revitalisation of our local centres and the delivery of key community facilities remains an enormous challenge for Council, and how we progress and fund these is an ongoing body of work to identify new opportunities with key stakeholders to realise these facilities.

An organisational priority in 2012/2013 was development and delivery of key planning documents under the State Government's Integrated Planning and Reporting framework.

The ongoing enhancement and alignment of the Community Strategic Plan, Delivery Program and Operational Plan, together with Council's Resourcing Strategy (Long-term Financial Plan, Asset Management Strategy and Workforce Strategy) are critical in setting the strategic direction of Council and ensuring that our finite resources are deployed to provide maximum benefits to our residents.

As good financial managers we must ensure that opportunities to reduce expenditure and broaden income streams are captured to increase ongoing financial commitment to improving Council's roads, footpaths and other asset infrastructure.

2012/2013 also saw further development of our Asset Management Strategy to provide a framework for the long-term management of all our community assets including roads, footpaths, drains, parks and buildings, which are valued at \$570 million. This work involved engaging with our community to understand their priorities and demonstrated that residents place a high value on the condition of roads, footpaths and drainage.

As a result, further analysis will be undertaken with the community to ensure we have the right priorities for future funding and to determine the level of support for Council to apply for a Special Rate Variation that funds the renewal of these assets into the future.

Our area is often referred to as Sydney's Green Heart and we take that responsibility seriously. Our vast and precious natural environment is well served by our culture of sustainability and stewardship for the future.

The Environmental Levy has allowed us to implement far-reaching environmental initiatives and our innovative environmental programs and projects continue to make Ku-ring-gai a leader in environmental sustainability through climate adaptation strategies, stormwater harvesting systems and bushland and waterway rehabilitation.

As part of Council's culture of continuous improvement, and following on from an organisational review of all our services, we identified options for improvements in service delivery to better meet community needs. Based on the review's findings, we reformed areas including development assessment, leisure

and culture, libraries, community and recreation services, and building and property maintenance.

The year also saw a major step forward in our plans to replace the ageing Council Chambers and improve Council and staff accommodation with our acquisition of a new civic and operational building at 828 Pacific Highway Gordon, adjacent to the current Council Chambers site.

On the financial front, it is pleasing that Council's healthy financial position has been maintained. The financial result from operating activities for 2012/2013 is a surplus of \$4.8 million. This surplus contributes to Council's capital program, which in 2012/13 was \$66.1 million. Council's underlying working capital is \$4.2 million, a level considered to be sound by Council's Independent Auditor.

Council recently received a "sound" financial rating from the NSW Treasury Corporation reinforcing our robust financial position. In fact, NSW Treasury Corporation ranks Ku-ring-gai in the top 16 councils in NSW, reinforcing our prudent approach to financial management.

Our objective is to maintain and enhance this positive financial position well into the future.

A new Council was elected in September 2013 and it is good to see the positive interaction and decision-making with elected Councillors for the long-term good of the area. I thank them all for their dedication and hard work in the first year of their term. I would also like to acknowledge those outgoing Councillors who represented the community until September 2012.

This Annual Report gives a detailed account of Council's achievements and challenges in 2012/2013. I thank Councillors and all of Council's staff for their valuable contributions across so many different areas.

We are in a strong position to continue to grow our capacity and build on this success in delivering first-rate local government for our community in future years.

John McKee, General Manager

Council is extremely proud of its role in maintaining and improving our unique environment and we continuously strive to achieve the community's visions and aspirations through our integrated planning and inclusive community consultation.





Ku-ring-gai Council spent around \$95 million in operational expenditure and \$66 million in capital works in 2012/13 to provide a diverse range of services to the community.

We manage \$0.93 billion worth of assets infrastructure including roads, bridges, halls, land, recreation and leisure facilities, drains, parks and property.

Our income is from rates on property, government grants, interest on investments, user charges and fees. Our expenses are for construction, maintenance, wages, grants to community groups and many other services to the community like libraries, immunisation, bush regeneration and tree removal programs.

The following provides a brief summary of our 2012/13 Financial Statements. Full details of Council's Financial Statements are available in the Financial Section of this Report, on page 134.

Where did our money come from?

2012/13 total income \$111.5 million

Our main sources of income this year, other than rates and annual charges, were from:

Capital grants and contributions

\$10.99 million or 9.85%
(\$13.75 million in 2011/12)

User charges and fees

\$12.35 million or 11.07%
(\$12.30 million in 2011/12)

This includes community facility hire and regulatory/statutory fees.

Other revenues

\$8.24m or 7.39%
(\$7.29 million in 2011/12)

Total rates and annual charges

contributed \$68.8m or 61.68%
(\$65.8 million in 2011/12)

How does our performance compare with previous years?

Operating Result

The operating result is a measure of the increase in the value of Council's net assets. It takes into account the income received by Council less the expenses from operations including depreciation of assets. The operating result excludes capital expenditure (expenditure on assets).

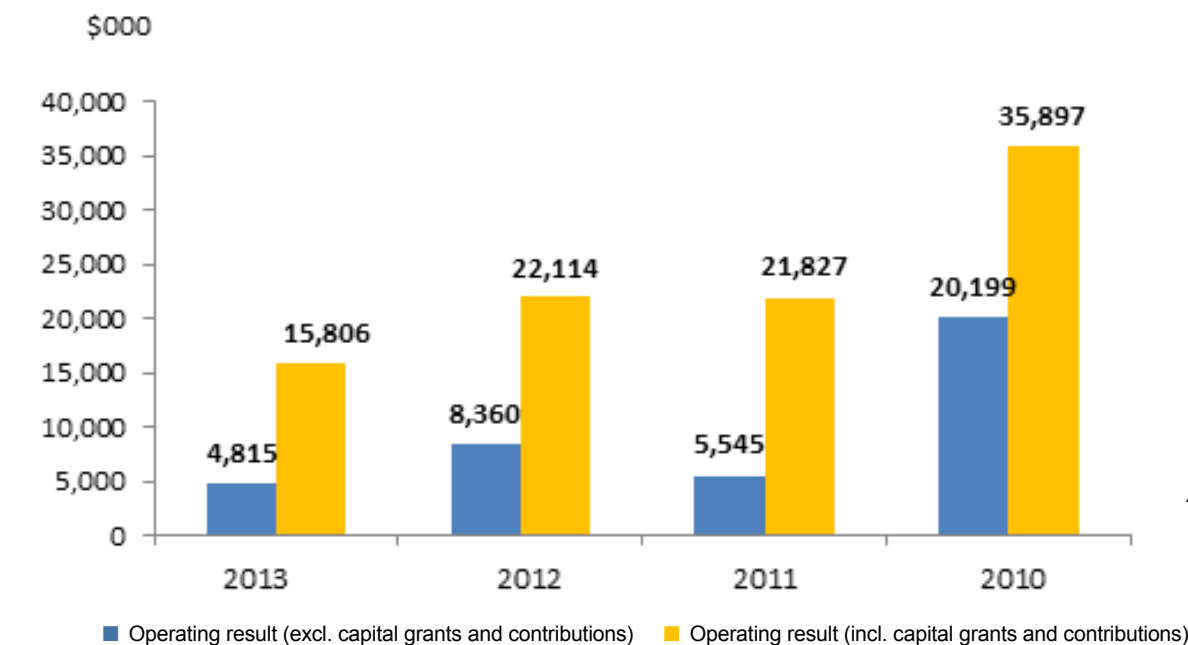
Council's net operating result for the 2012/13 financial year is disclosed in the Income Statement. For the financial year ended 30 June 2013 Council had an operating surplus excluding revenue from capital grants and contributions of \$4.8m compared to an original budget of \$6.2m. The operating result after capital

grants and contributions is \$15.8m, a variance of \$3.4m in comparison to an original budget of \$19.2m. The variance is mainly due to deferred sale of Council's assets and lower than anticipated capital grants and Section 94 contributions income received during the year.

Council's operating result is strong. The operating surplus means that Council's revenue exceeds both the cost of running its day to day operations and the depreciation of its assets. This surplus is available for capital works.

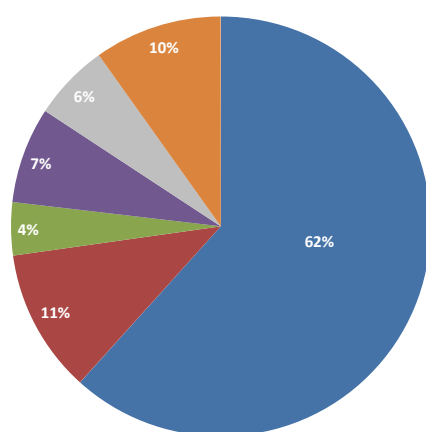
The operating result (shown separately as including and excluding capital grants and contributions) is shown below and in the graph opposite.

Operating Result (Surplus)

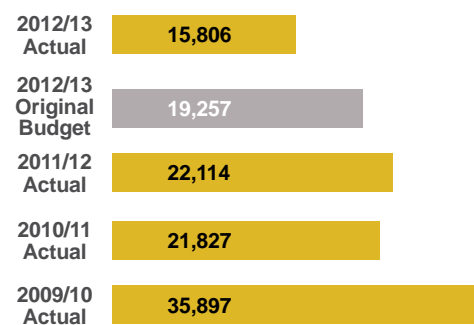


* Increased operating result in 2010 due to the sale of Council's Depot at Carlotta Avenue, Gordon for \$11.8m

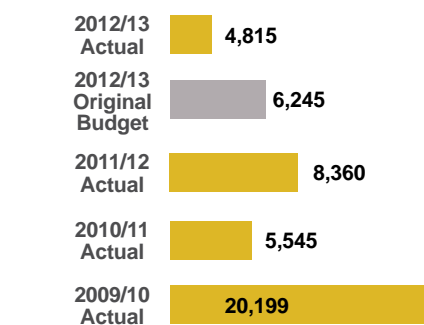
Total Income by category 2012-13



Net Operating Result \$'000 (Surplus)

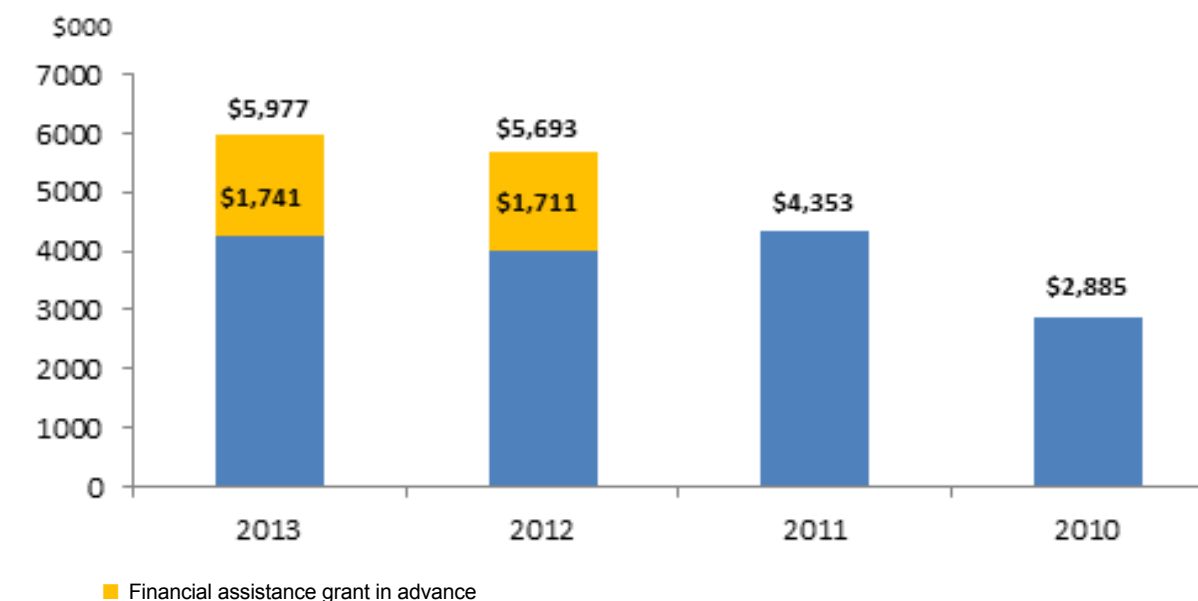


Net Operating Result \$'000 (Before Capital grants and contributions)



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

Working Capital



Working Capital

Our working capital highlights an adequate liquidity position with Council being able to meet its short term liabilities when they fall due.

It is one of the primary measures of the overall financial position of Council, which allows for unforeseen expenditure or reductions in revenue.

Working capital represents Council's net current assets, after deducting internal and external restrictions.

Our available working capital at the end of 2012/13 financial year is \$5.9m. This is \$1.7m above the target of \$4.2m as set in our Long-term Financial Plan (LTFP). This is due to our advance receipt of the first and second instalments of the 2013/14 financial assistant grant of \$1.7m. When adjusted for this our available working capital is in line with the LTFP target of \$4.2m. The bottom graph provides a comparison of Council's working capital for the last 4 financial years.

Where was the money spent?

2012/13 Total Operating Expenses \$95.8 million

Capital Expenditure

We have increased the level of capital expenditure on our assets to ensure our long-term sustainability. We delivered \$66.4 million on capital expenditure (2011/12 \$48.6 million).

Infrastructure Levy (special rate variation)

The Infrastructure Levy was due to expire on 30 June 2013. Council applied to IPART for a continuation of this levy up to 30 June 2018 following community consultation and support for the levy. IPART only granted a further one year extension of the Levy until 30 June 2014. As a result, further analysis will be undertaken to determine the level of support for Council to apply for a Special Rate Variation that funds the renewal and upgrade of all our community and infrastructure assets, and this will be done in close consultation with the community.

Environmental Levy (special rate variation)

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

Council's Environmental Levy contributes approximately \$2.5 million annually to environmental programs and initiatives in the following key areas:

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

New Facilities Rate (special rate variation)

This is being used to fund the \$24 million North Turrumurra Recreational Area along with other funding from Section 94 Contributions, a \$2million Federal Government grant and Council's Golf Course Improvement Reserve. The project is due to be completed in 2016.

Stormwater Management Charge

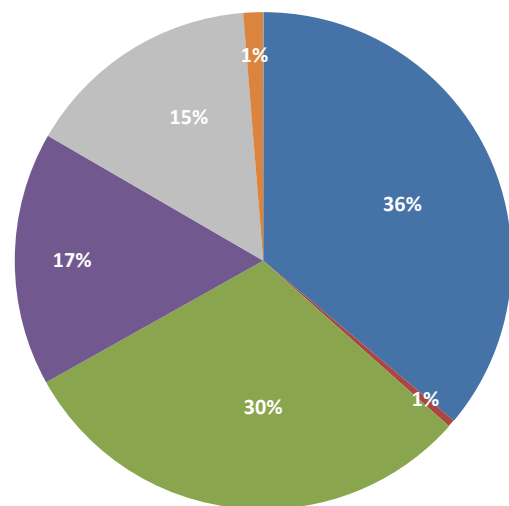
The Stormwater Management Charge is used to fund new and upgraded drainage works across the local government area and the environmental management of Council's drainage system impacting on watercourses. During 2012 – 2013 this included:

- drainage upgrades
- water quality analysis and data monitoring.
- regular maintenance of 141 Enviropods and 72 other gross pollutant traps as part of the stormwater pollution control device maintenance contract funded by the Stormwater Charge.

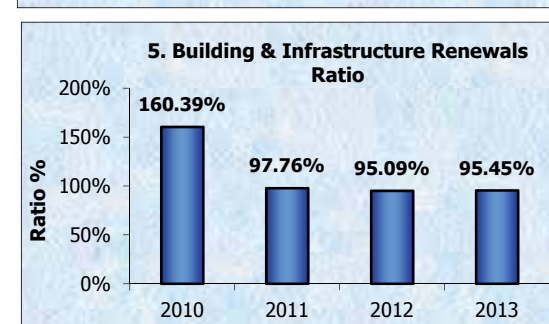
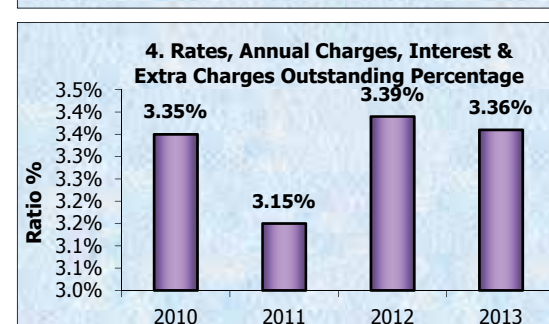
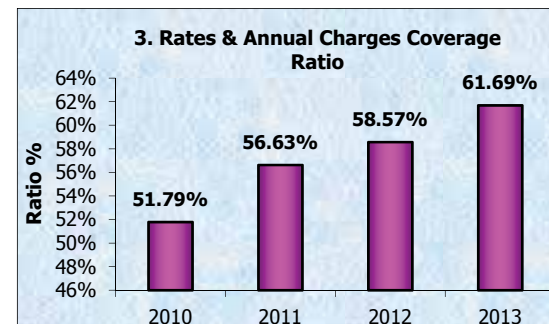
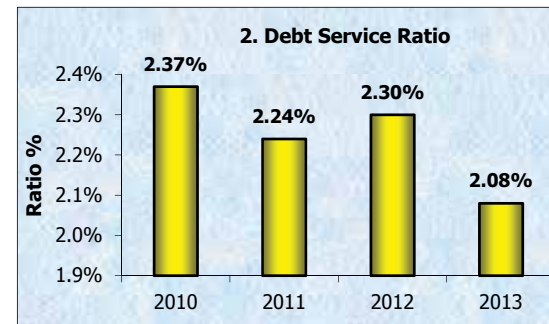
Performance Measurement Indicators

The Statement of Performance Measurement (Note 13 of the Financial Statements) provides five ratios used to assess various aspects of Council's financial performance. The results with previous year comparisons are detailed in the graphs opposite.

Total Expenses by category 2012-13



- Employee benefits & on-costs
- Borrowing costs
- Materials & contracts
- Depreciation & amortisation
- Other expenses
- Net loss from the disposal of assets



1. Unrestricted Current Ratio

Council's liquidity is good and can readily pay its debts as they fall due.

2. Debt Service Percentage

Council's ability to service its debt is satisfactory.

3. Rates and Annual Charges Coverage Percentage:

Rates and annual charges revenue is generally the most important source of revenue for Council, followed by user charges and fees. This source of revenue is relatively stable from year to year and allows Council to plan and use sound financial budgeting methods to achieve its objectives. When comparing with other Group 3 councils (DLG Comparative data return 2010/11), Council's ratio is close to the group average.

4. Rates Outstanding Percentage:

The percentage of rates and annual charges that are unpaid at the end of the financial year is a measure of how well Council is managing debt recovery. This indicator assesses only the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. Council's ratio is better than DLG benchmark of "less than 5%".

5. Building and Infrastructure Renewal Expenditure:

This indicator assesses Council's rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating. A ratio of 1:1 indicates that the amount spent on asset renewal equals the amount of depreciation. With a slight increase of 0.36% from the previous financial year the current ratio of 95.45% still identifies an asset renewal gap. However, the ratio remains above the other Group 3 councils average of 69%.

The ratio is also affected by assets revaluations and depreciation rates. All infrastructure assets have been reported at fair value (depreciated replacement cost). Council revalued buildings at the end of 2012/13 financial year, after the previous valuation in 2008.

Council's financial operating result is strong



Sustaining our Assets

Ku-ring-gai Council delivers a variety of services to the community and in doing so, must ensure that the assets supporting these services are managed sustainably. Managing our asset portfolio, which is valued at \$570 million, is important in meeting the needs and expectations of our community as identified in our Community Strategic Plan (CSP) and Delivery Program and Operational Plan (DPOP).

In June 2013 Ku-ring-gai Council adopted a 10 year Asset Management Strategy. The Asset Management Strategy is the first of its kind for Council as it integrates with the CSP, DPOP and Long-term Financial Plan. This ensures the Strategy is adequately funded and maintenance and upgrades are scheduled into annual work programs.

During the development of the strategy, Council completed an audit of our infrastructure assets to determine their value, condition and remaining useful life. Based on this data and the existing budgets, it was estimated that Council needs to allocate an additional \$5.6 million towards asset improvements each year.

The information from Councils audit was also used in the community consultation to identify asset priorities. The consultation identified the assets most important to our community are roads, footpaths, drainage and buildings.

Further consultation was then undertaken to establish the community's support to seek an extension of an existing Infrastructure Levy to improve our roads. This resulted in a resounding 80% of those surveyed supporting the continuation of the levy.

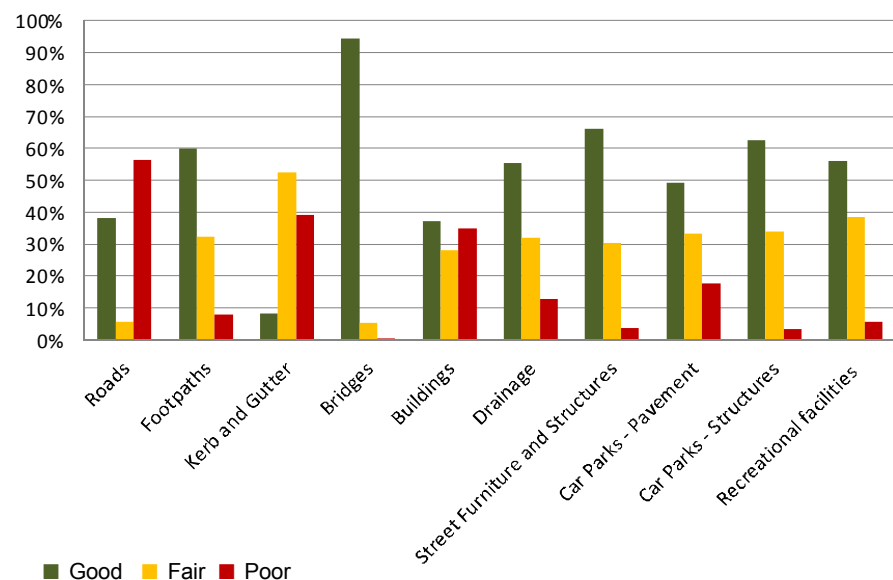
We successfully applied to IPART to continue the infrastructure levy until June 2014, providing an extra \$2.6 million in 2013/14 to improving our roads.

However, to ensure that the improvement of our roads is sustainable Council is in the process of consulting with the community to determine the level of support to apply for an ongoing levy under 508(2) of the Local Government Act 1993 to continue to fund the renewal of our roads.

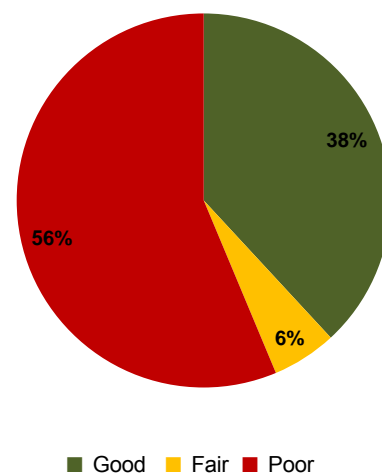
If successful the levy will ensure that adequate funding is invested into local roads to improve the condition of our roads now and into the future. If Council's application is unsuccessful Council will be required to find an additional \$2.7 million annually to fund the roads improvement program, and this will impact on levels of service and delivery.

Our challenge is to identify ways to provide adequate funding to improve our assets over their asset life. We are continually reviewing our services and processes to find improvements. An additional \$36 million will be directed to asset renewal over the next 20 years, from a recent rates restructure. Operating efficiencies have diverted a further \$18 million over 10 years.

Infrastructure Assets – current condition



Roads - current condition



Achievement of Operational Plan Key Performance Indicators - 2012/2013

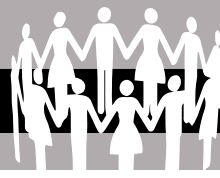
| Principal Activity | No of KPIs | Achieved | Not Achieved | % Achieved |
|---|------------|-----------|--------------|------------|
| Community Development | 16 | 16 | 0 | 100 |
| Urban Environment | 8 | 7 | 1 | 87 |
| Natural Environment | 21 | 17 | 4 | 80 |
| Planning and Development | 8 | 6 | 2 | 75 |
| Civic Leadership and Corporate Services | 16 | 13 | 3 | 81 |
| Financial Sustainability | 5 | 5 | 0 | 100 |
| TOTAL | 74 | 64 | 10 | 86 |

Corporate Performance Indicators - QBL Trend Snapshot

| KPI | QBL | Measure | Unit | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|-----|------|---|----------------|------------|------------|------------|------------|--------------------------|------------|
| 1 | Gov | DA median processing time | Days | 38 | 40 | 45 | 40 | 47 ⁱ | Increased |
| 2 | Gov | Full-time employee turnover rate | % | 3.7 | 9 | 9 | 8 | 9 | Stable |
| 3 | Gov | Policies reviewed | No. | 45 | 18 | 17 | 27 | 10 ⁱⁱ | Decreased |
| | Soc | Provision of new local open space | m ² | 1,735 | 1,625 | 4,167 | 2,893 | 4000 | Increasing |
| 4 | Soc | Major events attendance | No. | 20,000 | 30,000 | 15,500 | 25,540 | 38,500 | Increasing |
| 5 | Soc | Library visitors | No. | 659,587 | 681,760 | 655,750 | 581,441 | 563,357 | Decreased |
| 6 | Soc | Customer service requests received | No. | 35,501 | 38,083 | 28,669 | 25,208 | 23,680 | Decreased |
| 7 | Env | Hazard reduction burns | ha | 31.9 | 81.5 | 72.4 | 1.36 | 7.06 ⁱⁱⁱ | Improving |
| 8 | Env | Bushland regeneration (area) | ha | 46.1 | 52.1 | 69.3 | 67.7 | 68.3 | Stable |
| 9 | Env | Water consumption (Council) | kL | 82,328 | 108,891 | 89,895 | 66,230 | 98,281 | Increased |
| 10 | Env | Energy consumption (Council) buildings | kWh | 3,027,817 | 3,025,656 | 3,206,974 | 3,153,207 | 3,228,439 | Increased |
| 11 | Env | Waste kg/resident | kg | 198.83 | 198.37 | 196.87 | 208.09 | 202.84 ^{iv} | Stable |
| 12 | Env | Recycling kg/resident | kg | 308.84 | 300.17 | 303.05 | 325.95 | 294.73 ^v | Decreased |
| 13 | Env | Green Waste kg/resident | kg | 167.17 | 160 | 166.5 | 191.58 | 171.83 ^{vi} | Decreased |
| 14 | Econ | Roads upgraded | \$ | 4,997,128 | 3,464,302 | 7,683,072* | 6,627,090* | 6,848,018 ^{vii} | Increased |
| 15 | Econ | Development related legal costs | \$ | 1,111,850 | 1,500,000 | 2,000,600 | 1,396,000 | 827,038 | Reducing |
| 16 | Econ | Debt servicing | % | 3.09 | 2.37 | 2.23 | 2.3 | 2.08 | Reduced |
| 17 | Econ | Rate income | \$ | 44,960,000 | 47,602,000 | 49,396,000 | 51,944,000 | 53,696,000 | Increasing |
| 18 | Econ | Return on investment | % | 4.81 | 5.71 | 6.91 | 6.32 | 5.38 ^{viii} | Decreasing |
| 19 | Econ | Ratepayers | No. | 37,244 | 38,752 | 39,688 | 40,299 | 40,914 | Increasing |
| 20 | Econ | Source of revenue from rates and annual charges | % | 58.4 | 51.7 | 56.6 | 58.57 | 61.69 | Increasing |

ⁱ - An increase in the median processing time for development applications to 47 days in 2012/2013 (40 days in 2011/2012) can be attributed mainly to the greater complexity of development applications Council now determines.
ⁱⁱ - The total number of corporate and governance policies reviewed each year varies according to their required review frequency.
ⁱⁱⁱ - The area burnt varies greatly as operations are highly dependent on weather conditions The last two years have seen a reduction in burns due to poor weather

conditions. 2012/13: 1 burn complete out of 19. 2 strip burns undertaken on fire breaks (area included in total).
^{iv} - ^{vi} - Based on est. resident population 2012 of 116,527
^{vii} - Includes Federal and State funding
^{viii} - Decreasing due to lower interest rates and lower than anticipated return on investment portfolio.



Awards and Recognition

Organisational awards and recognition

FINALIST

**2013 AR Bluett Memorial Award
NSW Division of Local Government**

This award recognises NSW councils that are the most progressive across all aspects of their operations and services irrespective of size or resources.

BRONZE AWARD

2012 Australasian Reporting Awards (ARA)

Council's 2011/2012 Annual Report received a Bronze Award for distinguished achievement in reporting from the Australasian Reporting Awards (ARA) 2013 in the category of Public Administration – Local Government.

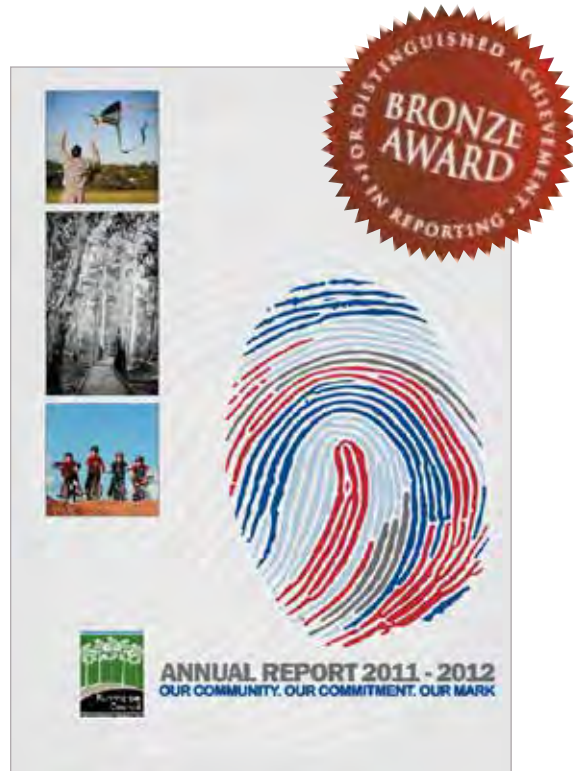
FINALIST

United Nations Association of Australia World Environment Day Awards 2012

Finalist in the United Nations Association of Australia World Environment Day Awards 2012 for our Climate Change Adaptation Strategy.

**COMMENDATION FOR EXCELLENCE IN PLANNING
Community Consultation - Planning NSW
Institute of Planning**

Received a commendation for Excellence in Planning from the NSW Institute of Planning in November 2012 for our community engagement and consultation for the Local Centres Local Environmental Plan 2012



Community Awards and recognition

The following members of the community were presented with awards or recognised for their contributions during 2012 – 2013:

Australia Day Awards 2013

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

- **Citizen of the Year**
Rohit Ralli
- **Young Citizen of the Year**
Emma Gavaghan
- **Outstanding Service to the Community**
Ian Eastman
- **Ku-ring-gai Environmental Award (individual)**
Marjorie and Rolf Beck
- **Ku-ring-gai Environment Award (group)**
The Australian Plant Society – North Shore Group
- **Ku-ring-gai Heritage Award**
Kathie Rieth

Mayoral Awards - Seniors Week

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

- Gowrie Village Ladies Auxiliary
- Jenny Mansfield - Turramurra Uniting Church Day Centre.





Young Citizen of the Year, Emma Gavaghan



2012

| July | August | September | October | November | December |
|--|---|--|--|--|--|
| Citizenship Ceremony  | Citizenship Ceremony Seniors Seminar  | Men's Health Forum Twilight Concert in the Park Series: 'Last night at the Proms' Library Author Talk: Catherine Hamlin, 'The hospital by the river' Citizenship Ceremony  | Senior Seminar Twilight Concert in the Park Series: 'Jazz Classics'  | Walks and Talks: Tick borne diseases Seniors Seminar Citizenship Ceremony Library Author Talk: Tony Park, 'Dark Heart' Bush Neighbour Day Wallalong Crescent Discobility  | Walks and Talks: Night Lighting Walk  |
| Library Author Talk: Dick Whitaker, celebrating National Year of Reading National Tree Planting Day Ku-ring-gai Art Centre Exhibition Launch  | Library Author Talk: Bruce Hamer, 'Neighbours and the Law' Ku-ring-gai Art Centre Exhibition Launch Library Author Talk: Dick Whitaker, 'El Nino and La Nina in Australia' Youth Parent Forum: Sexualisation of Youth Ku-ring-gai Art Centre Exhibition Launch Library Author Talk: Nicole Trope, 'The boy under the table' New Work Depot Opening Festival of Wildflowers Fitz Band Competition Grand Final Walks and Talks film screening: 'Shark Water' Spring into Action Program | Ku-ring-gai Art Centre Exhibition Launch Library Author Talk: Dick Whitaker on History of Bushfires Youth Parent Forum: Safe Partying Walks and Talks: Tick Talk Library Author Talk: Scott Bevan, 'The Hunter' Library Author Talk: Robin de Crespigny, 'The People Smuggler' Walks and Talks: Cottage Garden Workshop Spring into Action Program  | Citizenship Ceremony Youth Parent Forum: Building Positive Mental Health Library Author Talk: Belinda Alexandra, 'Golden Earrings' Walks and Talks: Basket Making Workshop Ku-ring-gai Art Centre Exhibition Launch Youth Services Dropp'n Hammers Competition  |  Ku-ring-gai Art Centre Exhibition Launch Spring into Action Program  | |

2013

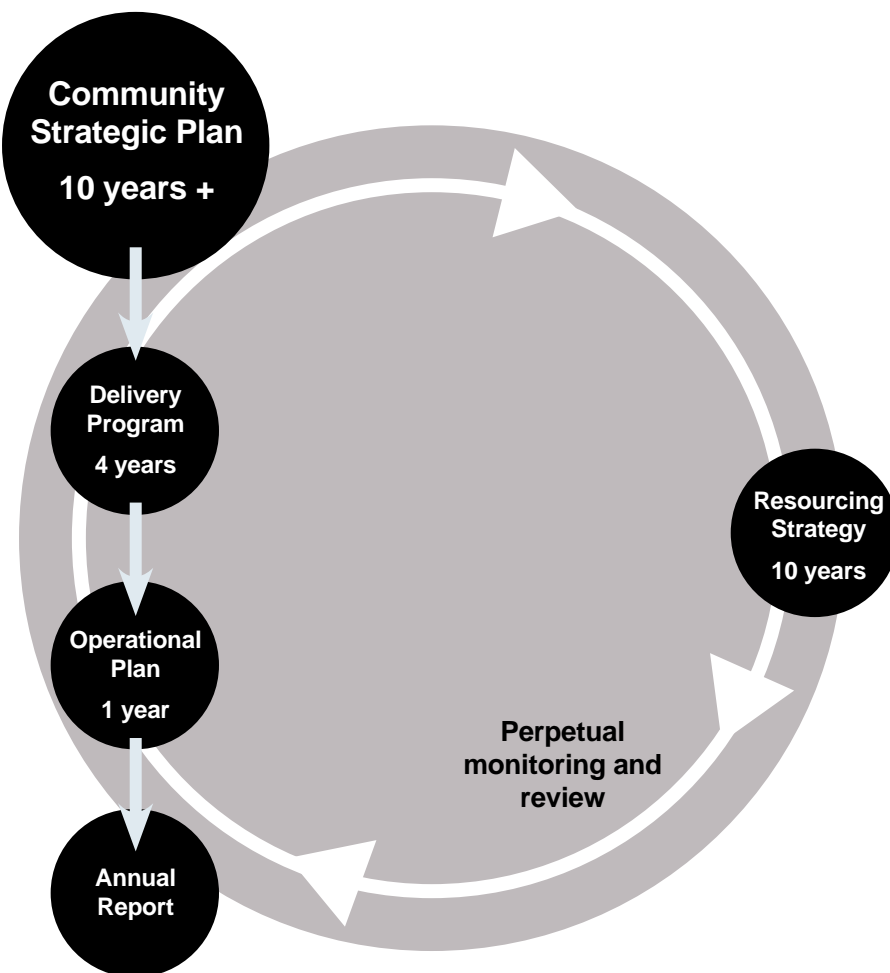
| January | February | March | April | May | June |
|---|---|--|--|--|--|
| Australia Day Awards and Evening Concert  | Citizenship Ceremony Ku-ring-gai Art Centre Exhibition Launch Walks and Talks: Vegetarian Cooking Workshop  | Seniors Week Festival  | War Hero Visit to St Ives: Anzac Day Seniors Seminar Welcome to New Residents Mayoral Morning Tea Bushcare Program: Botanical Digital Photo Workshop  | Guringai Festival Children's Voices for Reconciliation  | Library Author Talk: Peter Butt, 'Who killed Dr Bogle and Mrs Chandler?' Seniors Seminar  |
| Australia Day Citizenship Ceremony  | Flying Fox viewing Balcony Gardening with Indira Naidoo  | Citizenship Ceremony International Women's Day Watersmart workshop: Warrimoo Water Weeds and Wildlife Ku-ring-gai Art Centre Exhibition Launch Youth Parent Forum: Adolescence 101 When to Worry Bush Neighbour Day Dingley Dell Walks and Talks: Bat Night Seniors Seminar Walks and Talks: Art'n'ature Bushcare Program: Sydney Snake and Reptile Talk  | Citizenship Ceremony Guringai Festival Aboriginal Culture Walk in the Wildflower Garden Festival on the Green  | Guringai Festival Aboriginal Heritage and Culture presentation with Dance Fusion and Storytelling Sustainability Movie Night: 'WALL-E' Walk and Talks: Living sustainable in apartments Watersmart Workshop: Rainwater Tanks  | Watersmart workshop: Raingardens Parent Forum: Drugs in our Community Guringai Festival Aboriginal Heritage and Culture presentation with Dance Fusion and Storytelling Sustainability Movie Night: 'WALL-E' Walk and Talks: Living sustainable in apartments Watersmart Workshop: Rainwater Tanks  |
| Ku-ring-gai Art Centre Exhibition Launch  | Ward Summits Library Author Talk: Isolde Martyn, 'Mistress to the Crown' Seniors Seminar Library Author Talk: Richard Glover, 'Why men are necessary' | Ward Summits Library Author Talk: Isolde Martyn, 'Mistress to the Crown' Seniors Seminar Library Author Talk: Richard Glover, 'Why men are necessary' | Bush Neighbour Day Fraser Park Library Author Talk: Andrew Tink, 'Air Disaster Canberra' Energy Efficiency for Homes Workshop Walks and Talks: Herbal First Aid Workshop Seniors Seminar Library Author Talk: Bruce Hamer, 'Legal Studies Series for HSC Students' Australia's Biggest Morning Tea with Paul Brunton, Emeritus Curator at the Mitchell Library Spring into Action Youth Parent Forum: Resilience Building 101 Citizenship Ceremony Walk and Talks: Climate Change Community Conversation Spring into Action Citizenship Ceremony | Village Indie Youth Music Concert Energy Efficiency for Homes Workshop Walks and Talks: Herbal First Aid Workshop Seniors Seminar Library Author Talk: Bruce Hamer, 'Legal Studies Series for HSC Students' Australia's Biggest Morning Tea with Paul Brunton, Emeritus Curator at the Mitchell Library Spring into Action Youth Parent Forum: Resilience Building 101 Citizenship Ceremony Village Indie Youth Music Concert Energy Efficiency for Homes Workshop Walks and Talks: Herbal First Aid Workshop Seniors Seminar Library Author Talk: Bruce Hamer, 'Legal Studies Series for HSC Students' Australia's Biggest Morning Tea with Paul Brunton, Emeritus Curator at the Mitchell Library Spring into Action Youth Parent Forum: Resilience Building 101 Citizenship Ceremony | Library Author Talk: Bruce Hamer, 'Legal Studies Series for HSC Students' Australia's Biggest Morning Tea with Paul Brunton, Emeritus Curator at the Mitchell Library Spring into Action Youth Parent Forum: Resilience Building 101 Citizenship Ceremony Walk and Talks: Climate Change Community Conversation Spring into Action Citizenship Ceremony |



In 2009, the NSW Division of Local Government introduced the integrated planning and reporting framework.

The framework requires councils to draw their various plans together, to better understand how they interact and to get the maximum leverage from their efforts by planning holistically for the future. The framework also recognises that communities do not exist in isolation, but are part of a larger, social, economic, natural and political environment which influences and shapes the future direction of their communities.

The Integrated Planning and Reporting (IP&R) Framework has introduced a hierarchy of plans which aims to ensure a more sustainable local government sector. (See Diagram)



Community Strategic Plan

In September 2009, Council adopted its first Community Strategic Plan. The plan was a 20-year blueprint for the future of the Ku-ring-gai Local Government Area (LGA). It was both a process and a document designed to bring together the community to set goals and aspirations for the future and to plan how to go about achieving those goals.

During 2012 – 2013 Council, in consultation with the community, reviewed the Community Strategic Plan to more clearly reflect the changes that have taken place in community thinking, needs and expectations over the past four years and to provide a vehicle for our community to express its long-term aspirations.

The revised Community Strategic Plan Our Community - Our Future 2030, adopted by Council in June 2013, provides Council with the strategic direction to align its policies, programs and services. It will also act as a guide for other organisations and individuals in planning and delivering services for the area. The plan addresses the community's issues and long-term objectives under the following themes:

- Community, People and Culture
- Natural Environment
- Places, Spaces and Infrastructure
- Access, Traffic and Transport
- Local Economy and Employment
- Leadership and Governance.

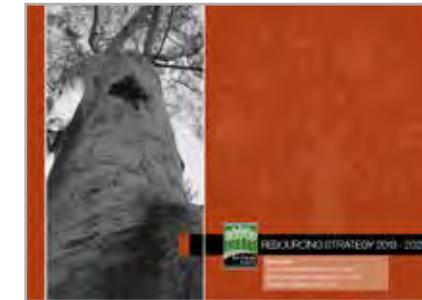
Councils in New South Wales are required under the Local Government Act 1993 to prepare a suite of documents that form the Integrated Planning and Reporting (IP&R) framework.



Delivery Program and Operational Plan

All NSW councils are required to facilitate the development of their Community Strategic Plan (with a minimum 10 year outlook) through a four year Delivery Program (based around the 4 year term of the Council) and a one year Operational Plan.

The Operational Plan outlines Council's planned activities and the financial resources required to implement the actions for each year of the Delivery Program. Actions identified in the Operational Plan link back to an objective in the Community Strategic Plan.



Resourcing Strategy

The Resourcing Strategy details how the strategic aspirations of Ku-ring-gai can be achieved in terms of time, money, people and assets. The Resourcing Strategy spans ten years. Its component parts include:

- 10-year Long-term Financial Plan
- 10-year Asset Management Strategy
- Four-year Workforce Strategy

The Resourcing Strategy is the link between the long-term Community Strategic Plan and the medium-term Delivery Plan. It is prepared every four years following each Council election. It is developed concurrently with the other plans in the IP&R framework.



Performance Reporting

The performance of Council against the delivery of the activities is measured through two levels of indicators. Key performance indicators (KPIs) represent a measure of the standard or outcome of an organisation's services or activities. The KPIs are designed to encapsulate the performance and outcomes of Council and are reported on every six months. Tied to this reporting, Council also receives quarterly budget reports which provide data on the financial position of Council in terms of its income and expenditure as well as the status of its adopted capital works program.

Ku-ring-gai Council also assigns each indicator to social, environmental, economic and civic leadership themes reflecting its dominant aspect or influence. This is often referred to as quadruple bottom line (QBL) reporting.





Community governance

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

Council's role

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

They include:

LEAD

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

FACILITATE

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

ADVOCATE

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

EDUCATE

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

REGULATE

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

DELIVER

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

Our Councillors

There are five wards in Ku-ring-gai, each represented by two councillors. Council elections are held every four years with the last local government election held on Saturday 8th September 2012. The Mayor is elected annually in September by the Councillors. The responsibilities of Councillors are defined in the Local Government Act 1993 and include:

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



The Ku-ring-gai local government area is divided into five wards - Comenarra, Gordon, Roseville, Wahroonga and St Ives. There are ten elected representatives with two Councillors representing each ward for a four-year term.



COMENARRA WARD



Mayor Elaine Malicki
emalicki@kmc.nsw.gov.au



Cr Jeffrey Pettet
jpettet@kmc.nsw.gov.au



Deputy Mayor Cheryl Szatow JP
cszatow@kmc.nsw.gov.au



Cr David Citer
dciter@kmc.nsw.gov.au

ROSEVILLE WARD



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



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

ST IVES WARD



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



Cr David Ossip
dossip@kmc.nsw.gov.au

WAHROONGA WARD



Cr Duncan McDonald
dmcdonald@kmc.nsw.gov.au



Cr Chantelle Fornari-Orsmond
cforsmond@kmc.nsw.gov.au

Acknowledging former Councillor contributions

Following the Local Government Elections, which were held in September 2012, Ku-ring-gai Council wishes to acknowledge the contributions to Ku-ring-gai of former Councillors during their terms of office.

- Cr Ian Cross
- Cr Rakesh Duncombe
- Cr Tony Hall
- Cr Carolyne Hardwick
- Cr Steven Holland
- Cr Elise Keays

Council meetings and decision-making

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

The Mayor and Councillors can also raise matters to be debated at Council meetings through mayoral minutes, notices of motion and rescission motions. A decision is made when a majority of Councillors vote in favour of a motion.

All Council meeting proceedings are recorded. This is one important way of making our decision-making processes transparent. Council meeting business papers are available to the public on our website, at our Customer Service Centre and all libraries on the Wednesday prior to the meetings and in the Council chamber on meeting nights. Meeting minutes are available on our website.



The community's role

Ku-ring-gai has an active and engaged community. Our residents and local stakeholders wish to participate in, and inform Council decision-making to ensure the delivery of high quality services and assets for the community. There are a number of ways in which local stakeholders are involved in policy formulation and decision-making:



REFERENCE COMMITTEES

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

Reference committees during 2012 – 2013 included:

- Ku-ring-gai Traffic Committee
- Flood Risk Management Committee
- Economic and Social Development Advisory Committee
- Internal Audit Committee.

FORUMS AND COMMUNITY ENGAGEMENT

In addition to formal committees and reference groups, Council takes a proactive approach to consulting and engaging with local community groups and service providers on important social and economic plans and strategies. This includes forums and summits with representatives from these groups as well as individual community members.

Our consultation policy ensures all engagement with the community is equitable and accessible. We employ a range of methods to connect with our local stakeholders including:

- Proactive communications and reporting
- Community meetings, forums, workshops and information sessions
- Innovative web based tools like online forums and surveying

- Reference committees to bring together subject matter experts and interested participants

- Large scale and demographically representative forums for major planning initiatives.

During 2012 – 2013 we consulted and engaged our community in the development and decision-making processes of a range of policies and projects. Key examples included:

■ Community Strategic Plan

Nearly 200 residents and representatives from local organisations came together to discuss their ideas for the future of Ku-ring-gai as part of five ward summits facilitated by Council in early 2013. This provided invaluable input into the revision of the Community Strategic Plan. We also drew on the results of comprehensive engagement undertaken in preceding years involving 4,500 residents.

■ Asset Management

Residents were surveyed about their views on paying an additional special rate to assist Council's funding of asset renewal and replacement and the priority areas where the additional funding should be spent. The survey received 400 responses.

■ Ageing Strategy

Surveys and workshops were undertaken to research issues, challenges and future needs of the area's older age groups as part of the development of an Ageing Strategy. This included resident surveys with 263 responses; a service provider survey with 30 responses and a service provider workshop with 43 participants.

■ Youth summit and forum

A summit and forum were held with youth representatives to identify those issues, challenges and needs of the younger age groups in the community.

■ Youth strategy

Research and consultation completed for a new youth strategy that will be completed in 2013/2014.

■ Economic and social development forum

This forum attended by representatives of the business community and other interested community members who identified issues, challenges and opportunities for long-term economic employment planning for Ku-ring-gai. This included expanding visitation and tourism, improving centres vitality and viability and supporting local business.

■ Community events survey

This survey sought community views and preferences on the events and activities organised by Council and factors that limit their participation. The survey received 386 responses.

■ Consolidating Principal LEP - public exhibition

The exhibition of the draft LEP included notification via Council's website, local newspapers, social media and direct mail to community groups and online databases of residents.

■ Amalgamation survey

The survey of residents and local organisations sought their views on the proposals contained in the NSW Government reform proposal *Future Directions for Local Government*, in particular the proposed amalgamation between Ku-ring-gai and Hornsby councils. The survey received 534 responses.

Local government reforms

During 2012 – 2013 the NSW government released four major reform proposals for consideration by local councils and their communities.

Council prepared a comprehensive submission for each proposed reform to advise the government of those proposed changes that we supported and more particularly those changes that would have significant impacts on the residents of Ku-ring-gai. The reform proposals include:

- Independent Review Panel's Future Directions for NSW Local Government
- A New Planning System for NSW – White Paper
- Draft Metropolitan Strategy for Sydney to 2031
- Local Government Act Review

Copies of the submissions can be found online: www.kmc.nsw.gov.au



Independent Review Panel's Future Directions for NSW Local Government

The Independent Review Panel's Future Directions for NSW Local Government recommends significant reform to the local government industry, most significantly a reduction in the number of local councils across metropolitan Sydney. In our circumstance, the paper recommends amalgamation with Hornsby Council.

Ku-ring-gai Council engaged independent consultants to investigate any potential impacts the proposed amalgamation would have on residents of Ku-ring-gai. The findings indicated that our residents would be disadvantaged in an amalgamated council model, with less local representation and likely higher rates for fewer services.

These important issues were included in Council's submission to the Panel.

A New Planning System for NSW - White Paper

The NSW Government's White Paper builds on the major reforms and changes proposed in the Green Paper, which was released in July 2012. The White Paper proposed reforms around five fundamental land use planning areas:

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

These reforms will directly affect the way councils consult with the community, prepare town planning documents and assess applications for development in local government areas.

Major proposed changes of concern to Council include:

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

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

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

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

- Regarding provision of infrastructure, the White Paper proposes that some of the development contributions currently used for providing new facilities in the local area should go to the State Government to provide regional infrastructure. This means that there will be less money available for local infrastructure.

Details of these concerns and others were included in the submission.

Draft Metropolitan Strategy for Sydney to 2031

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

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

Local Government Act Review

The Local Government Act Taskforce's discussion paper 'A New Local Government Act for NSW' proposes to construct a new Act based on eliminating prescription, being more streamlined and simpler to read, more consistent and integrated with other legislation and should act as enabling legislation that is focused on outcomes rather than processes.

While Council is of the view that many of the issues and proposals in the discussion paper have merit, there is much more work to be done and detail to be provided before final responses can be made. Council requested that the Taskforce's final report to the NSW Government be deferred until after the other major concurrent reviews of NSW Local Government are completed and their recommendations considered and any likely impacts on the Taskforce's review recommendations are properly assessed by Local Government and the community.



OUR ORGANISATION

Our principles as an organisation are:

- 1. Lead through example**
- 2. Encourage active citizenship and work in partnership with citizens**
- 3. Deliver sustainable services that meet current and future needs**
- 4. Practice open and ethical decision-making**
- 5. Responsibly manage Council's people, assets and finances**



Role of the General Manager

The General Manager is responsible for the efficient and effective operation of the organisation and for ensuring the implementation of decisions of Council. More specific responsibilities of the General Manager are:

- assisting Council with the development and implementation of the Community Strategic Plan and Council's Resourcing Strategy, Delivery Program and Operational Plan and the preparation of its Annual Report and State of the Environment Report.
- managing the day-to-day operations of the organisation
- exercising such functions as are delegated by Council
- appointing staff in accordance with the organisational structure and resources
- directing and dismissing staff
- implementing Council's equal employment opportunity plan.

The overall performance of the General Manager is measured through a performance agreement as part of the contract of employment.



Role of the Senior Management Team

The General Manager, along with the five directors, make up the senior management team. The directors assist the General Manager in the development of long-term strategic plans and their delivery, ensure the organisation is meeting its obligations and are responsible for the day to day management of the following departments:

- **Civic Management**
John McKee
- **Community**
Janice Bevan
- **Corporate**
David Marshall
- **Development and Regulation**
Michael Miocic
- **Operations**
Greg Piconi
- **Strategy and Environment**
Andrew Watson



COMMUNITY DIRECTOR, JANICE BEVAN

| SECTIONS |
|-------------------------------------|
| Media, Marketing and Communications |
| Library and Cultural Services |
| Community Development |
| Community and Recreation Services |
| Economic and Social Development |



CORPORATE DIRECTOR, DAVID MARSHALL

| SECTIONS |
|-----------------------------|
| Finance |
| Human Resources and Payroll |
| Information Management |
| Governance and Records |
| Procurement and Contracts |



COMPLIANCE & REGULATION DIRECTOR, MICHAEL MIOCIC

| SECTIONS |
|------------------------------|
| Development Assessment |
| Regulation |
| Compliance |
| Health and Building Services |



OPERATIONS DIRECTOR, GREG PICONI

| SECTIONS |
|------------------------|
| Engineering Operations |
| Open Space Operations |
| Traffic and Transport |
| Projects |
| Waste |



STRATEGY & ENVIRONMENT DIRECTOR, ANDREW WATSON

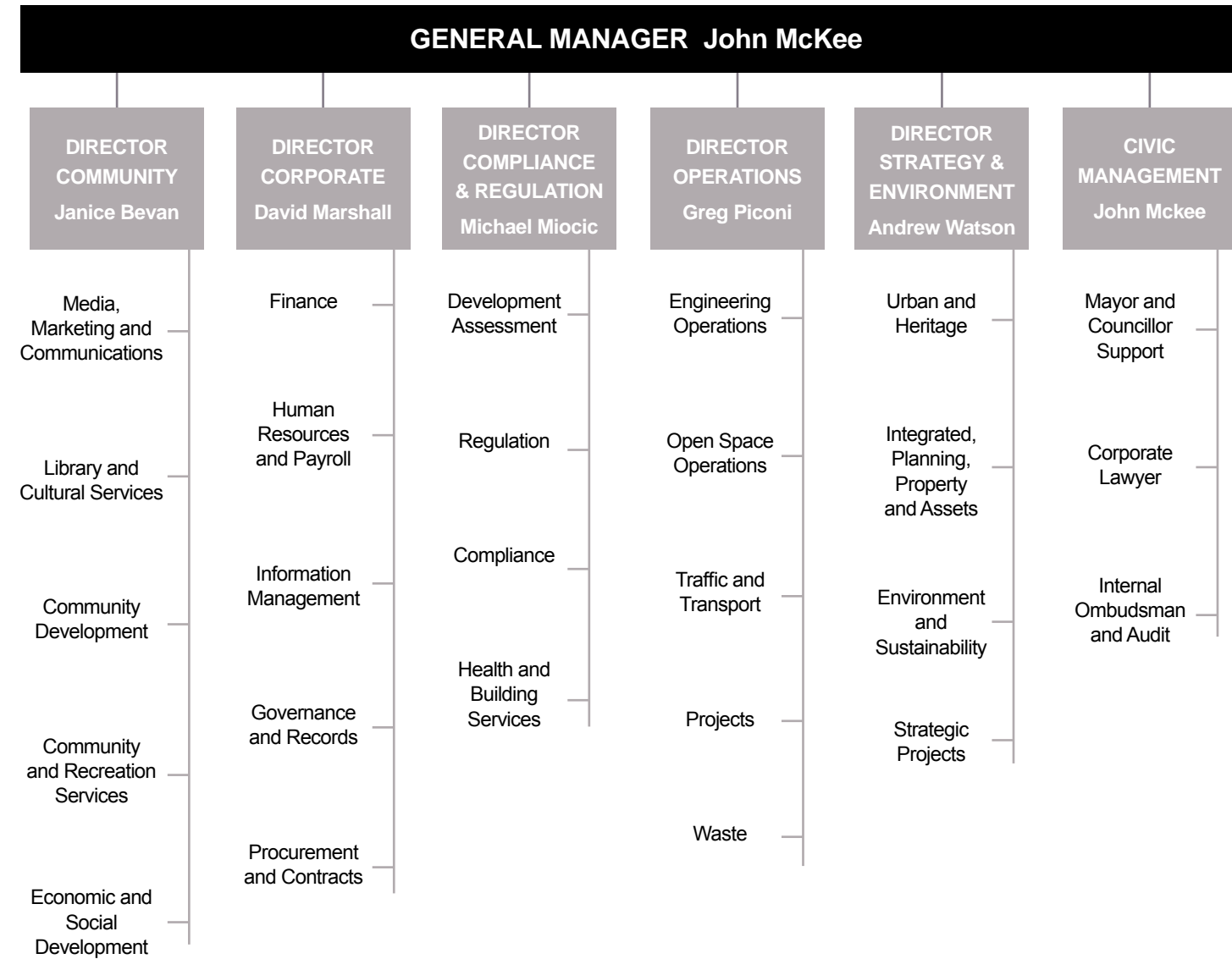
| SECTIONS |
|--|
| Urban and Heritage Planning |
| Integrated Planning, Property and Assets |
| Environment and Sustainability |
| Strategic Projects |



CIVIC MANAGEMENT GENERAL MANAGER, JOHN MCKEE

| SECTIONS |
|------------------------------|
| Mayor and Councillor Support |
| Corporate Lawyer |
| Internal Ombudsman and Audit |

Organisational structure



Our workforce

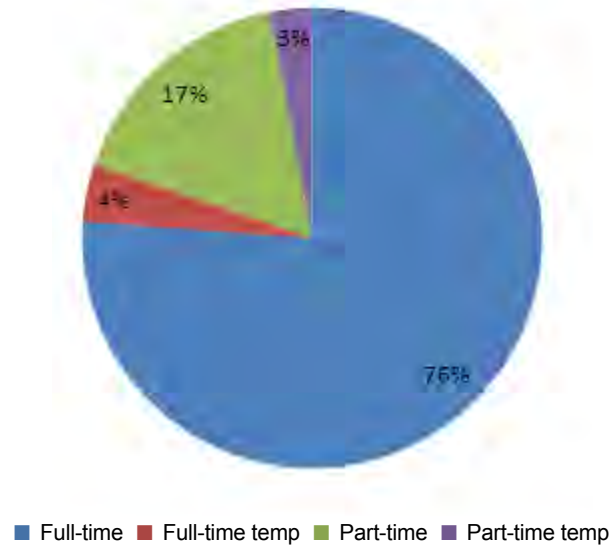
Council's workforce is highly diverse reflecting the wide range of facilities, services and activities Council delivers to the community. Our employees operate out of a number of locations across Council. As at 30 June 2013, Ku-ring-gai Council employed 430 people including 362 full-time and 67 part-time staff. Of the total number of employees, 43% are female and 57% male.

Council also engages non-permanent staff, including casuals and labour hire staff in a range of seasonal and vacation care roles. The breakdown of staff by employment type is shown in the following graphs as at 30 June 2013. During the year 364 casuals were employed by Council.

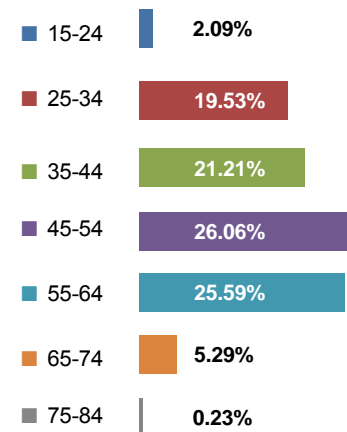
Council engages a workforce that operates across four generations with a significant number of staff aged 55 or over. Each generation provides a unique set of skills and knowledge to the work environment as well as a diverse set of work values. Council's challenge is to meet the expectations as an employer of all age groups as well as creating career opportunities and reward structures that will contribute to the ongoing job satisfaction and retention of staff. One key focus area will be to ensure the continuity of services to the community as staff retire from the workforce or reduce their hours of work. This represents a sizeable organisational risk to the maintenance of operational efficiencies and the potential loss of the corporate knowledge held by those employees.

Council's turnover rate is 9% per annum. This low turnover rate is reflected in the relatively high average years of employment at Council across all departments.

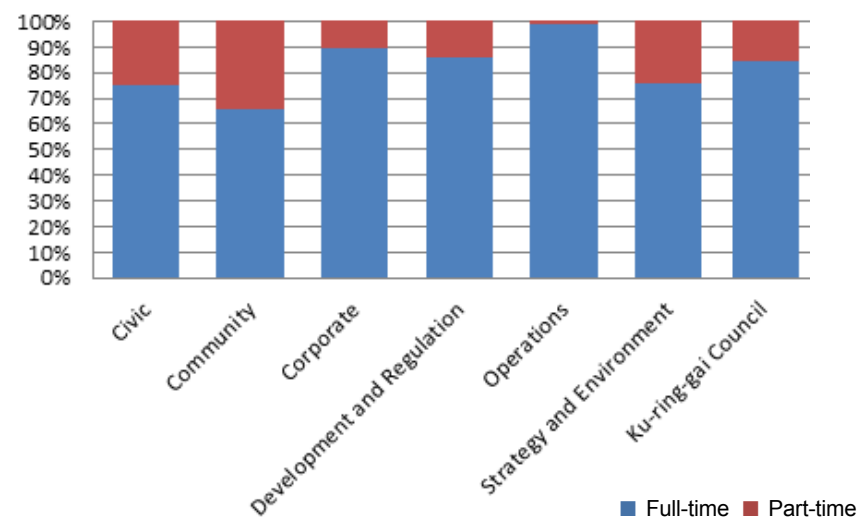
Workforce total headcount by employment type



Workforce by age



Full-time and part-time staff by department (%)





Our performance in 2012/2013

Principal Activities

Ku-ring-gai has six principal activity areas that address the community's long-term social, environmental and economic aspirations for Ku-ring-gai and Council's supporting civic leadership responsibilities. The activities were drawn from the original Community Strategic Plan for Ku-ring-gai, that came into effect in 2009.

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

Summary of Performance

During 2012/2013 Council successfully completed a comprehensive program of capital works and operational projects which addressed a range of social, economic and environmental objectives contained in the Delivery Program and Community Strategic Plan.

Council also maintained or enhanced its level of service delivery across all areas, within its resourcing capabilities and maintained its sound financial position.

This has placed Council in a strong position to build on this success in the coming years.

Measuring our progress

Information in the following sections provides details of our achievements and challenges in delivering the planned tasks, programs and projects for 2012/2013.

Every year we review our achievements against the medium term objectives of the 4 year Delivery program. We also assess how our activities have progressed the achievement of longer term objectives contained in the Community Strategic Plan, to ensure that we are heading in the right direction.

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



The main objectives for each area of Activity, which are fundamental to achieving the Ku-ring-gai community's vision are:

Community development

This activity is about ensuring that Council's community and cultural programs and services are accessible, affordable and meet current and emerging needs. Also that our community is culturally and socially aware and participates in activities that contribute to a sense of wellbeing.

Urban environment

This activity is about ensuring that all of our community assets are maintained, enhanced and managed effectively to meet community needs and standards within our available resources.

Natural environment

This activity is about ensuring that Council and the community value, respect and actively participate in the care and management of our environment.

Planning & development

This activity is about planning and regulating to make our urban areas more liveable and sustainable as we respond to State Government and community demands for additional housing, greater housing choice and associated infrastructure and facilities.

Civic leadership & corporate services

This activity is about Ku-ring-gai Council working to ensure that its operations and activities are effective and efficient and contribute to the community's medium and longer term objectives, and that its decision-making processes are conducted in an open and transparent manner.

Financial sustainability

This activity is about effectively managing our finances and resources to meet community expectations for service delivery.

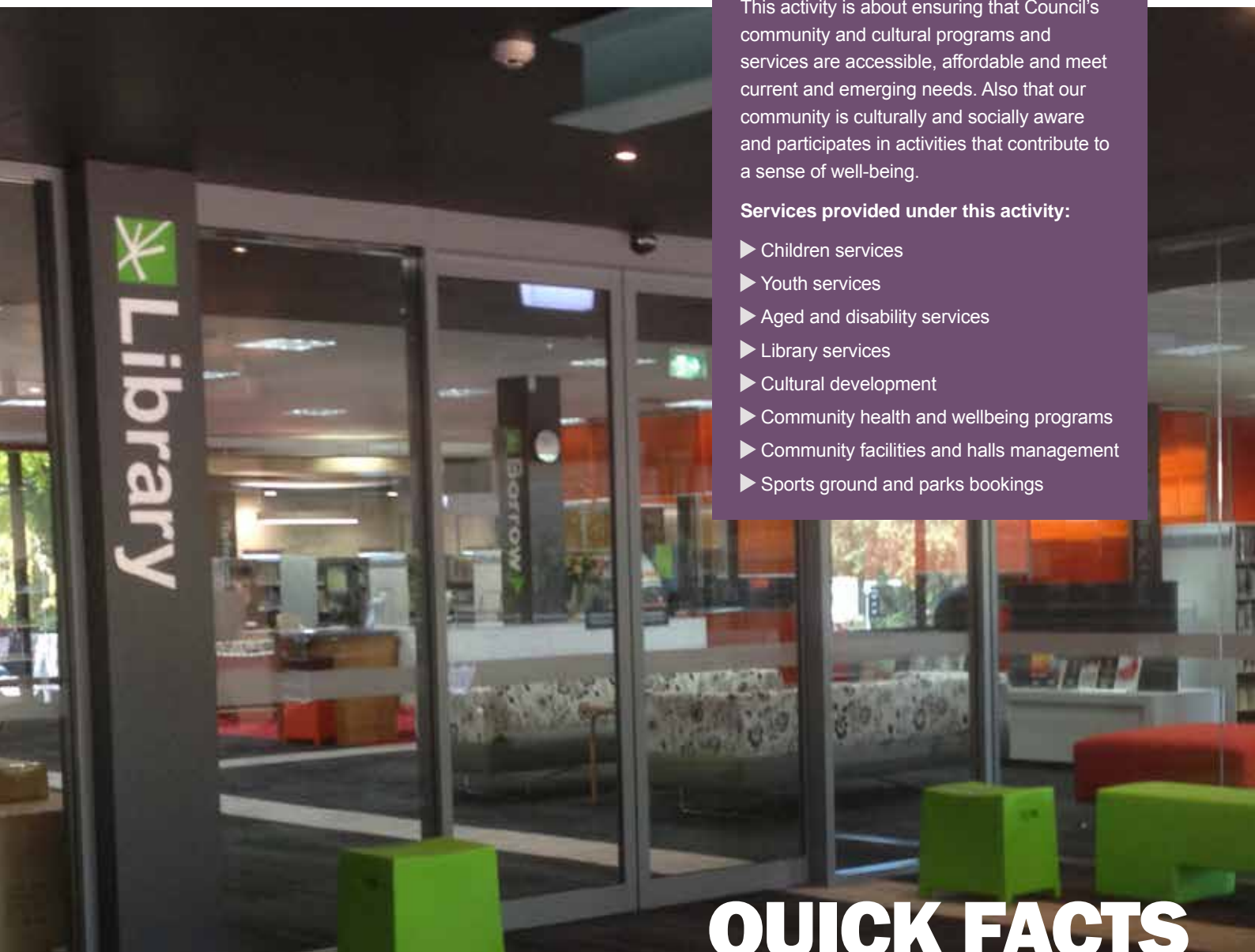
Community development

About this principal activity

This activity is about ensuring that Council's community and cultural programs and services are accessible, affordable and meet current and emerging needs. Also that our community is culturally and socially aware and participates in activities that contribute to a sense of well-being.

Services provided under this activity:

- ▶ Children services
- ▶ Youth services
- ▶ Aged and disability services
- ▶ Library services
- ▶ Cultural development
- ▶ Community health and wellbeing programs
- ▶ Community facilities and halls management
- ▶ Sports ground and parks bookings



QUICK FACTS

- Our population is estimated to reach 134,000 by 2036
- 16% of our population is currently 12 years or under
- Over 23% of our population is 60 years and over
- Over 36,000 people from 37 sports clubs use our sportsfields
- We maintain and manage bookings for 71 tennis courts and 51 sportsfields
- Ku-ring-gai Art Centre is one of the largest community art facilities provided by NSW local government
- Our libraries were visited by 563,557 people who borrowed 894,485 items
- Over 38,500 people attended our major events program
- Over 26% of Ku-ring-gai residents reported performing voluntary work in 2011

What we achieved in 2012/2013

Championed a happier, healthier Ku-ring-gai

Every year we run active sport and fitness programs to encourage people of all ages and fitness levels to participate in fun physical activity. Activities in 2012/2013 included functional fitness for seniors, regular fitness-based youth workshops, the annual Active Ku-ring-gai Program which increased participation by 26% and junior golf and Active Kids programs which encourage primary school-aged children to get active, have fun and meet new friends, while developing important skills in team work and leadership. Council also provided a \$15,000 sponsorship to fund the inaugural 'Ku-ring-gai Chase' fun run, which encouraged people with a disability and their carers to get outdoors.

Supported health and wellbeing

Council held a number of forums throughout the year aimed at supporting teenagers, building confidence and self-esteem in youth; educating parents; raising awareness of men's health and regular seniors' seminars that address a range of issues facing seniors including social isolation, health issues and building strength. Over 380 seniors attended the six seminars we held over the past year.

Our sustainability team provide regular workshops promoting healthier and more sustainable lifestyle choices. Workshops included Indira Naidoo's tips on creating an edible garden on your balcony, and connecting your bicycle to pedal power while watching an outdoor movie.





Welcome Basket morning tea with the Mayor

Fostered community

Welcome Basket for new residents

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

Help for new migrants

We provide a helping hand to settle newly arrived migrants, through one-on-one or family case work. With the new website project, we focused on improving communication of our services to new migrants, laying out information in a simple easy-to-read format and making it easier for the page to be found in our navigation. As a result of our website improvement, we have had a huge increase in interest with over 100 migrants registering for our service in the past 12 months.



Lindfield Village Green – preliminary design concepts

Advanced new community meeting places

■ Lindfield Community Hub

We have started planning a new community hub for Lindfield, which will provide new community and commercial facilities. The plan is in response to an announcement by the NSW Government that it would build a new 240-space commuter car park on council land at Woodford Lane, Lindfield. While this announcement came without prior consultation, Council has taken the opportunity to bring forward vital urban design and community facilities in the Lindfield Local Centre that might otherwise be delayed for many years. The masterplan is investigating opportunities for a new multi-purpose community facility, a new

public street, road improvement works, a major new park and public plaza, short-stay and commuter parking and commercial uses to activate the precinct. Council is currently preparing a masterplan for the site in partnership with Transport NSW.

■ Lindfield Village Green

Council's Local Centres Public Domain Plan, 2010 identifies the car park on Tryon Road Lindfield as the location for a new village green. The project will create a much needed community space in the heart of Lindfield and will involve relocating existing car parking to basement parking under the new park. In April 2013 Council allocated funding for the first investigative and design stage of the project.



Promoted volunteering

Ku-ring-gai has an established reputation as a community willing to volunteer it's time to help others and make a contribution to local community objectives. The 2011 Census estimated that over 26% of Ku-ring-gai residents reported performing voluntary work, compared with 15.1% for Greater Sydney. Research undertaken by the Centre for Volunteering NSW* indicates this rate to be even higher given the area's socio-economic demographic characteristics. Maintaining and potentially expanding this level of volunteering is vital to the continued operation of many community services and organisations.

Council actively promotes and supports volunteering through many of its community and environmental programs and recognition events. In 2012/2013 there were an estimated 350 volunteers involved in community service based projects and 764 active bushcare volunteers. A further 6,500 residents are engaged in Council's environmental education programs and communications.

*The Centre for Volunteering is the peak body in NSW promoting and supporting volunteering and community participation. Areas identified as having higher levels of volunteering characteristically have higher levels of employment, higher levels of residents employed as professionals and managers and more residents in the 'parents with children' and 'older age' brackets.

Strengthened community groups

Held capacity building workshops for community groups

To further empower groups to implement change within their community, we ran a series of workshops to assist the long-term sustainability of local organisations and promote cross-sector collaboration. We held five workshops over the year, which proved very popular. Topics that were covered included developing successful grants submissions, ideas for community fundraising, marketing your organisation and strategic planning for community groups.

Distributed \$110,000 to community groups

Each year, Council provides financial assistance to community and cultural groups in Ku-ring-gai. Projects funded under the program cover a range of target groups including, children, young people, older people, people with disabilities and people from culturally and linguistically diverse backgrounds. The grants enhance the capacity of community groups to provide much needed support services to the community, foster celebrations and promote the development of artistic pursuits in Ku-ring-gai. The level of funding and diversity of the Community Grants Program was expanded in 2012 following a sponsorship agreement between Council and the Community Bank of Turramurra and Lindfield. Details of the funding allocations and recipients can be found on page 233 of this report.

An additional \$15,000 was provided for Sponsorship of the Ku-ring-gai Chase inaugural fun run.



Above and below: Ku-ring-gai Community Grants award night



Inaugural 'Ku-ring-gai Chase' fun run



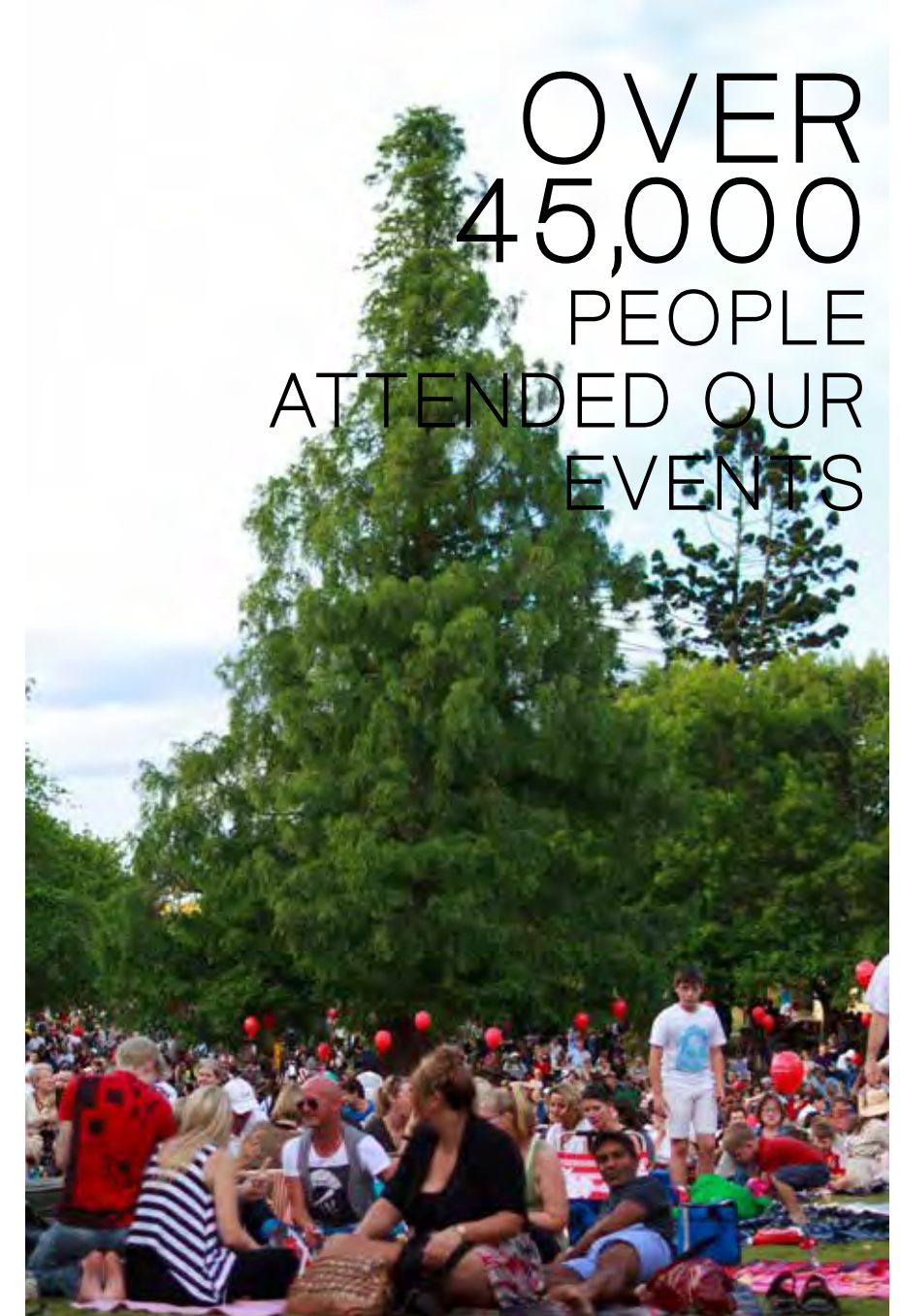
Encouraged community spirit and pride

Delivered a hugely successful community events program

Each year Council organises a free program of major events for the Ku-ring-gai community. These events, which cater for all ages, are extremely successful and continue to grow in popularity. About 38,500 people attended Council's major events during 2012/13, with event surveys showing 99.75% satisfaction.

■ Festival on the Green

Attendance at Council's signature event, Festival on the Green, has been doubling in recent years to over 20,000 people. The Festival included over 360 local community performers showcasing their talents in the areas of music, acting and dance. The festival also had a strong focus on sustainability in 2013. In addition to ongoing sustainable event management initiatives, the festival implemented a number of new waste and sustainability initiatives such as a worm farm for all food waste, cardboard and paper, assistance with bin monitoring from a local permaculture organisation and waste education performers.



Left: Nature-inspired performer at the Festival on the Green Above: Twilight concert in the Park

■ Other cultural events

Other major events included Australia Day celebrations, Twilight Concert in the Parks Series, the Guringai Festival and the Festival of Wildflowers.

The free September 2012 Twilight Concert featured the local Ku-ring-gai Philharmonic Orchestra, accompanied by soprano Amelia Farrugia.

The Festival of Wildflowers is a free popular event for all ages in the unique setting of the Ku-ring-gai Wildflower Garden and showcases the garden's beautiful wildflower season.

The Guringai Festival is an annual celebration of indigenous culture and heritage, run in collaboration with nine other northern Sydney councils. The festival commences in May with National Sorry Day and runs through until the end of NAIDOC week in July.

Another 109 smaller-scale events were held, which are outlined in the event calendar on pages 28-29 of this report. Total estimated attendance at all events in 2012/2013 was over 45,000 people.

■ Surveyed satisfaction with community events

A community events survey was undertaken from December 2012 to February 2013 to seek feedback from the wider community about current and future Council events, programs and activities. The aim was to reach a wide range of residents, including those who may not attend the current events and obtain information to guide the future direction of events and programs run by council. The survey also highlighted that our residents believe events are very important for building community spirit and pride.

OVER
45,000
PEOPLE
ATTENDED OUR
EVENTS



'LIKES' INCREASED BY OVER 500% ON OUR FACEBOOK ACCOUNT

f Facebook

Ku-ring-gai Council
www.facebook.com/ku-ring-gai

Mayor Elaine Malicki
www.facebook.com/crelainemalicki

Ku-ring-gai Youth Services
www.facebook.com/kcyouthservices

Ku-ring-gai Wildflower Garden
www.facebook.com/kwildflowergarden

Jubes Mountain Bike Park
www.facebook.com/JubesMountainBike

Ku-ring-gai Library
www.facebook.com/krqlibrary

T Twitter

- **Ku-ring-gai Council**
www.twitter.com/krqcouncil
- **Bushcare NSW**
www.twitter.com/BushcareNSW

Y YouTube

Ku-ring-gai Council
www.youtube.com/user/KuringgaiCouncil

EnviroTube
www.youtube.com/user/greenstylenorth

Used social media to build community

We continued to use social media channels to encourage interaction, build community spirit and trust, provide responsive customer service and inform the public about our activities.



Capture Ku-ring-gai Photo Competition winners



Capture Ku-ring-gai Photo Competition winner, Our native animals category, Two little lorikeets smuggled together by Madeleine Coulson

Launched 'Capturing Ku-ring-gai' photo competition

We launched the inaugural Capture Ku-ring-gai Photo competition in July and August 2012, receiving nearly 600 entries. Sponsorship for the competition was provided by the *North Shore Times* and St Ives Shopping Village and included a community voting section on Facebook. We received many positive comments about the beauty of Ku-ring-gai and generating a sense of community pride. We now have a selection of evocative images which feature on Council's website. The competition will be run again in 2013/2014.

Established new 'Loving Living Ku-ring-gai' brand

Council recently developed a sustainability brand, Loving Living Ku-ring-gai, to encompass the range of environmental and sustainability initiatives available to the community. The brand represents the community's strong sense of place and is incorporated into the promotion and delivery of all our sustainability programs and initiatives.



Promoted culture and learning

Council provides a diverse range of cultural facilities and services for the local community, including visual and creative arts, libraries and a variety of cultural events.

Supported local art

Established in 1980, the Ku-ring-gai Art Centre is one of the largest community art facility provided by local government. During 2012/2013:

- over 850 students participated in 72 term classes, 12 master classes and 120 school holiday activities.
- night classes catered to working professionals
- participant survey results for 2012-13 showed a 98% satisfaction rating
- free public exhibitions were held and provided low cost community exhibition space.

Supported the Ku-ring-gai Cultural Arts Network

Council supported the Ku-ring-gai Cultural Arts Network (KCAN), an informal group of representatives from local arts and cultural organisations and individual artists who meet at Council twice a year. The network was set up by Council to connect with local arts and cultural organisations in order to share information and resources, form partnerships for projects or events, liaise with Council, and to promote arts and culture in Ku-ring-gai. Council also supported a number of local cultural organisations, such as the Ku-ring-gai Philharmonic orchestra, by providing sponsorship funding, and other organisations through the community grants program.



Ku-ring-gai libraribus

Provided popular library services

Ku-ring-gai has four libraries at Gordon, Lindfield, Turramurra and St Ives local centres. The libraries are extremely popular and well used community facilities, providing a comprehensive range of services to residents and hosting a vast array of popular events and programs for people of all ages during the year. During 2012/13, Ku-ring-gai libraries were visited by 563,557 people who borrowed 894,485 items. Highlights for 2012-2013 included:

- over 3,000 children attending the Rock 'n' Tales story time for children
- 1,254 children (babies up to 36 months) attending rock-a-bye and 2,919 children attending Rock 'n' Rhyme sessions.
- about 1,390 people attended Author Encounters sessions over the year
- more than 200 people attending the War Hero talk at St Ives for Anzac Day
- fully booked seniors week 'internet for seniors' course and library tours
- weekly story-time sessions to cater for children of various ages.
- 170 children attending the library's Rock 'n' Tales story-time sessions with the Ku-ring-gai Philharmonic orchestra
- launch of the Little Bang Science Discovery Club in late 2012
- replacement of the old library bus, the 'libraribus', with a new wheelchair

accessible bus. This service provides a free door-to-door transport service to our library for local and less mobile residents to provide them with an opportunity to select books, DVDs and music, and also go to the grocery store, post office and local shops. We deliver this fantastic service to around 65 people each week.

- continuation of the Home Library Service which provided service to over 180 individual clients who are no longer able to physically leave their homes.

Refurbished the Gordon Library

Ku-ring-gai's four libraries were established many years ago, before the development of the computer technology that we use today and ahead of the population growth that has occurred in Ku-ring-gai over the last 10 years. While technology upgrades and services at the libraries have kept pace with change existing library services are operating at capacity and overall facilities are in need of upgrades.

Work on Stage 2 of the Gordon Library refurbishment commenced in late 2012. This project will deliver a fresh, modern space that will better meet the diverse information needs of our community, including more space for study and recreational reading and an improved customer service experience. Stage 2 is expected to be completed in late 2013.

Looked after our generational needs

Ku-ring-gai Council provides support for all members of our community by offering a wide selection of services catering to all ages, from young children, teens and families to our senior members of the community. We also provide support to members in our community that require specialised services such as new migrants, people with disabilities and parents with teenagers.

Provided quality children's services

About 16% of our population is currently 12 years or under. To cater for this relatively large group we offer a wide selection of child care and school holiday services and health services. Key services provided in 2012/2013 were:

- Council's Thomas Carlyle Children's Centre and Family Day Care services which achieved utilisation levels of 97% with high satisfaction ratings. Both services are in the process of preparing for external review and evaluation under the National Standards.
- School holiday activities – extensive range of safe, affordable and quality care for their children during school holiday periods.
- Vacation Care – a very popular program which operated on an average of 98% capacity, with a total of 6,609 attendees.
- Bushkids - School holiday environmental activities for kids and toddlers who love nature, all held at Ku-ring-gai's Wildflower Garden.



Bushkids program, Ku-ring-gai Wildflower Garden



Top: Mural at Allan Small Park Left: Youth Forum Above: Droppin' Hammers skate competition

Supported our young people

Young people aged 12-17 years make up 10.1% of Ku-ring-gai's total population (or 11,036 people) much higher than across Greater Sydney at 7.4% of the population. We provide a variety of services for this dynamic age group and have worked very hard in a number of areas to connect, engage and listen to our younger members of the population. Youth services organised over 410 different workshops and programs during 2012/2013 attended by over 8000 young people.

Key achievements in 2012/2013 included:

■ Youth Strategy

We completed research and consultation for the preparation of a new youth strategy that will guide future Council youth programs. The strategy will be completed in 2013/2014.

■ Youth centre programs

Council operates three successful youth centres in Gordon, St Ives and Turramurra where local teenagers are always welcome to drop in for a chat, study or just hang out. We also operate one of the most comprehensive youth programs in Sydney out of these centres. Services that are offered included youth workshops, annual Fitz band competition, Fitz recording studio, school holiday program, youth support programs and youth outreach programs.

■ Youth summit and youth forums

Council is committed to ensuring younger residents of Ku-ring-gai have a voice and are included in our decision-making process. A Youth Summit had over 100 school-aged children expressing their views on local issues and a Youth Forum had 165 attend and focused on the important issue of mental health and how it affects young people.

■ Public art program for youth

We coordinated two murals to be painted last year in Allan Small Park, Killara and Auluba Oval, Turramurra. Groups of young people were selected and then partnered with an adult artist who mentored them to develop and paint an artwork on these selected walls.

■ Parent forums

We provide a very successful series of Parent Forums for parents connecting them to issues facing teenage children. Last year, in partnership with Ku-ring-gai Youth Development Services, we held six parent forums with a total of 542 people attending. The aim is to provide guidance, create a dialogue, as well as providing a powerful support network for parents who are in similar positions.

Supported our seniors

With over 23.1% of our population 60 years and over, our seniors make up a very important section of our community. In response to the needs of this group we provide a range of activities, events and services to keep seniors in our community well looked after, active and fulfilled. Highlights of 2012/2013 were:

- Preparation of an Ageing Strategy following feedback we received from the wider community, seniors and service providers. The strategy will be completed in 2013/2014.
- A highly successful Spring into Action program which offers educational experiences, guided tours, half-day or full-day tours, coach trips and overnight explorations to locations throughout Sydney and beyond for residents aged 55 years and over. Last year there were 11 events with a total of 388 places filled.
- The annual Seniors Festival, which extends seniors week to a month long festival during March. Residents enjoyed over 35 free or low-cost events throughout Ku-ring-gai, and achieved high levels of participation across all our events.
- Presentation of Mayoral Awards to senior individuals and groups in Ku-ring-gai who have made an outstanding contribution to the community.
- Highly popular themed cooking classes provided as part of the HEaRT for seniors program to promote healthy eating.
- 153 seniors attending 8 functional fitness classes to prevent falls and improve overall health



Seniors week excursion

Key Achievements in 2012/2013

- Commenced work on stage 2 of Gordon Library's major refurbishment.
- Distributed over \$110,000 in grants to help fund various community group projects.
- Over 38,500 people attend very successful major events program.
- Purchased a new wheelchair-accessible libraribus.
- Over 8000 young people attended 410 different workshops and programs.
- Strengthened community groups through workshops and small grants
- Completed research and consultation for a new ageing strategy and youth strategy.
- Increased participation in active health and fitness programs.
- Commenced planning for new community spaces in Lindfield local centre.

Our Challenges in 2012/2013

- Addressing the need for new local parks and upgraded recreational and sporting facilities for a growing and changing population.
- Increasing numbers of children, young people and seniors are placing extra demands on community services and facilities.
- Many of Council's community buildings are old and in need of upgrades to meet the changing needs of the population.
- Council's existing library services are reaching capacity due to their popularity and the limitations of existing older library buildings.
- Mental health is a growing issue across the population. Forums were held in 2012/2013 targeted at young people, men and older age groups.

The year ahead In 2013/2014 we will:

- Complete Gordon Library Stage 2 refurbishment.
- Plan for a new library in Lindfield Local Centre.
- Plan for new community spaces in Lindfield Local Centre.
- Continue development of new and upgraded local parks and sporting facilities.
- Complete and implement an ageing strategy and youth strategy.
- Maintain our important active health and fitness programs tailored to different age groups.
- Maintain a focus on mental health.

Summary of performance for 2012/2013
COMMUNITY DEVELOPMENT



QBL trend analysis – key performance indicators

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

The following table indicates our performance for key 'social' indicators for the 2012/2013 year, under this activity, compared to the previous four years.

| Measure | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|--|---------|---------|---------|---------|------------------|------------|
| Major events attendance | 20,000 | 30,000 | 15,235 | 25,540 | 38,500 | Increasing |
| Vacation care | 4,500 | 4,480 | 4,500 | 6,007 | 6,609 | Increasing |
| Wildflower Garden visits | 5,381 | 5,350 | 5,380 | 9,434 | 12,384 | Increasing |
| Library visitors | 659,587 | 681,760 | 655,750 | 581,441 | 563,357 | Stable |
| Library loans | 926,606 | 964,492 | 957,578 | 907,712 | 894,485 | Stable |
| YourTutor customers | 1,039 | 5,601 | 698 | 642 | 311 ^A | Decreasing |
| Customer service requests received | 35,501 | 38,083 | 28,669 | 25,208 | 23,679 | Decreased |
| Student Resource Centre visits (Gordon) | 7,794 | 3,418 | 8,833 | 3,138 | 8176 | Increasing |
| Utilisation rate of Council's Family Day Care service and Thomas Carlyle Children's Centre | 94% | 94% | 95% | 95% | 93% | Stable |
| Environmental volunteers | N/A | 850 | 850 | 800 | 764 ^B | Decreased |
| Seniors' Week Program | 700 | 1,300 | 1,700 | 2,109 | 2,017 | Stable |
| Immunisation | N/A | N/A | 521 | 539 | 468 | Decreased |

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

A – YourTutor numbers have declined due to students' increasing use of alternative study assistance opportunities such as the internet.
B – Council actively promotes and supports volunteering through many of its community and environmental programs and recognition events. In 2012/2013 there were an estimated 350 volunteers directly involved in community service

based projects and 764 active bushcare volunteers. A further 6,500 residents are engaged in Council's environmental education programs and communications. These estimates relate to specific community projects and programs and do not include volunteering activities undertaken by residents for many other community service related organisations or the numerous sporting organisations in Ku-ring-gai.

Achievement of Operational Plan Key Performance Indicators (KPIs)

The annual Operational Plan sets out performance indicators and targets under each service area. The following table indicates our performance for those indicators in 2012/2013 under this activity.

| Service | Key Performance Indicator – 2012/1013 | Target | Result |
|----------------------------------|---|--------|--------|
| Aged care and disability | Priority actions from the Disability Discrimination Act Action Plan completed | 90% | 100% |
| | Increase in participation in seniors program | 10% | 13% |
| | Satisfaction with seniors' community education programs | 85% | 96% |
| Art centre | Student enrolment in Ku-ring-gai Art Centre programs | 90% | 92% |
| Community programs | Enrolment at vacation care centres and school holiday programs | 80% | 95% |
| | Capacity enrolment of Spring into Action activities | 70% | 98% |
| Library services | Acquisitions budget spent | 100% | 100% |
| | Satisfaction with library services | 70% | 80% |
| Cultural development | People attending events (Festival on the Green event only) * | 15,000 | 25,000 |
| Community facilities and halls | Capacity participation in Active Ku-ring-gai program | 90% | 93% |
| | Permanent and seasonal allocation of community and sporting facilities completed within agreed timeframes | 100% | 100% |
| | Leases and licensing of community properties are consistent with Council policy and procedures | 100% | 100% |
| Children services development | Achieve utilisation of Family Day Care and Thomas Carlyle Children's Centre | 90% | 93% |
| Family day care | Achieve utilisation of Family Day Care | 90% | 96% |
| Thomas Carlyle children's centre | Achieve utilisation of the Thomas Carlyle Children's Centre | 90% | 93% |
| Youth services | Participants in Youth Services activities | 5,000 | 7,490 |

Note * - An estimated 38,500 people attended Council's major events program including the Australia Day celebrations, Festival on the Green, Festival of Wildflowers, Twilight concerts and the Guringai Festival. An estimated 45,000+ people attended all events shown on Council's Social Calendar on page xx of this report.



Festival on the Green, May 2013

The following tables provide a summary of key capital and operating projects completed or progressed by Council during 2012/2013.

COMMUNITY DEVELOPMENT

Key projects completed in 2012 -2013

| Project | Date completed | Council funding | Source of Council Funds* |
|---|------------------------|-----------------|-------------------------------------|
| Guringai Festival | July 12 & June-13 | 100% | Infrastructure & Facilities Reserve |
| Festival on the Green | May-13 | 100% | General Fund |
| Twilight Concerts | September & October-12 | 100% | General Fund |
| Australia Day celebrations | Jan-13 | 100% | General Fund |
| New wheelchair accessible Librarius | Jun-13 | 100% | General Fund |
| Ku-ring-gai Wildflower Festival | Aug-13 | 100% | General Fund |
| Capture Ku-ring-gai Photography Competition | Sep-12 | 65% | Environmental Levy General Fund |
| Welcome Basket sponsorship and new residents morning teas | Jun-13 | 100% | General Fund |
| Festival on the Green Sustainability Initiatives | May-13 | 70% | General Fund |
| Youth Summit | Nov-12 | 100% | General Fund |
| Social Isolation training package | Apr-13 | 100% | General Fund |
| Crime prevention - murals to stop graffiti | Apr-13 | 100% | General Fund |
| Parent forums - in partnership with KYDS | Jun-13 | 100% | General Fund |
| Seniors Week Festival | Mar-13 | 100% | General Fund |
| Seniors Seminars | Jun-13 | 100% | General Fund |
| Spring into Action | Jun-13 | 100% | General Fund |
| Youth music events | May-13 | 100% | General Fund |
| Capacity building workshops | Dec-12 | 100% | General Fund |
| Ku-ring-gai Community Grants - in partnership with Turramurra and Lindfield Community Bank branches | Nov-12 | 50% | General Fund |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

Key projects progressed in 2012/13

These projects will carry over to 2013/14 or later years

| Project | % Completed | Council funding | Source of Council Funds* |
|--|-------------|-----------------|--|
| Gordon Library refurbishment | 3% | 33% | Section 94 Funds, Infrastructure & Facilities Reserve |
| Ageing Strategy | 95% | 0% | 100% Grant Funded |
| Youth Strategy | 95% | 100% | General Fund |
| Chinese and Korean community programs - partnership with migrant resource centre | 10% | 100% | General Fund |
| Signage style manual | 80% | 100% | General Fund |
| Social Media | ONGOING | 100% | General Fund |
| Lindfield Community Hub | 5% | 100% | Section 94 Funds |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.



Urban environment



About this principal activity

This activity is about ensuring that all of our community assets are maintained, enhanced and managed effectively to meet community needs and standards within our available resources.

Services provided under this activity:

- ▶ Engineering design
- ▶ Civil works and maintenance
- ▶ Drainage works and maintenance
- ▶ Traffic and transport
- ▶ Building asset works and maintenance
- ▶ Open space projects
- ▶ Landscape design
- ▶ Parks and sportsfield works and maintenance
- ▶ Bushland maintenance
- ▶ Tree preservation and maintenance
- ▶ Fleet management
- ▶ Waste management and recycling
- ▶ Emergency management

QUICK FACTS

- We look after 2 regional parks (Bicentennial Park and the St Ives Showground), 15 district parks, 191 local parks, 8 railway gardens, Council gardens and landscaping within 19 business centres; laneways and traffic calming devices.
- We maintain over 300,000 street trees in Ku-ring-gai
- We maintain and manage 71 tennis courts and 51 sportsfields
- Over 36,000 people from 37 sports clubs used our sportsfields in 2012/2013
- We maintain 1,100 hectares of bushland reserves
- We manage 44km of fire trails and 24.5km of asset protection zones on the bushland / urban interface
- Council spent nearly \$7 million upgrading roads in 2012/2013

What we achieved in 2012/2013

We delivered two major capital works projects in 2012/13 with the construction of a new Council depot for our operational staff and a new headquarters for Ku-ring-gai's Rural Fire Service and State Emergency Services.

Completed a new work depot

Council officially opened its brand new work depot at 5 Suakin Street, Pymble during 2012/2013.

The new state-of-the-art work depot has enabled 170 operations staff to be located in one area with significant operational efficiencies. The cost of construction of the new depot was approximately \$19 million and was funded from the sale of the old depot site.

Key outcomes from the project include: overcoming site constraints to achieve optimum use, installation of noise mitigation walls, solar-power electricity, rainwater wash down bays and onsite water detention, state-of-the-art training rooms, undercover parking for all cars and state-of-the-art security system.

During construction of the new depot, an extensive amount of asbestos fragments were found in the fill material on the site. Research and prior investigation of the site did not reveal the contamination. While some was found in the geotechnical bores, the extent of the contamination was not apparent until excavation of the site commenced. This created a major issue for construction of the new depot and the health and welfare of the workers on the site. An asbestos removal plan was prepared and followed during construction.

Since opening, the new depot has been visited by other councils undertaking similar projects.



New Council depot, Suakin Street, Pymble





Unveiling of plaques at the opening of the new emergency services station

Completed new Emergency Services Headquarters

New headquarters for Ku-ring-gai's Rural Fire Service and State Emergency Services were completed in 2012/2013 at Golden Jubilee Field, North Wahroonga. The headquarters replaced the old bases for the two emergency service organisations.

The completion of the new headquarters, at a construction cost of \$3.6 million, has doubled their usable floor and garage space. The new state-of-the-art buildings feature the latest technology in emergency management including updated audio and visual technology to enable improved strategic planning, intelligence gathering and responsiveness. New training and meeting rooms also act as a training centre for up to 200 volunteers from the two organisations. New facilities include offices, meal preparation rooms, amenities, undercover vehicle parking and storage areas that now enable improvement of the volunteer emergency services to assist in their response and management of emergencies.

Council contributed \$2.6 million and managed the entire construction project.

Strategically managed our assets

In June 2013, Council adopted its first Resourcing Strategy, which comprises the Long-term Financial Plan, the Asset Management Strategy and the Workforce Strategy. These Integrated Planning and Reporting documents are now aligned with the Community Strategic Plan and underpin Council's commitment to progressing the long-term objectives of our community.

The re-valuation of Council's buildings and operational land, as required by the Division of Local Government was also completed in June 2013, and the revised information is incorporated into Council's annual financial statements and statutory reports. Whilst training continued for Council staff to ensure that asset data and information is captured accurately and reliably in our financial and technical asset registers.

Council applied to IPART for an extension of the Infrastructure Levy for a further five years and only obtained a one year extension. While this provided an additional \$2.6 million in 2013/14 for the renewal of our local roads we now need to apply for a continuation of the levy to ensure our roads improve over time and continue to bring them up to a good standard. Without the funding provided through the levy our roads will deteriorate over time and this will impact on funding levels for other priority assets.



Completed a major infrastructure asset works and maintenance program

Council is responsible for the asset management and maintenance of all built community assets including roads, footpaths, drainage, parks, sportsfields and buildings.

During 2012/2013 we completed a major program of infrastructure works and maintenance which was partly funded by the Infrastructure Levy. Works included the following:

Roadworks

- 5950m² of heavy road patching, including Warrangi Street and Kissing Point Road. (17 streets in total)
- 4040m² of road shoulder asphaltting, including Moona Parade and Westbrook Ave (14 streets in total)
- 110,000m² or 16.2 km of road pavement rehabilitation/resurfacing

Footpaths

- A total of approximately 1,800 linear metres of new concrete footpaths were constructed; The main streets included: Malga Avenue and Griffith Avenue, Roseville Chase; Lynbarra Avenue, St Ives; Eastern Arterial Road, Killara; Handley Ave, Turramurra and a section of Mona Vale Road, St Ives
- 4305m² of asphalt footpath reconstruction, including Dudley Ave and Shirley Rd (12 streets in total)
- 760m² of concrete footpath reconstruction including also 1452m of trip edges ground.(26 streets in total)



A footpath upgrade for Lucinda Avenue was delayed due to a reallocation of funding for other footpath works.

Drainage

- Works were completed for 41-43 Eastgate Road to address high overland flow impacts.
- Minor drainage works were completed across Ku-ring-gai.

There are continuing difficulties in dealing with public utility authorities in the restoration of Council's roads and footpaths to ensure permanent restoration works are done to Council's standards and satisfaction. During 2012/2013,

we will be pressing Public Utility Authorities to establish a Memorandum of Understanding between Council and the Authorities to ensure road and footpath restoration works are completed to Council's standards.

Over the last few years street lighting costs have been rising in excess of rate pegging. We are investigating opportunities to access technology improvements in street lighting that results in energy reduction and savings in expenditure, as well as savings from collective bargaining under the Street Lighting Tender.



Existing Maharratta Courtilage Park

Revitalising our shopping villages and neighbourhoods

Renovated West Pymble Philip Mall

We completed a renovation of the West Pymble Philip Mall in December 2012. Extensive consultation was undertaken with the community and retailers in the development of the plans, which aimed to make the area a much more pleasant place to shop and to support the local economy. The renovation included:

- improved paved areas for safe and accessible pedestrian circulation
- increased outdoor cafe areas
- new garden areas with mature transplanted camellias and seasonal plantings
- new furniture - seats, accessible picnic tables and benches, litter bins and bike racks
- water and energy-saving measures
- an open central space for small community events
- Two covered walkways that provide all weather access between the shops
- Energy-efficient LED pedestrian lighting.

Council carried out a post-construction survey of residents, shop operators and visitors to the mall to gauge their opinions on the recently completed upgrade works. The survey was undertaken as part of our improvement process for project management and governance for Council projects and to respond to negative community reaction to the new works. Over 700 surveys were sent to residents as well as surveys of shopkeepers and shoppers, with a total of 320 survey responses being received.

The responses showed that the level of satisfaction with the upgrade was good to very good overall, with ratings of between 60-75% for most of the mall elements. Survey results showed that main concerns were with the garden character of the mall. Based on the results Council subsequently decided to carry out additional improvement works that address the specific concerns raised.

Designs for Princes Street shops, Turramurra

A new design was completed for Princes Street shops in Turramurra including an expansive public area with good accessibility and safety providing a high level of function and amenity to shops and customers. Work commenced in early 2013 on the relocation of utility services to ensure this was completed prior to the contract works commencing in order to avoid contractual delays.

Council's improvements are an opportunity to revitalise the shops with new paving, seating and landscaping. We aim to provide a better shopping experience, making it easier for people to park, shop, dine and socialise. Construction of the new design began in July 2013.

Addressed our shortage of places to play

At a regional level Sydney's North Shore has a growing population and a shortage of local parks and sports facilities, especially for growing younger age groups. Since 2009, Council has acquired over 12,000 square metres of land for new local parks and civic spaces. The land acquisitions are consistent with the Local Centres LEP 2012 and Council's Open Space Acquisition Strategy.

During 2012/2013 Council acquired an additional 4,000 square metres of land. This includes land in Lindfield and St Ives for the provision of new open space and Gordon Town Centre for new road linkages. New parks currently being developed will provide passive recreation areas for all local residents, particularly those living in new apartment buildings and within walking distance to our local centres and include Greengate Lane Park at Killara, expansion of Cameron Park at Turramurra and Caroola Park, St Ives.

We are also working closely with sports clubs and residents to upgrade and build sustainable sports grounds, playgrounds, parks, swimming pools, netball, tennis and multi-sport courts, and clubhouse facilities that provide for the needs of a changing population.

Completed upgrades to sportsgrounds and facilities

During 2012/2013 significant progress was made in Council's Strategic and Open Space Planning and Design projects. Whilst some projects have seen delays brought about through the reprioritising of activities this has allowed the community's expectations to be met both in terms of timeliness and quality.

Key achievements in 2012/2013 were:

Acron Oval, St Ives (\$600,000)

In February 2013 we completed the upgrade of Acron Oval in St Ives, which is a popular dog off-leash area, AFL and cricket ground. Being next to a national park, there were problems with dogs and balls constantly disturbing the bushland and the oval had drainage issues. Works included new fencing to protect the bushland, AFL retractable ball stop net, cricket sight screen, new sub-surface field drainage and stormwater harvesting for irrigation, new car park, new storeroom jointly funded by the local AFL and cricket clubs, awning on the clubhouse, terrace and barbecue area, landscaping, garden beds, picnic shelter and seating.

Golden Jubilee Field, North Wahroonga (\$412,000)

One of the busiest baseball grounds in Sydney, Golden Jubilee field is built on an old rehabilitated landfill site in North Wahroonga and was prone to sink holes and minor landslides. We are now implementing an adopted Masterplan over a number of years, which improves the safety of the grounds as well as adding great new features. Works completed in 2012/2013 included:

- Two senior and six junior baseball diamonds
- Recycled leachate irrigation system and storage tank
- Installation of dugouts and scorers' shelters
- Barbecue shelter

Warrimoo Oval Clubhouse and Surrounds, St Ives (\$600,000)

We completed construction of a new community hall and clubhouse. We also constructed a barbecue area, stormwater drainage connection, accessible path and entry, upgraded the car park and landscaped the area. The project is a community partnership with St Ives Football Club, who funded the stainless steel kitchen in the new building. They also replaced the kitchen and roof in their old clubhouse before moving out, which is a great asset for the new tenants, the St Ives Girl Guides group. The Warrimoo Oval clubhouse project was jointly funded by a \$150,000 grant from the NSW Government's Community Building Partnership, Council and St Ives football club.

10 Tennis Courts refurbished (\$330,000)

As part of our annual sports courts refurbishment program, we re-surfaced 10 tennis courts across four locations, including six acrylic surface courts and four synthetic grass courts.

Cricket pitches upgraded at Primula Oval and Barra Brui Oval (\$40,000)

In partnership with the North Shore Junior Cricket Association and Northern Suburbs Cricket Association, we upgraded the cricket pitches at Primula oval, Lindfield, and Barra Brui Oval, St Ives. The new synthetic pitches have been made longer and wider to cater for all ages and allow all-weather play. The projects were equally funded by the two cricket associations and Council.

Jubes Mountain Bike Park upgraded

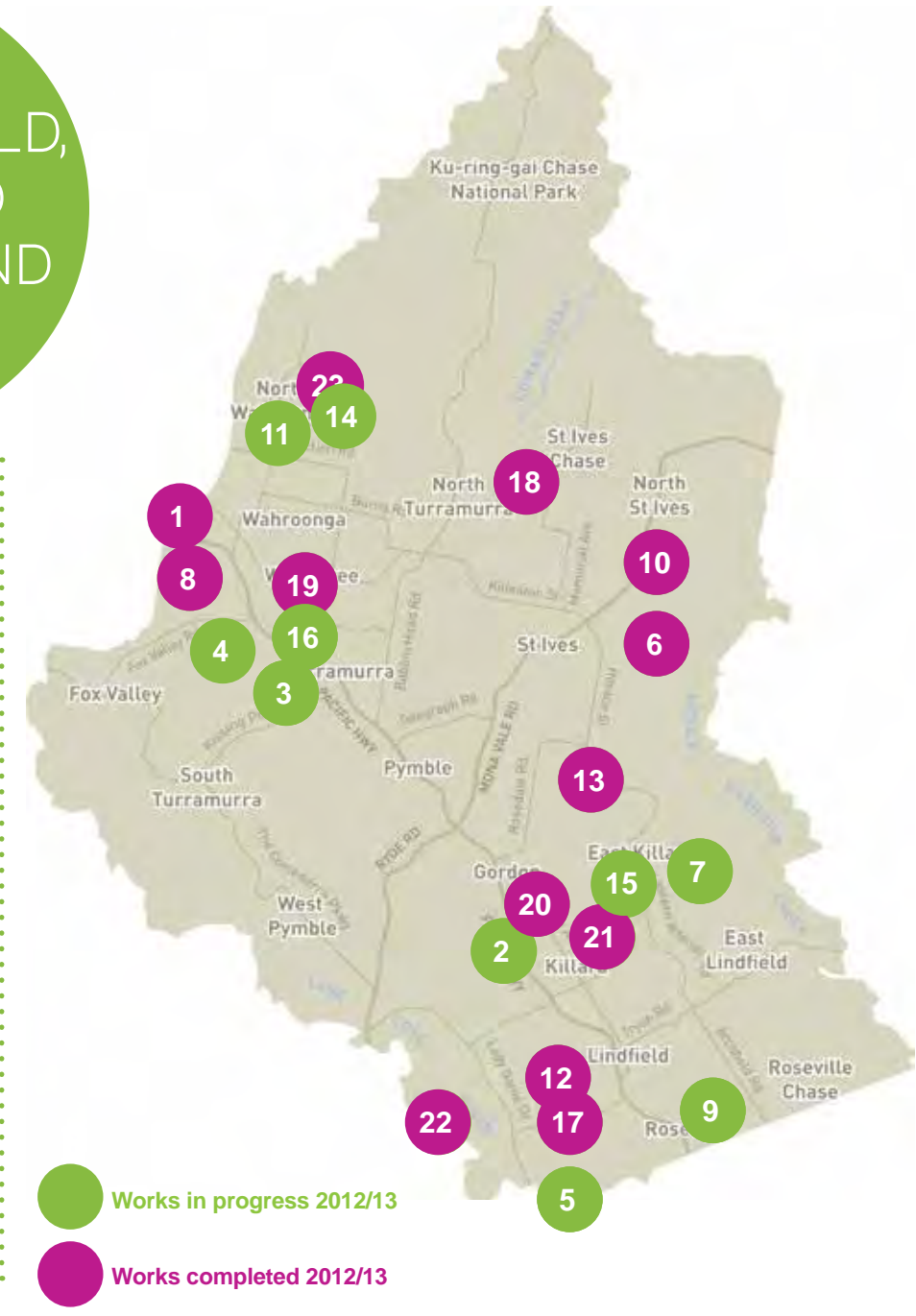
In 2011/12 we constructed a Mountain Bike Park in Golden Jubilee fields, Wahroonga. The park proved so popular that we needed to upgrade it in 2012/13. The upgrade works were completed in June 2013 and included new state-of-the-art smooth single track and a pump track with two definite sections, one for beginners and one for skilled cyclists, turfed large areas to reduce erosion, installation of a tap to keep riders hydrated and new signage.



Warrimoo Oval Clubhouse

SPORTS FIELD, PARK AND PLAYGROUND WORKS

1. Balcombe Park
2. Bruce Avenue Park
3. Cameron Park extension
4. Mahratta Curtilage Park
5. UTS Lindfield
6. Acron Oval
7. Allan Small Park
8. Archdale Park
9. Bancroft Park Playground
10. Blackburn Reserve Playground
11. Cliff Oval
12. Primula Oval
13. Barra Brui Oval
14. Golden Jubilee Field
15. Koola Park
16. Turramurra Memorial Park and Karuah Park
17. Two Turners Reserve
18. Warrimoo Oval
19. Turramurra Memorial Park Tennis Courts
20. Gordon Recreation Ground Tennis Courts
21. Killara Park Tennis Courts
22. Queen Elizabeth Reserve Tennis Courts
23. Jubes Mountain Bike Park



Works completed or in progress in 2012/13



Jubes Mountain Bike Park

Created new and upgraded playgrounds

During 2012/2013 we completed:

Balcombe Park, Wahroonga – a new park (Acquisition \$1,600,000; embellishment \$220,000)

Providing a green sanctuary to new apartment dwellers in the area, the 980m² Balcombe Park at Woonona Avenue, Wahroonga was officially opened in November 2012. Set in front of the State Heritage-Listed house, The Briars, the park design reflects the original open character of the site and reveals views to the historic residence.

Two Turners Reserve, Lindfield - upgraded (\$230,000)

In March 2013, we completed the upgrade of the playground at Two Turners Reserve in Lindfield, including a circular fire pit, new footpath and a rain garden to assist with runoff and drainage.

Blackburn Reserve Playground, St Ives - upgraded (\$83,000)

We completed the upgrade of the Blackburn Reserve Playground in December 2012. It is an environmentally sensitive site adjacent to Garigal National Park that is frequented by lyrebirds. The playground was expanded with new equipment and softfall, retaining walls, seats and an interpretive sign.

Archdale Park, Wahroonga - upgraded (\$27,000)

Surrounded by Neringah Hospital and Wahroonga Post office, this popular park received a much-needed upgrade including a wheelchair-accessible picnic shelter and chessboard to entertain hospital patients.



North Turramurra Recreation Area

Progressed new and upgraded recreational facilities

A number of other major recreational and sporting projects and upgrades were progressed during 2012/2013.

West Pymble Aquatic and Fitness Centre

The \$15 million indoor aquatic centre, located within Bicentennial Park at West Pymble, is close to being finished and will open in early 2014. Some delays have occurred in construction due to early inclement weather and latent site conditions requiring the redesign of some components around the on-site detention and rainwater tanks.



West Pymble Aquatic and Leisure Centre under construction

North Turramurra Recreation Area

We are remediating an old disused waste tip and landfill site next to our North Turramurra Golf Course to create a new \$24 million sports precinct which will provide much-needed sports facilities for Ku-ring-gai. Physical works progressed well in 2012/2013 with the sewer treatment plant completed, water storage dam integrated, telecommunication tower relocated and new golf hole constructed. The project is scheduled for completion in 2016.

Koola Park upgrade (\$3,500,000)

Works on the Koola Park upgrade project at East Killara began in May 2012 and are due to be completed in 2014/2015. The timetable for the scheduled works was extended in 2012/13 due to delayed approvals for the sewer connection, design delays and the decision to complete Allan Small Oval upgrade at East Killara before temporarily closing Koola Park.

Allan Small Park upgrade (\$900,000)

East Killara's sports precinct is getting a major upgrade to better utilise space and improve drainage and water recycling in partnership with the NSW Government and local sporting associations.

UTS Lindfield construction (\$1,000,000 Council contribution)

Ku-ring-gai's first all-weather synthetic playing field and a new community centre are being built at the former UTS Lindfield oval site and dedicated to Council as part of a voluntary planning agreement between Council and the developer of the site, Defence Housing Australia (DHA).

The oval and community centre are currently under construction and will be completed in late 2013.

Turramurra Memorial Park and Karuah Park, Turramurra (\$37,000 for design works)

Design is underway for a much needed additional activity area for older children at Turramurra Memorial Park and Karuah Park.

Cliff Oval, Wahroonga (\$37,000)

The project includes additional junior baseball facilities providing relocation of stealers baseball club activities from Golden Jubilee Field while it is being renovated.

Progress on playgrounds

During 2012/2013 we progressed new and upgraded places to play, including:

- **Bruce Avenue Park, Killara** - (Acquisition \$6 million embellishment \$1,200,000) - properties purchased and construction of new park commenced.
- **Bancroft Park, Roseville** - (\$136,000) – redesign underway.
- **Cameron Park extension, Turramurra** - (Acquisition \$6.1 million; embellishment \$1,250,000) – concept designs done.
- **Mahratta Curtilage Park, Wahroonga** (\$315,000) – designs completed
- **Masterplanning** - following adoption of the Wahroonga Park, Coonabarra Park and Mackenzie Park Landscape Masterplans during the year, detailed designs have progressed and will be ready for tendering for construction in 2013/2014.

Maintained our parks and

Open spaces

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

During 2012/2013 these areas were kept clean, safe and accessible, according to established service levels, ensuring a pleasant environment in which residents can live, work and pursue recreational activities.

Council continues to maintain its playgrounds to a high standard, achieved through a strict program of fortnightly, quarterly and annual audits of playground conditions. This proactive approach ensures that all playgrounds are compliant with the Australian Standard and the safety of users is not compromised. Our annual external audit revealed no issues requiring immediate responses.

As a result of the significant number of playground upgrades undertaken throughout the year, we are adjusting maintenance schedules to meet the changing demands generated by these works

Sportsfields continued to improve in condition with the implementation of improved maintenance programs consistent with service levels and chemical and cultural analysis of soil. We continue to work with sporting clubs and associations to reduce wear on sportsfields by managing training times and compliance with wet weather closures.

Council is also responsible for the Tree Preservation Order, tree canopy replenishment program and plant nursery, including the maintenance of over 300,000 street trees. During 2012/2013 we actioned 3185 requests for tree works on Council owned land of which 1300 were for fallen trees or branches.

Looked after our bushland and trees

The 2012/2013 bushland maintenance program was completed with all fire breaks, trails and walking tracks having maintenance works completed according to existing service levels. We managed 44km of fire trails and 24.5 km of asset protection zones on the bushland/urban interface.

The bush regeneration program, which is supplemented by Environmental Levy funds, continues to demonstrate Council's commitment to biodiversity management with improvements in resilience and species apparent at all sites receiving regeneration.

There was an 80% improvement in maintenance works for fire breaks during 2012/2013 mainly due to a grant from the Rural Fire Service. Additional fire trail concrete works were done using the \$270,000 grant from RFS.



Managed waste and litter

Managed waste

Council ensures that agreed standards of public health and public amenity are met through public place waste removal and cleansing, and the management of domestic and commercial waste and recycling services. We also provide drainage maintenance services to help prevent flooding and improve water quality, and maintain two former landfills sites to assist in environmental protection.

Council has previously resolved to participate in a regional tender for waste disposal which may identify additional measures to divert general waste from landfill. This Council already has one of the highest waste diversion rates at 60%.

Managed litter control and clearing

Contract cleaning continues for roads and main shopping centres. There were noticeable increases in dumping of asbestos and wood chipping during

the year as part of the dumped waste and litter collection. Rangers are alerted about these incidents and if possible fines are issued.

Promoted waste education and information

Community awareness of recycling, collection services and waste options is vital for us to achieve real reductions in waste.

During 2012/2013 Council's waste services were actively promoted via Council's website and quarterly newsletter. This included information relating to disposal and recovery of materials such as e-waste, chemicals, batteries, food and drink containers.

We completed 15 "Waste Watchers" waste education programs at local schools. The program includes full day workshops covering local waste issues, recycling, littering, collection services, and reuse options, composting and worm-farming.



Improved accessibility and traffic safety

Addressed traffic blackspots

Council's traffic facility works are particularly focused on works to reduce accidents. A major example of this type of work is the upgrade to traffic blackspots. During 2012/2013 'Blackspot program' works totalling \$720,000 were completed at Eastern Arterial Road, St Ives and The Comenarra Parkway, West Pymble to improve the camber of the road and prevent traffic accidents.

Delivered road safety projects

Road Safety Projects delivered in 2012/2013 included the Drink Drive Program, Pedestrian Safety Program, Learner Driver Workshops, Child Restraint Checking Days, Safety Outside Schools Program, 2013 Senior Road Safety Calendar and Speed Monitor in 40km School Zones.

Audits of four schools were completed in consultation with school communities. Where changes to on street facilities were required, reports were prepared for consideration by the Ku-ring-gai Traffic Committee.

Promoted cycling and sustainable transport

Cycling is a great way to increase fitness, is cost effective for the rider, is good for the environment and reduces the impact on Council's roads. In December 2012 Council adopted the Ku-ring-gai Bicycle Plan, which aims to increase safety for riders, introduce more cycleways and bike facilities, encourage more people to cycle and improve driver awareness of cyclists.

The plan was informed by consultation with over 600 people including local cycling groups, schools, Roads and Maritime Services and the general community through surveys and workshops.

We have begun implementing the plan and have produced a popular bike map that charts all the cycling routes throughout Ku-ring-gai including cycleways as well as popular low-traffic, flatter routes recommended by cyclists. We are also improving road markings and signage for cyclists throughout the local government area.

In Ku-ring-gai, 26% of people go to work by train, bus, bike or walk



The year ahead In 2013/2014 we will

- Seek approval for the continuation of the infrastructure levy to enable Council to improve the standard of all assets.
- Complete sports field upgrades at Golden Jubilee Oval No.2, Wahroonga, and Allan Small Oval, East Killara.
- Complete Eton Road Oval and community centre at the former UTS site.
- Complete the new park in Bruce Avenue, Gordon.
- Complete West Pymble Aquatic and Fitness Centre
- Establish a Memorandum of Understanding between Council and Public Utility Authorities to ensure road and footpath restoration works are completed to Council's standards.
- Review and adopt service levels for Council's operations to ensure effectiveness and efficiencies in our operations.
- Manage rising costs for street lighting in excess of rate pegging.

Key Achievements in 2012/2013

- Completed construction of a new council work depot at Pymble for \$19 million.
- Completed construction of new Ku-ring-gai SES/RFS at headquarters at Wahroonga for \$3.6 million.
- Acquired 4,000m² of land for local parks, new open space in Lindfield Local Centre and a road link in Gordon Town Centre.
- Spent \$1,210,000 upgrading 9 parks and playgrounds.
- Spent \$1,850,000 on upgrading sportsfields
- Completed major sports field upgrades at Acron Oval, St Ives; Golden Jubilee Oval No 1 and eleven sport courts.
- Opened new Balcombe Park in front of State Heritage-listed property in Wahroonga.
- Substantial progress made on new recreational facilities – West Pymble Aquatic and Fitness Centre and North Turramurra Recreation Area.
- Completed major roads and footpaths upgrade program.
- Completed \$720,000 Blackspot program works at Eastern Arterial Road, St Ives and The Comenarra Parkway, West Pymble.
- Achieved efficiencies from operations restructure including \$80,000 saved from contracting out street sweeping.

Our Challenges in 2012/2013

- Removal of an extensive amount of asbestos fragments from the new work depot site, requiring an asbestos removal plan during construction.
- Council's assets continue to have a funding gap to bring them up to a good condition.
- Council was granted only a one year extension to the Infrastructure Levy and will need to reapply for its continuation.
- Koola Park, East Killara upgrade delayed due to approvals required for the sewer connection, design delays and decision to finish upgrade of Allan Small Oval, East Killara prior to commencing Koola Park.
- Adjusting open space maintenance schedules to meet changing demands generated by new and upgraded parks and sport facilities.
- Continuing difficulties dealing with public utility authorities to ensure restoration of Council's roads and footpaths are to Council's standards and satisfaction.
- Managing rising costs for street lighting in excess of rate pegging.
- Footpath upgrade for Lucinda Avenue delayed due to a reallocation of funding for other footpath works.

Summary of performance for 2012/2013
URBAN ENVIRONMENT



QBL trend analysis – key performance indicators

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

The following table indicates our performance for key 'social, economic and environmental' indicators for the 2012/2013 year, under this activity, compared to the previous four years.

| Measure | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|--|-------------|-------------|--------------|--------------|--------------------------|-----------|
| Non-Aboriginal heritage sites | 711 | 765 | 1,005 | 906 | 878 ^F | Decreased |
| EPA registered contaminated land sites | 3 | 3 | 3 | 3 | 3 | Stable |
| Waste kg/resident | 198.83 | 198.37 | 196.87 | 208.09 | 202.84 ^G | Stable |
| Recycling kg/resident | 308.84 | 300.17 | 303.05 | 325.95 | 294.73 ^H | Decreased |
| Green waste kg/resident | 167.17 | 160 | 166.5 | 191.58 | 171.83 ^I | Decreased |
| Noise complaints | 693 | 160 | 362 | 382 | 140 ^J | Decreased |
| Fuel cost (\$'000') | \$609,998 | \$533,147 | \$556,872 | \$607,800 | \$587,675 | Stable |
| Roads upgraded | \$4,997,128 | \$3,464,302 | \$7,683,072* | \$6,627,090* | \$6,848,018 ^K | Increased |
| Street light maintenance (\$M) | \$1,276,423 | \$1,214,857 | \$1,797,465 | \$1,857,816 | \$1,919,023 | Increased |

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

F – The decrease in heritage site numbers is due to the redevelopment of some sites and reclassification of others.

G, H, I – Based on the estimated resident population of 116,527 in 2012.

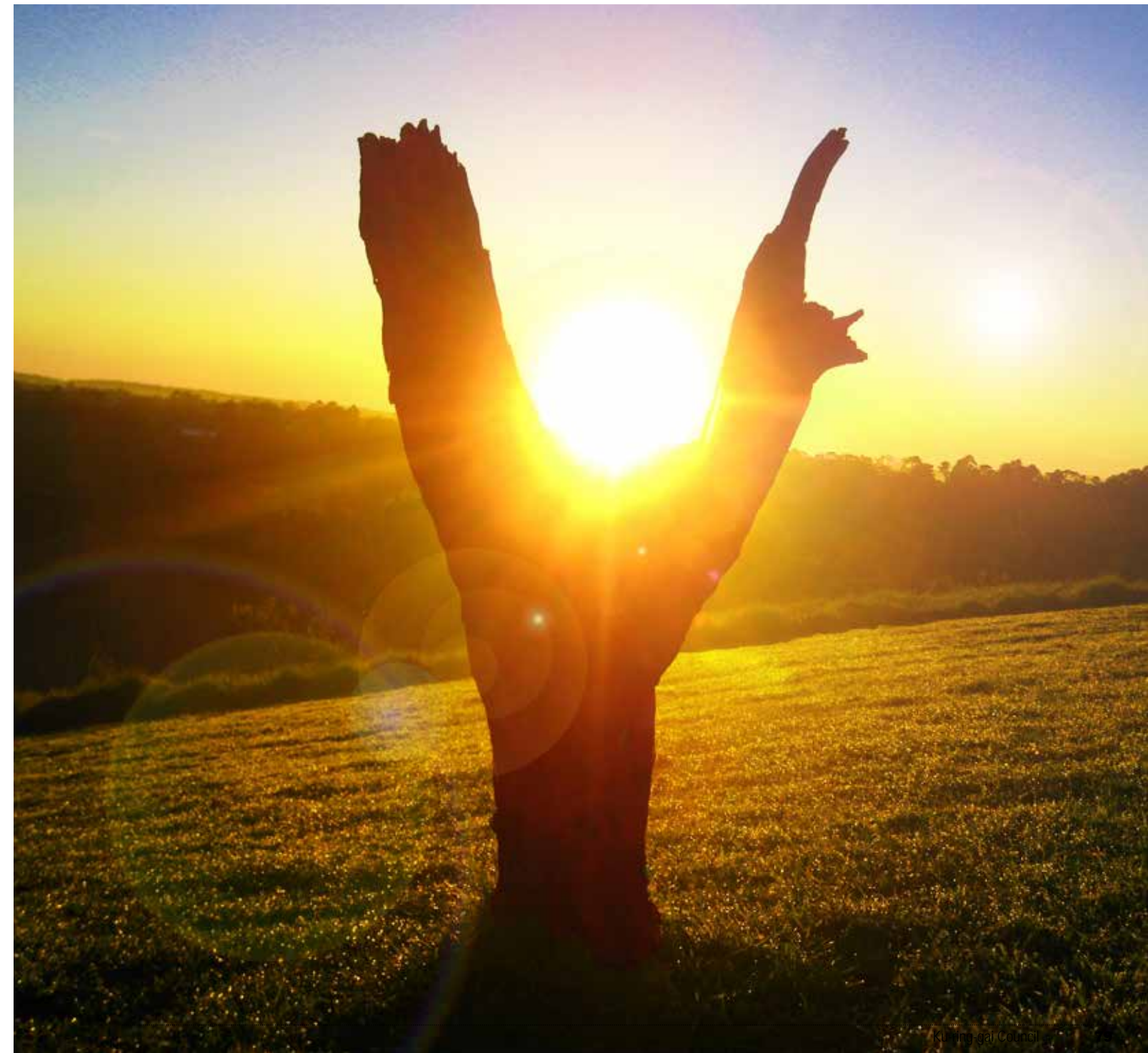
J – The reduction in noise complaints can be attributed partly to milder weather and improved measures to reduce noise generation from, for example, pool pumps and air-conditioning systems.

K – Includes Federal and State funding

Achievement of Operational Plan Key Performance Indicators (KPIs)

The annual Operational Plan sets out performance indicators and targets under each service area. The following table indicates our performance for those indicators in 2012/2013 under this activity.

| Service | Key Performance Indicator – 2012/2013 | Target | Result |
|----------------------------|---|--------|--------|
| Park Maintenance | Park maintenance program completed | 85% | 85% |
| Sportsfield Maintenance | Sportsfield maintenance program completed | 85% | 85% |
| | Tree maintenance program completed | 85% | 85% |
| Strategic Asset Management | Asset management program completed within set timeframe | 90% | 100% |
| | Funding Strategy project milestones completed within timeframe | 90% | 90% |
| Bushland Maintenance | Bushland maintenance program complete | 80% | 90% |
| Open space planning | Open space planning project milestones completed within set timeframe | 80% | 70% |
| Emergency Management | Support and management of emergency resources | 100% | 100% |



Key Operational Plan Projects for 2012/2013

The following tables provide a summary of key capital and operating projects completed or progressed by Council during 2012/2013.

URBAN ENVIRONMENT

Key projects completed in 2012 -2013

| Project | Date completed | Council funding | Source of Council Funds* |
|---|----------------|-----------------|---|
| New Council depot, Pymble | Aug-12 | 100% | Domestic Waste Reserve, New Facilities Reserve, Infrastructure & Facilities Reserve |
| New emergency services headquarters, Wahroonga | May-13 | 70% | Infrastructure & Facilities Reserve, General Fund |
| Balcombe Park, Wahroonga - new park and playground | Nov-12 | 100% | Contributions To Works, 2010 Plan – Local Parks & Sporting |
| Golden Jubilee Sportsfield, Wahroonga – rebuilt baseball fields, new bbq, new shelter and irrigation system | Mar-13 | 100% | 2004/09 LGA Wide Embellishment Work |
| Acron Oval, St Ives upgrade – major upgrade works | Feb-13 | 100% | 2004/09 LGA Wide Embellishment Work |
| Warrimoo Oval, St Ives - new community hall and clubhouse | Jun-13 | 75% | Section 94 Funds, Infrastructure & Facilities |
| Tennis court upgrades | Jun-13 | 100% | Infrastructure & Facilities Reserve |
| Cricket pitch upgrade - Primula Oval, Lindfield | Feb-13 | 46% | Infrastructure & Facilities Reserve |
| Cricket pitch upgrades - Barra Brui Oval, St Ives | Feb-13 | 47% | Infrastructure & Facilities Reserve |
| Cliff Oval, Wahroonga - baseball back nets | Oct-12 | 100% | 2004/09 LGA Wide Embellishment Work, Infrastructure & Facilities Reserve |
| Archdale Park, Wahroonga – upgrade | Mar-13 | 100% | 2004/09 LGA Wide Embellishment Work |
| Blackburn Reserve Playground, St Ives upgrade | Dec-12 | 100% | Infrastructure & Facilities Reserve |
| Two Turners Reserve, Lindfield upgrade | Mar-13 | 100% | 2010 Plan - Local Parks & Sporting |
| Bike Plan | Dec-12 | 83% | 2010 Plan - Administrative & Management |
| Jubes Mountain Bike Park upgrade | Jun-13 | 100% | Environmental Levy |
| Bush regeneration of endangered ecological communities | Jun-13 | 100% | Environmental Levy |
| Fire trail construction | Jun-13 | 100% | Environmental Levy |
| West Pymble Philip Mall improvement works | Dec-12 | 98% | Environmental Levy, Infrastructure & Facilities, Reserve |

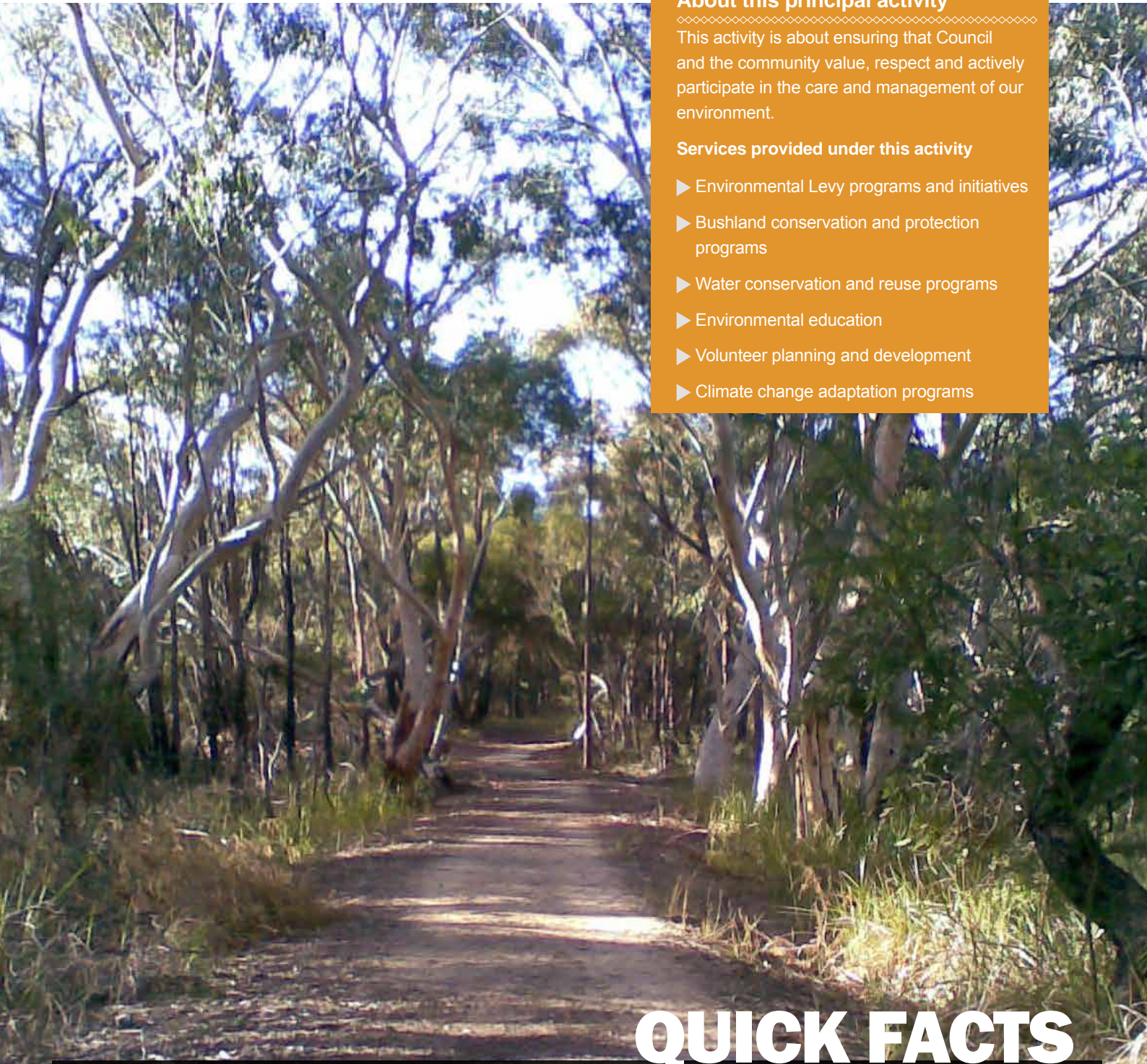
* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

Key projects progressed in 2012/13 - These projects will carry over to 2013/14 or later years

| Project | % Completed | Council funding | Source of Council Funds* |
|--|-------------|-----------------|---|
| Echo Point Park, Roseville Chase - Seawall reconstruction | 40% | 98% | Infrastructure & Facilities Reserve |
| North Turramurra Recreation Area | 40% | 93% | Section 94 Funds, New Facilities, Domestic Waste and Golf Course levy |
| Koola Park, Killara upgrade | 30% | 83% | Section 94 Funds, Environment Levy |
| West Pymble Aquatic and Fitness Centre | 70% | 100% | Infrastructure & Facilities Reserve, Section 94 Funds, Environment Levy |
| Allan Small Park upgrade, East Killara | 80% | 100% | Environment Levy |
| St Ives Village Green skate and BMX park and youth precinct | 5% | 100% | Environment Levy & Section 94 Funds |
| Wahroonga Park playground | 50% | 99% | Section 94 Funds, Domestic Waste Reserve |
| Mahratta Curtilage Park, Wahroonga | 50% | 100% | Section 94 Funds |
| Bruce Avenue Park, Killara - demolition of houses, design and construction of new park | 50% | 100% | Section 94 Funds |
| Bicentennial Park, West Pymble - club house extension, War Memorial Relocation and Disabled Access | 25% | 98% | Section 94 Funds |
| Bancroft Park, Roseville - landscape works with playground upgrade | 80% | 100% | Infrastructure & Facilities Reserve |
| Cameron Park extension, Turramurra | 25% | 100% | Section 94 Funds |
| New sportsground and community centre at UTS | 50% | 28% | Infrastructure & Facilities Reserve & Section 94 Funds |
| Lindfield 1 - Roseville 2 cycleway | 5% | 100% | Environment levy |
| B2 land subdivision - residential development | 20% | 50% | Infrastructure & Facilities Reserve |
| St John's Avenue, Gordon streetscape improvements | 5% | 100% | Section 94 Funds |
| Princes Street, Turramurra Neighbourhood Centres Upgrade Program | 70% | 73% | Infrastructure & Facilities Reserve |
| Road signs and line markings for cyclists throughout the LGA road network | 30% | 100% | Environment Levy |
| Bush regeneration - flying fox reserve | 100% | 100% | Environment levy |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

Natural environment



About this principal activity

This activity is about ensuring that Council and the community value, respect and actively participate in the care and management of our environment.

Services provided under this activity

- ▶ Environmental Levy programs and initiatives
- ▶ Bushland conservation and protection programs
- ▶ Water conservation and reuse programs
- ▶ Environmental education
- ▶ Volunteer planning and development
- ▶ Climate change adaptation programs

QUICK FACTS

- Ku-ring-gai's bushland supports 690 fauna species and over 800 plant species including 18 threatened species
- We regenerated 28.7 hectares of bushland in 2012/2013
- 764 bushcare volunteers worked at 99 bushcare sites in 2012/2013
- 6500 residents are engaged in Council's environmental education programs and communications
- The Environmental Levy contributes approximately \$2.5million annually to environmental programs and initiatives

What we achieved in 2012/2013

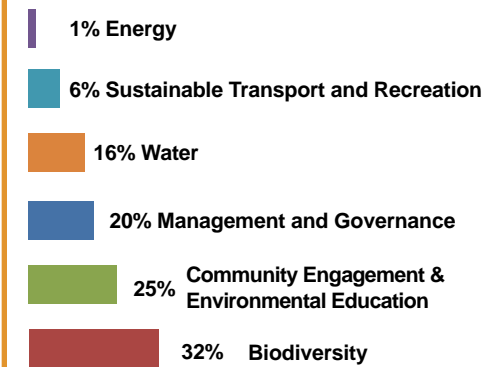
Delivered a major environmental program – Environmental Levy

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

Council's Environmental Levy contributes approximately \$2.5 million annually to environmental programs and initiatives in the following key areas:

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

A breakdown of Environmental Levy expenditure for 2012/2013 is provided in the graph below *:



* A large proportion of Council's energy funding for 2012/2013 has been diverted to 2013/2014 to facilitate the roll out of Council's building retrofit program.



In 2012/2013 Council received a total of \$594,800 in grant funds to complement the Environmental Levy program. This included specific grants for fire mitigation works; the Blackbutt Creek catchment flood study; a community fire education trailer; a walking track from Rocky Creek to Koola Park; and the Home Power Saving Program.

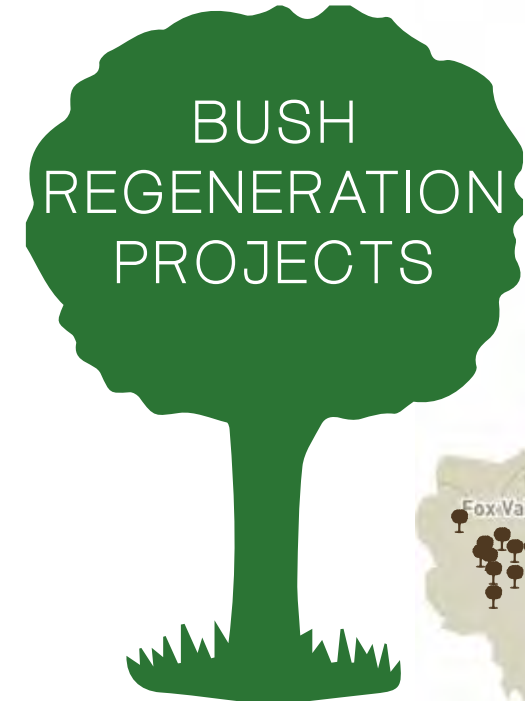
Our Environmental Levy program aims to protect and enhance our natural environment and help our community live more sustainably.



Enhanced our biodiversity

We are regenerating our bushland, implementing monitoring programs, controlling weeds and feral animals and integrating ecological protection into land use planning to protect and conserve Ku-ring-gai's significant natural assets, including more than 150 bushland reserves, nationally and state significant ecological communities and threatened flora and fauna.

Key achievements in 2012/2013:

- Supplemented Council's bush regeneration program within bushland reserves covering 68.3 hectares and containing endangered ecological communities
- Completed a comprehensive fauna survey within Coastal Upland Swamp in Ku-ring-gai Creek Reserve
- Completed a Microchiropteran bat study at Little Blue Gum Creek, Governor Phillip Reserve and installed a sculpture/bat habitat
- Delivered Environmentally Sensitive Lands (ESL) training program to over 50 Council staff.



-  Regenerated by Council
-  Regenerated by Bushcare volunteers

Reducing dumping and encroachment in our bushland

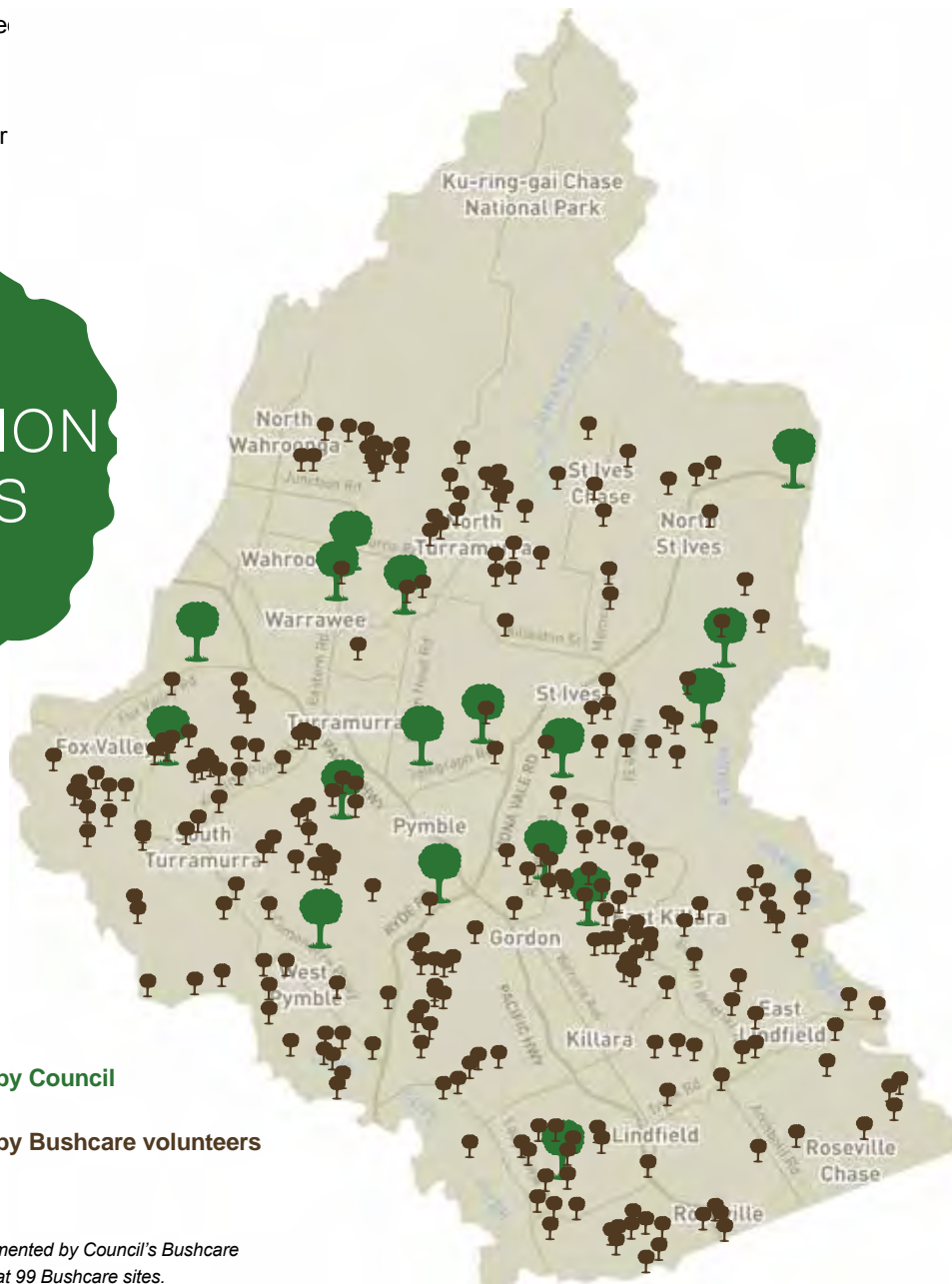
Our dumping and encroachment program reduces the impacts on our natural environment from unauthorised extensions or 'encroachments' from private properties on to Council-managed bushland reserves.

During 2012/2013 a total of 65 dumping and encroachment issues were reported, of which 14 were referred and resolved. Of the 51 issues that were investigated, all 51 were resolved. Council continues to monitor 22 of these sites for any unauthorised activity. All dumping and encroachment issues were able to be

resolved without issuing orders, notices or penalties.

Four proactive inspections were undertaken - at Blackbutt Creek Reserve (74 properties inspected, 4 issues found and resolved); Browns End Reserve (14 properties inspected, no issues found); Quarry Creek Reserve (23 properties inspected, one issue found and resolved); and Twin Creek Reserve (76 properties inspected, one issue found and resolved).

We delivered Bush Neighbours Days to educate residents who live on the bushland interface on the impacts of actions in the home and garden on local bushland.



Council's bush regeneration program is complemented by Council's Bushcare program, where 764 Bushcare volunteers work at 99 Bushcare sites.

Implemented bushfire Management programs

The management of bushfire is driven by the core objectives to protect life and property, ensure the long-term conservation of our natural assets and responsibly care for our community. We are upgrading and maintaining fire trails and breaks and conducting hazard reduction and ecological burns to reduce the risk of bushfire in Ku-ring-gai and assisting our community to prepare for bushfires.

Direct action to reduce bushfire risk

The Environmental Levy supports Council's bushfire management program (primarily delivered through Council's Open Space Services). Council manages 44km of fire trails and 24.5km of asset protection zones on the bushland / urban interface. This year Council completed major fire trail upgrade works at the Comenarra Canoon, Grosvenor Gwder (McRae access), Phillip Kitchener, and Cliff Tamar trails, partly funded through grants received from the Rural Fire Service (RFS).

Four ecological burns were completed in 2012/2013 - at Huntley's Forest, St Ives (stage 2); Bicentennial Park, West Pymble; Princes Park, West Lindfield; and the Glade, Wahroonga (totalling 1.42 ha).

The Hornsby Ku-ring-gai Bushfire Management Committee's works program for 2012/2013 identified 19 hazard reduction burns in the Ku-ring-gai LGA - 12 being the responsibility of Council. In May 2013 the National Parks and Wildlife Service (NPWS) and Council undertook a joint hazard reduction burn at Conghams Creek, West Pymble (6.544 ha of which 3.416 ha was on Council land) and two strip burns on fire breaks (0.522 ha). Site inspections and burn preparation has been undertaken on all of proposed burn sites. Other hazard reduction burns have been hampered due to unfavourable weather conditions.

Pre and post fire weeding has occurred on a number of sites to support bush regeneration efforts following burn activity for primarily ecological purposes. A total of 1,032 lineal metres of fencing has been installed to protect post-fire areas at the following sites: Huntley's Reserve; Princes Park; Canoon Ridgetop; and Yanilla Ridgetop.

Preparing our community for bushfires

Council, in collaboration with the NSW Rural Fire Service, Fire and Rescue and Hornsby Council, has developed a Community Bushfire Education Strategy that supports the district Bushfire Risk Management Plan. This is the first of its kind in NSW. The framework has been adopted by Fire and Rescue NSW in a number of other districts to inform their education programs.

The roll out of the Strategy has involved:

- A series of annual street meetings in 2012/2013 in high priority locations across Ku-ring-gai, namely: Wallalong Crescent, West Pymble; the Warrimoo catchment area, St Ives; and Catherine Street, St Ives.
- In partnership with Hornsby Shire Council, the manufacture of a custom bushfire education trailer with a multi-media capability to assist in providing residents with an interactive experience in bushfire risk management and preparedness.
- The production and distribution of a bushfire preparedness kit in CD format – funded by an NRMA Insurance community grant. The CD provides a copy of a bushfire survival plan; a collection of preparation factsheets; and key contacts and essential recovery information for people living in bushfire-prone areas.



Improved water quality and reduced water consumption

We are harvesting, treating and reusing stormwater, reducing our water consumption and conducting remediation and regeneration works to improve the condition of our creeks and waterways.

Key achievements were:

- Completion of three stormwater harvesting systems for open space irrigation (700kL capacity)
- 18,229kL of stormwater reused through Council's stormwater harvesting and reuse program
- Water audits completed at Council's key 15 facilities and on-the-spot retrofits
- Rainwater tanks installed at Philip Mall, West Pymble and West Pymble Community Hall.

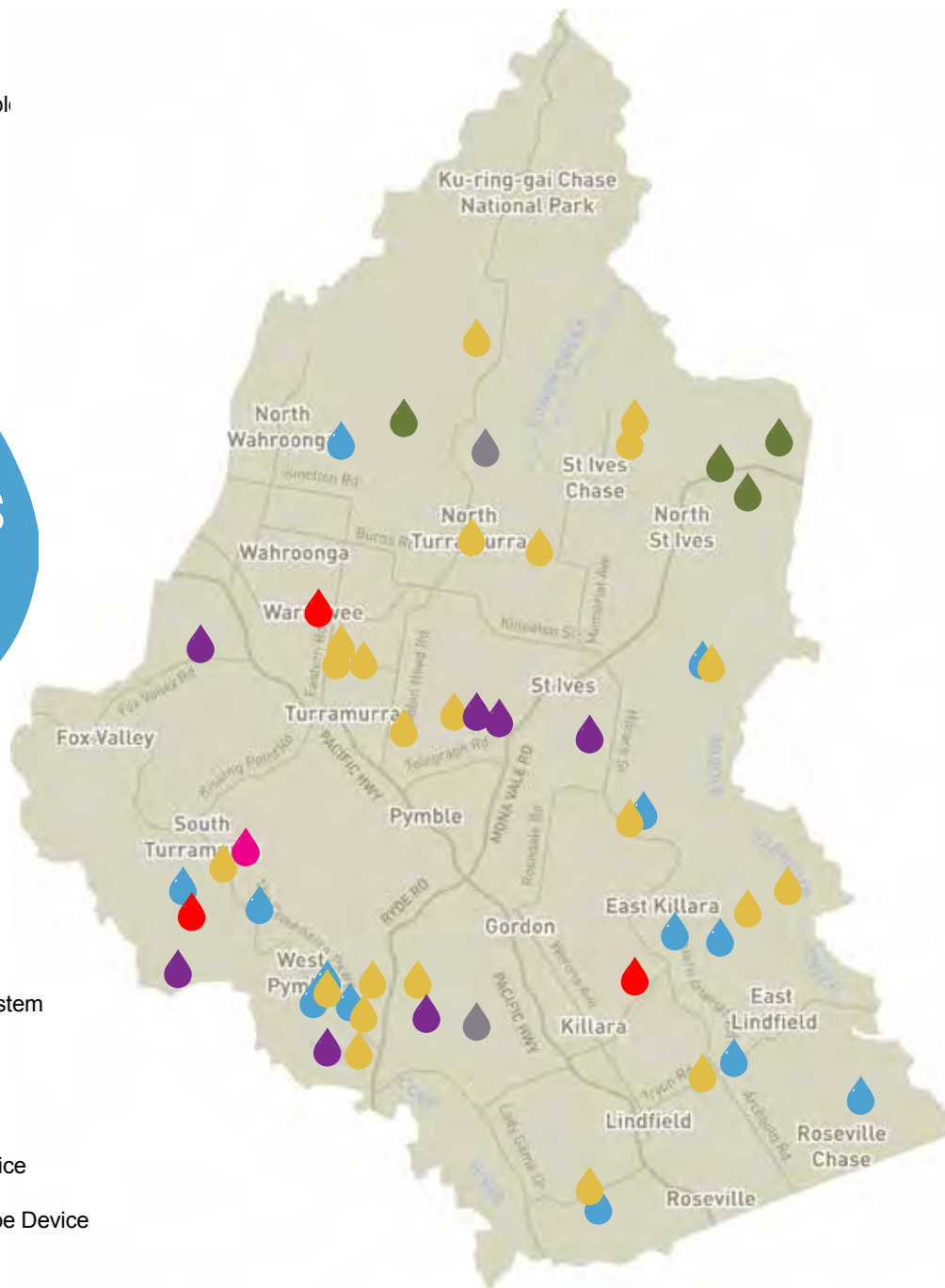
Installed water systems

A number of Water Sensitive Urban Design (WSUD) systems were designed and / or constructed in 2012/2013. At Acron Oval, St Ives, a 150kL tank was installed partially underground with a sand filter garden to filter impurities from the stormwater runoff from Acron Road. A 150kL tank was installed at Allan Small Oval, Killara, to complement the stormwater filter garden constructed the previous year. A 400kL tank was installed at Koola Park, East Killara, drawing excess water drawn from Gordon Creek. At Kent Oval creek remediation works /

stormwater treatment works and stage one of a stormwater harvesting scheme was completed. As part of a larger upgrade to West Pymble's Philip Mall, a rooftop filter garden and 20kL tank was installed for irrigation and toilet flushing. Council also installed a 5kL tank at the West Pymble Community Hall for toilet flushing. Stormwater biofiltration systems were designed and constructed at Milburn Place and Phillip Road, St Ives. Council's major water management projects completed to date are presented in the map below.



Solar panels installed at the Pymble Depot



Water saving projects in Ku-ring-gai since 2007

LEGEND

- Filter Garden
- Water Harvesting Reuse System
- Water Leachate System
- Sewer Mining
- Small Stormwater Filter Device
- Riparian Instream/end of Pipe Device
- 26 Small Pit Filter Baskets

Improved energy efficiency and reduced energy consumption

We are improving the energy efficiency of our buildings and investing in renewable energy to reduce our carbon emissions and reduce our operating costs.

Key achievements were:

- 12kW solar PV system installation at the Roseville Art Centre, expected to reduce electricity use and associate greenhouse gas emissions by approximately 25% and save \$3000 / year in electricity, bringing Council's total solar capacity to 52kW.
- Energy audits at Council's key 15 facilities and on-the-spot retrofits
- 4% reduction in energy consumption and greenhouse gas emissions for Council facilities compared to 2011/12*
- 13% reduction in energy consumption and greenhouse gas emissions for the 10 highest energy using Council facilities compared to 2011/12*.

* Excluding the 828 Pacific Highway, Gordon facility

Retrofitted our buildings

Energy and water audits conducted at 15 of Council's key facilities resulted in the implementation of on-the-spot retrofits (for example, lighting upgrades, insulation of hot water plumbing and draught stoppers), which is expected to save Council around \$7,000 a year from reduced energy and water consumption. The audits will inform Council's building retrofit program for at least the next two years.

Fostered community engagement and environmental education

Through a range of environmental programs we are helping our community to live more sustainably and to protect and preserve our environment for future generations.

Key achievements were:

- 6,500 residents engaged in Council's environmental education programs and communications
- 1,498 households receiving Council's sustainability e-newsletter
- What's On calendar distributed to 1,789 households
- 764 Bushcare volunteers working at 99 Bushcare sites
- 102,000 unique visits to Council's Envirotube.

Piloted Energy Smart program

To assist local residents to reduce their energy bills and carbon emissions, Council piloted the Energy Smart program, which involved supplying households with energy monitoring equipment and a supported energy-savings program over a three month period. During this time, each household was provided with an energy monitor, access to a user-friendly web program to track energy use in real-time and compare their daily usage, information on key energy topics and action plans, and face-to-face workshops with energy experts. The collaborative program also used an online forum to encourage participants to share experiences and ideas on tackling energy consumption. As a result of the program, participants reduced their energy use by 29%, on average, compared to the same period in 2012.



Turramurra community Garden

Piloted Water Smart program

Ku-ring-gai Council has delivered a number of projects to manage urban stormwater run-off in our local area. However, a series of catchment studies has identified that the most effective way to protect our local waterways is to partner with the local community to deliver stormwater treatment measures on both Council and private land. The Water Smart pilot program assists residents to install a rainwater tank or raingarden on their property (through workshops and rebates); to improve the health of our local creeks and to help the community save water and money.

Continued innovative WildThings program

Ku-ring-gai Council has pioneered an innovative program, Wild Things, which has connected over 600 people with urban wildlife and improved our local environment. Key outcomes from the WildThings program in 2012/2013 were:

- The distribution of Tetragonula carbonaria (a native stingless bee) hives to 65 households (250 distributed in total) to bring urban wildlife to residents' backyards
- Through the Pool to Pond program, assistance with the conversion of 14 unwanted pools (65 conversions in total) into easy-to-maintain ponds, offering a cost-effective alternative that promotes biodiversity. Switching off the pool pump and filter saves residents up to \$1,000 a year on their electricity bill and reduces toxic chemical use, and their new pond provides a source of water for garden irrigation.

Supported two community gardens

Council continues to support two community gardens in the Local Government Area - the Turramurra Community Lookout and West Pymble community gardens - through the provision of infrastructure and equipment.

Provided over \$43,000 in small grants for community environment projects

Through the Community Small Grants Scheme, Council provided 15 grants valued over \$43,000 to local community groups or individuals for environmental projects such as organic vegetable gardens, bush regeneration, weed control, wildlife rescue and fauna monitoring. Groups and individuals included bushcare and streetcare groups, a weeding project, preschools, primary and high school and community garden group. Details of the recipients and funding provided can be found on page 233 of this report.

Delivered sustainability workshops and educational events

Through Council's Walks and Talks program, residents were invited to attend a range of events including: natural cleaning workshops; tick talks; vegetarian cooking classes; gardening workshops; nature walks; and movie nights. Key events held in 2012/13 were:

- National Tree Day at Allan Small Park, East Killara, with a barbecue, tree planting and sport activities.
- Earth Hour bicycle-powered movie event at St Ives Village Green, involving a star-gazing activity and screening of the animated film *The Lorax*, which brought home the message about caring for the environment. The activities were powered solely on the electricity generated by attendees cycling on stationary bikes.

Initiated North Shore Food Waste Challenge

Council secured a NSW Environmental Trust Love Food Hate Waste grant to deliver a regional community food waste avoidance education program in partnership with our two neighbouring councils (Hornsby Shire and Willoughby City Council) and the Nature Conservation Council of NSW. The behavioural change program aimed to increase residents' awareness on the environmental impact of food waste and to reduce the amount of edible food going to landfill. A total of 45 Ku-ring-gai residents participated in the Challenge and were actively engaged in four practical workshops. Information was delivered to nearly 600 people through two launch events and a pilot online social networking tool, The Common Table. In addition, 14 Food Waste Champions nominated themselves to educate the wider North Shore community on food waste avoidance. An evaluation survey found that participants reduced their food waste substantially, on average by 2kg per week.

Provided free personalised sustainability advice

As part of Council's Greenstyle Program, we visit residents at their home to provide free, personalised sustainability advice. After the visit, residents are given a range of recommendations to save energy and water and reduce waste in their homes, as well as improve biodiversity in their backyard. We encourage residents to use our Climate Clever Shop, a website platform with reliable information on a range of quality discounted solar hot water, rainwater tank, heat pumps and solar PV products, all available from local suppliers.



Backyard pool revitalised into a nature-enriched

Promoted sustainable transport and recreation

We are improving Ku-ring-gai cycleways and promoting sustainable transport options, as well as providing recreational opportunities for our local residents.

Key achievements:

- Completion and implementation of Ku-ring-gai Bicycle Plan
- Upgrade of Jubes Mountain Bike track.

For further details of these projects see the 'Urban Environment' section of this report on page 76.

Launched sustainability brand

This year Council developed a sustainability brand, Loving Living Ku-ring-gai, to encompass the range of environmental and sustainability initiatives available to the community.

The development of this brand responded to Council's and the community's vision, values and objectives around sustainability. The brand represents the community's strong sense of place - not only do they appreciate the natural environment (loving), they are also immersed in it and determined to protect it (living). This brand has been incorporated into the promotion and delivery of all of Council's sustainability programs and initiatives.

Partnered to deliver Sustainability initiatives

We work in partnership with local businesses, universities and councils to deliver a range of sustainability initiatives and research projects.

Better Business Partnership

The Better Business Partnership (BBP), a collaboration between Willoughby, Ku-ring-gai, Lane Cove and North Sydney councils is an engagement, ratings and recognition program that works with business owners, commercial building owners and business precincts to help them to improve their sustainability performance. In 2012/2013 Council assisted 89 local businesses to achieve tangible outcomes in the key program areas of energy, waste, water, community support, sustainable purchasing, sustainable transport and staff support.

CRC for Water Sensitive Cities

As part of the Sydney Consortium, Council is a partner in the Cooperative Research Centre (CRC) for Water Sensitive Cities, which leads research to progress water management in Australia. Council staff participate in industry and partner workshops as part of the CRC program and are members on the Stakeholder Advisory Committees for two of the CRCs program themes.

Creating a culture of Sustainability

We encourage staff to consider sustainability in everything they do and offer a range of opportunities for staff to get involved in sustainability initiatives in the workplace.

2012/2013 saw the culmination of the CEE change program, a NSW Government grant funded program hosted by Ku-ring-gai Council, in partnership with 11 councils and the Office of Environment and Heritage (OEH). The program aimed to strengthen community education and engagement (CEE) as a tool for improved sustainability outcomes in local government through a process of cultural change. Outcomes from the program in 2012/2013 were:

- 11 collaborative networks, or Communities of Practice, were established and supported in councils across NSW
- A number of community engagement projects were delivered, trialling new methods of engagement
- A comprehensive tool kit was produced on creating cultural change for improved sustainability outcomes in local government (315 were distributed)
- A series of regional dissemination workshops were delivered.

BOOMERANG BAGS ARE HERE!

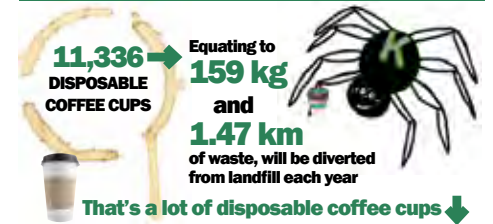


IT'S EASY!

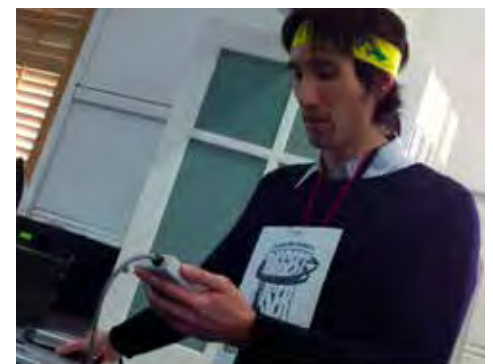
1. Borrow a bag from a convenient collection point near you
2. Go shopping
3. Return it when you're finished!



THANKS TO OUR STAFF USING THEIR KEEP CUPS...



Do you have other ideas to reduce waste? Email kgb@kmc.nsw.gov.au



Top Left to right: Boomerang bag poster and collection point, Keep cup promotional poster for staff
Above: Staff member measuring energy consumption on electrical appliances

**LOVING
LIVING
KU-RING-GAI**



Sustaining Sydney's green heart



KGB keep cup

- An active online community (Sustainable Councils Network www.sustainablecouncils.org.au) was established with 425 local government sustainability staff as members from across Australia.

Council's sustainability network, the Ku-ring-gai Greenbacks (KGB), provides staff with an opportunity to initiative and implement sustainable initiatives in the workplace. Key KGB events / projects in 2012/2013 were the Switch-off Blitz celebration BBQ, Seasons Greenings staff photo competition and a soft plastics recycling project.

In 2012/2013 Council's Environmentally Sensitive Lands (ESL) training program was rolled out to over 50 staff. Topics included basic environmental and ecological awareness, water sensitive urban design, Aboriginal heritage awareness, weed identification and threatened species and ecological communities. In addition to ensuring staff meet their legislative requirements, the training program supports cultural change and has resulted in improvements in environmental management.

Recognised as a leader in Climate change adaptation

Council is a leader in climate change adaptation planning with a focus on assisting our community to become more resilient to the impacts of severe weather events, such as storm, heat stress, drought and bushfire.

Council's climate change adaptation model was selected by the United Nations Economic and Social Commission for the Asia Pacific program (UNESCAP) for inclusion in a guide to climate change adaptation planning in developing countries. Council has been represented on several expert panels including: National Climate Change Adaptation Research Facility Sydney Coastal Council group; NSW Local Government and Shires Association Climate Adaptation specialist group; Productivity Commission; Federal Attorney's General Department; National People's Reform Commission; Department of Climate Change, People's Republic of China; and the Korean Environment Institute, South Korea. Council's Climate Change Adaptation Strategy was recognised by the United Nations Association of Australia as a finalist in the World Environment Day Awards 2012 – Local Government Award for Excellence (Overall Environmental Management category).

Through the Climate Wise Communities project, 82 residents participated in five climate change adaptation workshops in 2012/2013; three bushfire resilience workshops (in partnership with RFS and NSW Fire and Rescue) and two multi hazard workshops (in partnership with Red Cross). As part of the program a multi-hazard self-assessment tool has been developed for residents to enable them to assess their vulnerability to severe weather events at a personal, property and neighbourhood level and to determine key actions to improve resilience to multiple climate related risks, including bushfire, storm, heat stress and drought.



Key achievements in 2012/2013

- Delivered bush regeneration program within 68.3 hectares of bushland.
- Delivered Environmentally Sensitive Lands (ESL) staff training program.
- Completed 3 stormwater harvesting systems for open space irrigation (700kL capacity).
- Reused 18,229kL of stormwater through Council's stormwater harvesting and reuse program.
- Carried out water and energy audits at Council's key 15 facilities and on-the-spot retrofits.
- Installed rainwater tanks at Phillip Mall, West Pymble and West Pymble Community Hall.
- Installed 12kW solar PV system at the Roseville Art Centre, bringing Council's total solar capacity to 52kW.
- Reduced energy consumption in Council's facilities by 4% compared to 2011/2012. (excluding the 828 Pacific Highway, Gordon facility)
- Engaged 6,500 residents in environmental education programs and communications.
- Supported 764 Bushcare volunteers working at 99 Bushcare sites.
- Distributed over \$43,000 in small grants funds.
- Finalist - World Environment Day Awards 2012.
- Assisted local businesses to improve their sustainability performance.

Our challenges in 2012/2013

- Meeting community expectations with limited resources.
- Limited opportunities to undertake bushfire hazard reduction activities due to unfavourable weather conditions.
- Decreasing and competitive funding opportunities for environmental programs.
- Reducing energy and water consumption in our facilities with increasing service levels and asset acquisition and upgrades.
- Managing resident impacts and conservation outcomes in bushland on the urban interface.

The year ahead In 2013/2014 we will:

- Build Council's and our community's resilience to the impacts of climate change.
- Expand our stormwater management program.
- Deliver a sustainable apartments program.
- Roll out Council's energy and water building retrofit program.
- Review our Integrated Water Cycle Management Strategy, Biodiversity Strategy, Bushland Reserves Plan of Management, Climate Change Policy and Bushfire Risk Management Policy.
- Develop a greenhouse gas emission reduction pathway to 2020.
- Implement a sustainability data management and reporting system.
- Expand the opportunities for our community to interact with the environment and live more sustainably.
- Promote sustainable building design to residents.
- Expand our business sustainability program.

Summary of performance for 2012/2013
NATURAL ENVIRONMENT



QBL trend analysis – key performance indicators

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

The following table indicates our performance for key 'social, economic, and environmental' indicators for the 2012/2013 year, under this activity, compared to the previous four years.

| Measure | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|--|-----------|-----------|-----------|-----------|------------------------|------------|
| Fire trail maintenance (km) | 44 | 44 | 44 | 44 | 44 | Stable |
| Major fire trail upgrades (km) | 0.95 | N/A | 1.7 | N/A | 0.97 | Variable |
| Identified Aboriginal heritage sites | 92 | 97 | 97 | 97 | 97 | Stable |
| Bushland regeneration (ha) | 46.1 | 52.1 | 69.3 | 67.7 | 68.3 | Stable |
| Greenhouse emissions (tCO2-e) | 8,598* | 8,434* | 8,550* | 8,448* | 8427 ^Q | Decreasing |
| Waste kg/resident | 198.83 | 198.37 | 196.87 | 208.09 | 202.84 | Stable |
| Recycling kg/resident | 308.84 | 300.17 | 303.5 | 325.95 | 294.73 | Decreased |
| Pile burns | 144 | 101 | 110 | 102 | 116 | Increased |
| Hazard reduction burns (ha) | 31.9 | 81.5 | 72.4 | 1.36 | 7.06 ^R | Improving |
| Fire break maintenance (km) | 19 | 12.3 | 12.3 | 12.3 | 24.5 ^S | Improving |
| Water consumption (Council) (KL) | 82,328 | 108,891 | 89,895 | 66,230 | 98,281 ^L | Increased |
| Water consumption (Council) | \$189,798 | \$286,525 | \$292,754 | \$286,237 | \$289,875 | Stable |
| Energy consumption (Council) buildings (kWh) | 3,035,159 | 3,021,203 | 3,213,932 | 3,174,654 | 3,228,439 ^M | Increasing |
| Energy consumption (Council) buildings | \$418,127 | \$555,891 | \$590,228 | \$678,321 | \$841,006 ^N | Increasing |
| Energy consumption street lighting (kWh) | 5,000,463 | 4,935,198 | 4,851,842 | 4,794,792 | 4,721,871 ^O | Decreasing |
| Energy consumption street lighting | \$422,694 | \$525,767 | \$507,204 | \$590,654 | \$755,796 ^P | Increasing |

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

L – Factors affecting the level of water consumption for Council buildings are currently being assessed.

M – The combined energy savings at existing Council facilities was 4% in 2012/13, but total consumption did increase slightly due to the acquisition of the new accommodation building at 828 Pacific Highway, Gordon.

N – The figures for previous years to 2012/13 may appear different to the corresponding year's figures in earlier Annual Reports if they have since been updated with more accurate figures. Figures in this year's report are shown as ex-GST whereas previous reports may have displayed figures including GST.

O – This is equivalent to a 1-1.5% decrease per annum.

P – Figures in this year's report are shown as ex-GST whereas previous reports may have displayed figures including GST.

Q – These figures are based only on electricity use in Council facilities and street lighting. The figures for years previous to 2012/13 may appear different to the corresponding year's figures in earlier annual reports if they have since been updated with more accurate figures.

R – The area burnt varies greatly as operations are highly dependent on weather conditions. The last 2 years have seen a reduction in burns due to poor weather conditions. In 2012/13 only 1 burn was completed out of 19 and 2 strip burns were undertaken on fire breaks (area included in total).

S – With less burns able to be achieved, the fire mitigation team have undertaken multiple treatments on both Rotation A and B asset protection zones – more than doubling the works that were required by the Hornsby Ku-ring-gai Bushfire Management Committees 2012/13 Hazard Reduction Works Program.

Achievement of Operational Plan Key Performance Indicators (KPIs)

The annual Operational Plan sets out performance indicators and targets under each service area. The following table indicates our performance for those indicators in 2012/2013 under this activity.

| Service | Key Performance Indicator – 2012/1013 | Target | Result |
|-------------------------|---|--------|--------|
| Bushland | Bushland operation regeneration program completed | 80% | 100% |
| | Bushland levy regeneration program completed | 80% | 100% |
| | Bushcare program completed | 80% | 100% |
| | Tracks and trail systems maintenance program completed | 80% | 100% |
| | Biodiversity strategy actions completed within set timeframes | 70% | 70% |
| | Bushland monitoring and research program completed | 80% | 80% |
| | Number of bushfire complaints (via CRS) responded to within set timeframe | 100% | 95% |
| | Asset protection zone managed | 90% | 100% |
| Environmental levy | Volunteers enrolled in Council's community volunteer programs (8% increase) | 1,200 | 1,244 |
| Climate change | Reduction in Council's corporate greenhouse emissions | 2% | 2% |
| | Increase in knowledge and understanding of climate change | 10% | 10% |
| | Households participating in energy audits | 5% | 0% |
| Environmental Education | Wildflower education activities program delivered | 80% | 80% |
| | Increase community environmental knowledge to achieve more sustainable behaviours | 5% | 5% |
| Water | Water sensitive urban design program completed | 90% | 80% |
| | Stormwater pollution control maintenance program completed | 90% | 90% |
| | Creek remediation program completed | 90% | 100% |
| | Integrated water management strategy program completed | 90% | 80% |
| | Reduction in Council's potable water consumption | 6% | 26% |
| | Reduction in per capita potable water consumption | 6% | 6% |
| | Increase in Council's non potable water consumption | 5% | 185% |

The following tables provide a summary of key capital and operating projects completed or progressed by Council during 2012/2013.

NATURAL ENVIRONMENT

Key projects completed in 2012 -2013

| Project | Date completed | Council funding | Source of Council Funds* |
|--|----------------|-----------------|--------------------------|
| Loving Living Ku-ring-gai Sustainability Brand development | Dec-12 | 100% | Environmental Levy |
| CEE Change (Community, Education and Engagement) | Sep-12 | 55% | Unexpended Grants |
| Solar panels - Ku-ring-gai Art Centre | Apr-13 | 100% | Environmental Levy |
| Community environmental events - Walks and Talks Program | Jun-13 | 100% | Environmental Levy |
| Sustainability workshops | Jun-13 | 77% | Environmental Levy |
| Community gardens tool shed construction | Feb-13 | 100% | Environmental Levy |
| Walking tracks constructed | Jun-13 | 100% | Environmental Levy |
| Fire education trailer | Mar-13 | 100% | Environmental Levy |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

Key projects progressed in 2012/13

These projects will carry over to 2013/14 or later years

| Project | % Completed | Council funding | Source of Council Funds* |
|--|-------------|-----------------|--------------------------|
| Implementation of Climate Change Adaptation Strategy (Climate Wise Communities - ongoing program) | 100% | 40% | Environment Levy |
| Bushcare | 95% | 100% | Environment Levy |
| Streetcare | 95% | 100% | Environment Levy |
| WildThings - native bee hives and pool to pond conversions | 70% | 100% | Environment Levy |
| Water Smart community engagement program - rebates for rainwater tanks and raingarden construction to improve the health of Warrimoo Creek | 30% | 100% | Environment Levy |
| Rainwater tank at West Pymble Community Hall | 20% | 100% | Environment Levy |
| North Shore Food Waste Challenge | 100% | 100% | Environment Levy |
| Environmentally Sensitive Land training program | 100% | 100% | General Funds |
| Energy Smart community engagement program - free energy smart meters with web application installed in homes, community workshops and online community | 20% | 100% | Environment Levy |
| Climate Clever Shop | 100% | 100% | Environment Levy |
| Greenstyle | 100% | 100% | Environment Levy |
| Better Business Partnership | Each year | 0% | 100% Grant Funded |
| Micro-habitat bat sculpture | 95% | 100% | Environment Levy |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.



Planning & development

About this principal activity

This activity is about planning and regulating to make our urban areas more liveable and sustainable as we respond to State Government and community demands for additional housing, greater housing choice and associated infrastructure and facilities.

Services provided under this activity:

- ▶ Urban design and planning
- ▶ Development control
- ▶ Development compliance
- ▶ Regulation and compliance

QUICK FACTS

- There are 97 identified Aboriginal heritage sites in Ku-ring-gai
- Ku-ring-gai has 878 European listed heritage sites
- Total estimated value of development approvals was over \$400 million in 2012/2013
- Council was successful in over 90% of Land and Environment Court cases during 2012/2013
- Ku-ring-gai has over 18,000 private pools within its area

What we achieved in 2012/2013

Navigated the challenges of urban planning

For 20 years, planning has been a divisive issue in Ku-ring-gai. The imposition of housing targets by the NSW Government has been a highly controversial issue within our community and despite sustained effort, we had several previously unsuccessful attempts to develop and implement multiple residential housing strategies and planning instruments to guide future development in the face of strident and organised community resistance.

Finalised Local Centres LEP and DCP

In 2012/13, after an award-winning consultation strategy, the Ku-ring-gai (Local Centres) Local Environmental Plan 2012 was gazetted by the NSW Government on 25 January 2013.

The accompanying Local Centres Development Control Plan was also adopted by Council and came into effect in June 2013. The finalisation of the Local Centres LEP and DCP is the culmination of an eight (8) year planning process.

Completed award winning consultation

Consultation for the Local Centres LEP involved over 1,000 participants through workshops, an online forum and one-on-one meetings with stakeholders with an emphasis on transparent information sharing. This process, undertaken by independent consultants, provided Council with a representative snapshot of informed community opinion upon which planning decisions could be made. The consultation program received a Commendation for Excellence in Planning – Community Consultation, from the NSW Institute of Planning in November 2012.



Exhibited the Consolidating Principal LEP

Between March - May 2013 Council formally exhibited the consolidating Ku-ring-gai Principal LEP 2013, for areas outside the local centres. Over 500 submissions were received and are currently being reviewed for reporting to Council in accordance with statutory requirements and the Department of Planning timeline.



Established a framework for sustainable planning and funding

The Local Centres LEP and consolidating Principal LEP complete the policies that Council has been preparing over the last 4 years to establish and apply long-term planning, design and funding for the urban areas of Ku-ring-gai.

Other policies already in place include the Ku-ring-gai Contributions Plan 2010, the Ku-ring-gai Public Domain Plan, Parking Management Plan, Open Space Acquisition Strategy and Integrated Transport Strategy. This suite of aligned documents also provide key policies for achieving sustainable design outcomes for Ku-ring-gai.

Planned for new projects

Planning was significantly progressed for the delivery of a range of new public domain and infrastructure projects. This included:

- acquiring 4000m² of land for new local open space (including a road linkage)
- preparation of new local park designs
- planning for the upgrade of public areas at the Princes Street shops, Turramurra
- advancement of the new Lindfield Community hub
- contributing to the Transport for New South Wales (TfNSW) design for the Gordon Interchange/ Commuter Car park upgrade.

All planning has been consistent with Councils urban design and development controls, sustainability objectives and accessibility standards. Further information on these projects can be found in the 'Urban Environment' section of this report on pages 64-77.

Commenced design of new street signage - enhancing our local identity

Many of Ku-ring-gai's signs are in need of repair, either no longer relevant or do not reflect the true character and identity of the local area. Design commenced for new street signage to increase people's awareness of their local area and better inform them of local places and spaces.

These new signs will be rolled out throughout Ku-ring-gai in the coming years.

Protected and enhanced our heritage

Promoted awareness of Aboriginal Heritage

There are 97 identified Aboriginal heritage sites in Ku-ring-gai. These sites are under constant threat from development, vandalism and natural erosion. In order to preserve the sites Ku-ring-gai Council is a member of and works with the Aboriginal Heritage Office (AHO). To increase awareness of Aboriginal heritage and culture Council supported key events in 2012-2013 as part of the annual Guringai Festival and NAIDOC week. This included an Aboriginal Culture Walk in the Ku ring gai Wildflower Garden, an Aboriginal Heritage and Culture Presentation with Dance Fusion and Storytelling led by the Aboriginal Education Officer from the Aboriginal Heritage Office.

Finalised planning for new Heritage Conservation Areas

During 2012-2013 Council finalised the planning process for 38 Heritage Conservation Areas (HCA) in Ku-ring-gai as part of the finalisation of Local Environment Plan (LEP) 218. HCA's are areas recognised and valued for their special historical and aesthetic character. Items of heritage significance may include architectural buildings, trees, gardens and kerbs. HCAs protect not just single homes but whole areas from inappropriate development.

LEP 218 also introduced planning provisions to protect and enhance biodiversity and riparian lands in Ku-ring-gai. This includes the protection and recovery of native flora and fauna and protection or enhancement of waterways and riparian land in Ku-ring-gai and its downstream catchments. LEP 218 was gazetted on the 5th July 2013.



Painting repaired concrete map



Restored Historical Army Relief Map

During World War II, Ku-ring-gai hosted major Australian defence agencies and bases, and a number of community organisations formed to help the war effort. The army relief map, constructed in 1942, is a rare example of in-situ military planning from World War II while the 18th Battalion of the Australian Army was stationed at the St Ives Showground. It was used to display the sites of mines along Mona Vale Road to be activated should Japanese forces land on the northern beaches.

The 3D concrete map is a significant piece of local history and had degraded over the years. In February 2013, we completed repairs to the map and have begun designing interpretive signage to help the public understand its heritage significance.

Supported the Ku-ring-gai Historical Society

Council supports the Ku-ring-gai Historical society through provision of a community venue and grant funding. The society collects, preserves and disseminates information on the history of the Ku-ring-gai local government area. This work, all undertaken by volunteers, is vital for the continued understanding and appreciation of European heritage by Ku-ring-gai residents. In 2013, the society used grant funds to produce their regular newsletter and ran a history writing competition to celebrate their 50th anniversary.

Improved development Assessment processes

Went 'live' with Electronic Housing Code

In June 2013, Ku-ring-gai was one of the first councils to introduce the Electronic Housing Code (EHC), which now allows residents and builders the option to investigate, prepare, lodge and track complying development applications online. With Ku-ring-gai Council having one of the highest numbers of complying development applications determined in NSW last year, this is a major step forward for efficiency in the planning and approval process.

Progressing to 'paperless' applications

The Development and Regulation Department is continuing to improve the DA process. Computer software and hardware improvements have been introduced to streamline the process and ultimately achieve a largely paperless development assessment process for simpler development applications. All assessment officers are now equipped with dual 22' monitors to minimise the reliance on hardcopy plans and documents in the assessment of development applications. Assessment officers are encouraged to reduce printing of hardcopy plans and documents and have been trained to utilise software for assessing compliance with Council's controls. These measures will deliver administrative and process improvements and will eventually result in noticeable cost savings for both Council and applicants.

Continued success of customer information packs

Council's roll out of information packs to supplement its new DA guide in 2012 has continued its success in 2012/2013. As part of Council's continuous improvement process a full suite of packs were published to further assist applicants in understanding Council's requirements in regard to heritage, landscaping, ecology, waste and stormwater engineering. The packs explain these specialised areas in plain English to ensure all necessary requirements are met. This

continues to benefit applicants and the general public alike and has assisted in achieving a smoother and faster assessment process.

Determined Development Applications valued at over \$400 million

During 2012/2013 development approvals had a total estimated value over \$400 million. This exceeds the average value approved by designated similar Councils within the Sydney Metropolitan Area*. In 2011/2012 the approval value was \$290 million.

The following graph and table show the breakdown of development approvals for 2012/2013 in comparison to the previous year:

While development remains buoyant in Ku-ring-gai, particularly for new residential housing, approximately 46% of proposals that would previously have required a DA now fall within the Exempt and Complying Development category. These are the less complex development proposals such as front fences, swimming pools, alterations and additions, carports, new houses and commercial fit-outs.

An increase in the median processing time for development applications to 47 days on 2012/2013 (40 days in 2011/2012) can be attributed mainly to the greater complexity of development applications Council now determines.

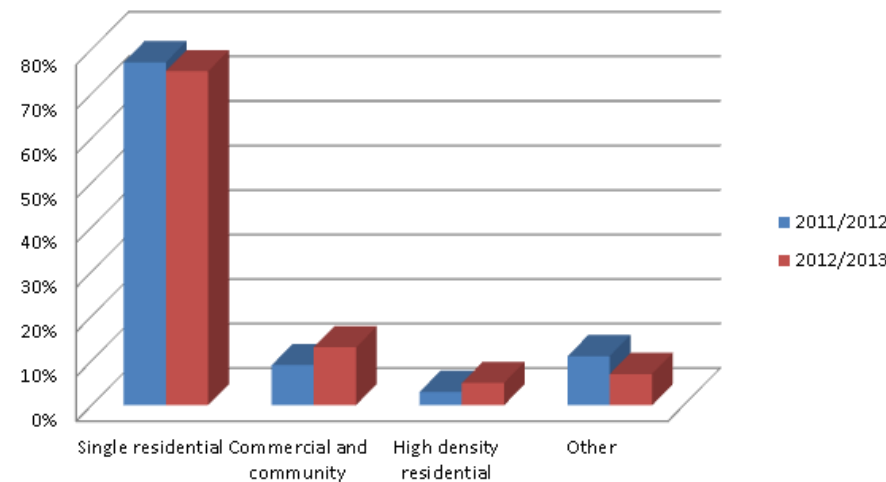
These are more complex, requiring input from various disciplines with often competing objectives and which require longer assessment times.

These applications often involve public consultation and may be determined at a Council meeting or the Sydney West Joint Regional Planning Panel, which can add further to processing times.

While the median processing time has increased above 2011/2012 it remains well below the 60 days target and the average for other Group 3 councils*.

At the end of the 2012/2013 year the number of outstanding applications (DA, S96 and S82A reviews) was 166. This represents a slight increase over the previous year of 163 and is significantly below the maximum threshold of 450 applications.

Total Value
2012/2013 - \$400 million
2011/2012 - \$290 million



Land and Environment Court actions

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

Council continues to achieve a high success rate in the Land and Environment Court and was successful in over 90% of cases during 2012/2013. In the majority of cases Council's original position was vindicated and substantial amendments were required for proposals, resulting in improved environmental outcomes. These outcomes are more often than not achieved through mediation which also results in significant cost savings for Council.

Land and Environment Court costs at the end of June 2013 amounted to \$827,038, a reduction of 42% on the previous year. Legal costs recovered also exceeded the budget amount by more than \$30,000 which amounts to a 69% increase over the budget. Details of the costs incurred by Council during the year in relation to legal proceedings taken by or against Council can be found on pages 231 of this report.

Maintained quality assessment services

Landscape, engineering and infrastructure restoration assessment services are important to the overall development assessment process provided by Council. Qualified officers provide these services consistent with Council's development control plans, policies and industry best practice.

During 2012/2013 officers represented Council at Land and Environment Court appeals and were instrumental in ensuring improved outcomes in these matters. In addition, they assisted with monitoring the construction work associated with developments and subdivisions and provided high quality technical advice to Councillors, the public and applicants in respect of landscaping, engineering and infrastructure restoration enquiries.

*NSW Local Government and Comparative Information 2011/2012

Focus on development Compliance

The Ku-ring-gai community places high importance on new development meeting the design and construction standards set by Council's policies and codes and government regulation. It is therefore essential that new development works are undertaken in accordance with approvals and certifications.

During 2012-2013 compliance officers continued to respond to community concerns regarding the construction of new works, taking appropriate regulatory and legal action for breaches. In many cases, these non-complying works were carried out without the approval of private certifiers. In 2012/2013 there were:

- 376 complaints received (relating to a range of alleged non-complying works)
- 81 Orders issued (following investigation)
- 2 appeals won by Council (\$52,000 fines imposed)
- 238 penalty infringement notices issued (offences relating to non-compliance with conditions of Development Consent)
- Over \$269,000 in fines issued (19% increase over 2011/2012)

The use of private certifiers continues to increase for the issue of Complying Development Certificates and Construction Certificates. Private Certifiers are now issuing approximately 92% of Certificates. For the 2012/2013 period Council issued 506 Complying Development Certificates for local development works (539 issued in 2011/2012).

Proactive regulation of health and safety

Over the past year officers maintained their regular inspection and monitoring program of regulated premises and systems, including food shops, cooling towers, public pools and septic systems. During 2012/2013 there was a 45% growth in demand for investigative services, with community complaints in regard to neighbourhood noise, drainage and pollution issues. Investigation of these complaints impacted on the group's service delivery timetable.

Fines totalling \$33,450 were issued for offences in regard to overdue annual fire safety statements and non-compliant swimming pool barriers.

Food surveillance

Generally the standard of food premises was found to be satisfactory during 2012/2013. Council issued warning letters to 71 premises, 21 receiving improvement notices and 4 being issued penalty notices. The 4 offending premises details were then listed on the "NSW Food Authority Name and Shame" list.

Outdoor dining rental applications were renewed throughout the entire LGA with income in excess of \$48,000 being received for rental spaces on public land.

Council's Environmental Health team have continued the promotion of food safety supervisor training for local food businesses at the local TAFE college. Latest survey data reveals 217 out of a possible 252 food premises now have a qualified food safety supervisor employed.



Companion animal management

Companion Animal Management has remained a key operational focus throughout the year, with a steady demand placed on Council's Regulatory Services Unit. Details of Council's regulatory activity during 2012/2013 can be found on page 237 of this report.

Private Swimming Pools

The Swimming Pools Amendment Act 2012 placed a statutory requirement on all owners of private swimming pools to register their pools on a state wide register, administered by the NSW Division of Local Government. The register commenced operation on 29 April 2013.

Ku-ring-gai has an estimated 18,000 private pools within its area. The legislative changes are placing additional demands on Council services. During 2012/2013 we:

- assisted over 300 residents who were unable to access the on-line register with their individual registration responsibilities.
- prepared a local swimming pool barrier inspection policy with formal adoption of the policy expected by the end of October 2013.
- immediately following the introduction of the new legislation, we received 280 applications for Swimming Pool Barrier Compliance Certificates for the period May – June 2013. (A valid certificate is required with any property contract for sale or lease from 29 April 2014).

Demand for compliance certificates is expected to increase significantly along with enquiries from owners undertaking self-audits, as required by the legislation. Multi occupancy buildings and those used for visitor accommodation are also required to have a valid swimming pool compliance certificate from 29 April 2014.

Parking Regulation

Regulatory Officers continued their surveillance of time limited parking restrictions in local centres and the safety outside schools program. Over 10,500 infringements were issued for offences under the Australian Road Rules, with total fines in excess of \$1,689,000. The continuing presence of regulatory staff in local centres, near transport hubs and outside schools is helping to deter offences.



The year ahead In 2013/2014 we will:

- Implement the consolidating Principal LEP, following its gazettal, and prepare a DCP.
- Finalise plans for new and upgraded parks.
- Plan for Lindfield Village Green.
- Finalise and implement public domain plans for local centres.
- Finalise plans for the new Lindfield community hub and contribute to the Gordon Railway interchange.
- Implement private swimming pool legislation requirements.
- Respond to the next stage of State government planning reforms.

Key achievements in 2012/2013

- Local centres LEP approved by the State Government.
- Local Centres DCP adopted.
- Consultation for Local Centres LEP highly commended by Planning Institute.
- Consolidating Principal LEP exhibited.
- Completed planning for new parks and Princes Street shops upgrade.
- Advanced new Lindfield Community hub.
- Finalised planning process for new Heritage Conservation Areas.
- Completed restoration of historic Army Relief Map in St Ives.
- Launched Electronic Housing Code.
- Won 90% of cases in the NSW Land and Environment court to protect Ku-ring-gai's character, heritage and natural environment.

Our challenges in 2012/2013

- Engaging with the community regarding new land use plans and improvements to urban areas.
- Monitoring compliance with development consent conditions and investigating unauthorised works.
- Monitoring trends to complying development certificates and private certification.



QBL trend analysis – key performance indicators

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

The following table indicates our performance for key 'social and governance' indicators for the 2012/2013 year, under this activity, compared to the previous four years.

| Measure | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|-----------|
| Development applications median processing time | 38 days | 40 days | 45 days | 40 days | 47 days ^T | Increased |
| Provision of new local open space | 1,735m ² | 1,625m ² | 4,167m ² | 2,893m ² | 4,000m ² | Increased |

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:
T – An increase in the median processing time for development applications to 47 days in 2012/2013 (40 days in 2011/2012) can be attributed mainly to the greater complexity of development applications Council now determines.

Achievement of Operational Plan Key Performance Indicators (KPIs)

The annual Operational Plan sets out performance indicators and targets under each service area. The following table indicates our performance for those indicators in 2012/2013 under this activity.

| Service | Key Performance Indicator – 2012/1013 | Target | Result |
|------------------------|--|---------------|-----------|
| Urban Design | Urban planning project milestones are completed within set timeframe | 95% | 80% |
| | Urban design project milestones are completed within set timeframe | 95% | 80% |
| Development Assessment | Median processing times for all applications is 60 days | 60 days | 47 days |
| | Land and Environment Court costs do not exceed budget | \$1,080,000 | \$827,038 |
| | Number of undetermined development applications less than 450 | 450 (maximum) | 166 |
| | Median processing times for express assessment is 30 days | 30 days | 30 days |
| Development compliance | Construction certificates are processed within 14 days | 90% | 100% |
| | Building certificates are processed within 21 days | 21 days | 20 days |

Key Operational Plan Projects for 2012/2013

The following tables provide a summary of key capital and operating projects completed or progressed by Council during 2012/2013.

Key projects completed in 2012 -2013

| Project | Date completed | Council funding | Source of Council Funds* |
|--|----------------|-----------------|-------------------------------------|
| Electronic Housing Code | Jun-13 | 0% | 100% Grant Funded |
| Army Relief Map conservation at St Ives Showground | Feb-12 | 100% | Infrastructure & Facilities Reserve |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

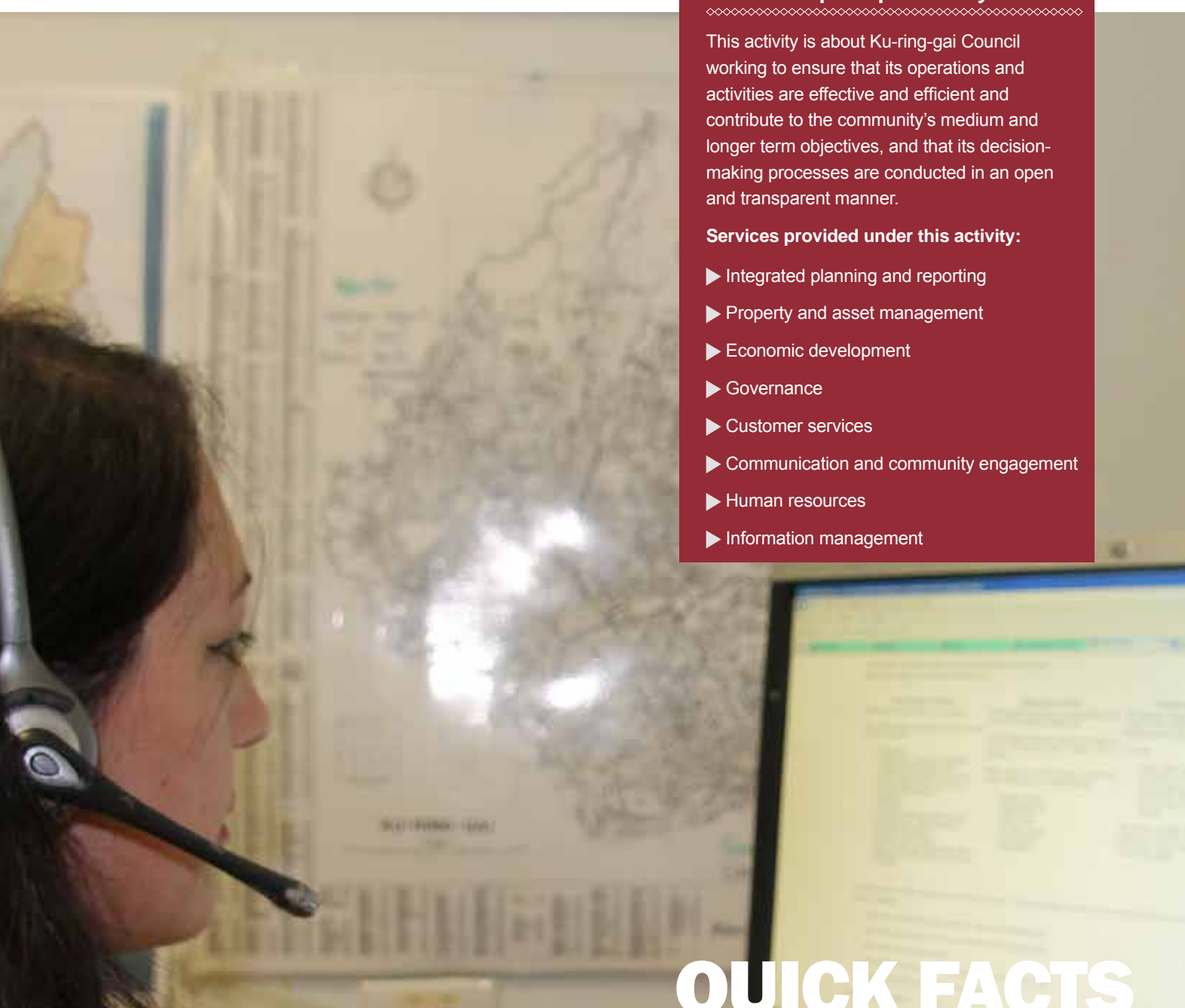
Key projects progressed in 2012/13

These projects will carry over to 2013/14 or later years

| Project | % Completed | Council funding | Source of Council Funds* |
|---|-------------|-----------------|-------------------------------------|
| Pymble Soldiers Memorial Park stonework refurbishment | 5% | 100% | Infrastructure & Facilities Reserve |
| Principal Local Environment Plan | 75% | 100% | General Funds |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

Civic leadership & corporate services



About this principal activity

This activity is about Ku-ring-gai Council working to ensure that its operations and activities are effective and efficient and contribute to the community's medium and longer term objectives, and that its decision-making processes are conducted in an open and transparent manner.

Services provided under this activity:

- ▶ Integrated planning and reporting
- ▶ Property and asset management
- ▶ Economic development
- ▶ Governance
- ▶ Customer services
- ▶ Communication and community engagement
- ▶ Human resources
- ▶ Information management

QUICK FACTS

- 23,680 customer service requests received and actioned
- Our largest Industry – health care and social assistance
- Over 50,000 people reached with one Council Facebook post
- Our highest growth is in part time workers
- We increased the 'likes' on our Ku-ring-gai Council Facebook account by over 500% in 2012/13
- 68% of residents travel outside area for work
- We have 13,499 local businesses and 34,970 local jobs

What we achieved in 2012/2013

Fully integrated our strategic planning

Reviewed our integrated planning approach

The development and delivery of a revised Community Strategic Plan presented an enormous body of work to achieve integration with the Delivery Program and Operational Plan and Resourcing Strategy (Long-term Financial Plan, Asset Management Strategy and Workforce Strategy). As a result the long-term objectives identified in our Community Strategic Plan are now more clearly aligned with other key strategic plans.

Further details on Integrated Planning and Reporting can be found on page 30 of this report.

Completed Resourcing Strategy

With the completion of the Resourcing Strategy Council has detailed how the strategic aspirations of Ku-ring-gai can be achieved or progressed in terms of time, money, people and assets. The Resourcing Strategy will be reviewed annually to ensure currency and incorporate community feedback. A new Resourcing Strategy is prepared every four years.

Adopted a Workforce Strategy

Council adopted a Workforce Strategy (as a component of the Resourcing Strategy), which will inform workforce planning throughout 2013/2014 including the development of a Workforce Action Plan. The Workforce Strategy is a key component of the Resourcing Strategy under the NSW State Government's Integrated Planning and Reporting framework.



Improved our reporting

Council's 2011/2012 Annual Report received a Bronze Award for distinguished achievement in reporting from the Australasian Reporting Awards (ARA) in the category of Public Administration – Local Government. To receive a bronze award a report must largely meet the requirements of the relevant ARA criteria, provide satisfactory coverage of most aspects of ARA criteria, provide high quality disclosures in several areas, and address current legislative and regulatory requirements.

Continued improving productivity

Implemented service review recommendations

As part of our culture of continuous improvement an organisational wide review of our services was completed by external management consultants in June 2012. This identified 7 areas for improvements in service delivery to better meet community needs. The review also found that we generally deliver our range of services at lower cost and with fewer employees than other councils of a comparable size. Based on the review's findings, a number of initiatives were completed during 2012/2013 to improve efficiency and productivity. Those initiatives will achieve operational savings of \$18million over the next 10 years and included:

- Implementation of an organisational restructure to reduce duplication, promote synergies and improve customer service
- Introduction of improved reporting and procedures for the audit committee
- Review and improvements to our complaints management system and reporting
- Improvements to our paperless capacity for development application processes
- Customer service training for development assessment staff
- Survey of resident satisfaction with community events
- Externally contracted street sweeping services
- Additional investment into our infrastructure assets
- New policy and procedures for engaging contractors.

Completed construction of a new council work depot

The new state-of-the-art depot has enabled 170 operations staff to be located in one area with significant operational efficiencies. The cost of construction of the new depot was approximately \$19 million and was funded from the sale of the old depot site. Further details of this project can be found in the 'Urban Environment' section on page 65 of this report.

Purchased new premises for our civic and administrative centre

In December 2012, Council purchased the building adjacent to our current Council Chambers site to provide contemporary office accommodation for our staff, enhance our customer service and deliver improved civic facilities including a new Chambers.

The current chambers and administration building is at full capacity and due to its age and poor condition is costly to maintain and in need of significant upgrading. The building has become a financial liability, and a comprehensive building condition audit and financial assessment revealed it was more financially viable to purchase the adjacent building than renovate the current one. A review completed by the Department of Local Government in 2009, also recognised that the current building was an unsuitable

long-term option as Ku-ring-gai's main administration centre.

For the purchase to proceed:

- We conducted a thorough accommodation needs study in consultation with staff and Councillors with the view to improve service delivery
- We submitted a detailed capital expenditure review for the Division of Local Government to assess.
- We considered funding options and developed a funding strategy.
- Council considered the possible reclassification and sale and 19 sites to repay the loan and is currently working through this process with the community.

We are also in the process of preparing the tender for the refurbishment and fitout of the building and staff will move in around mid-2014.



Council's new civic and administration building



New Council depot, Suakin Street, Pymble

Upgraded our systems

A major system upgrade was completed successfully in May 2013 following 12 months of planning. This included moving all Council computers and laptops onto Windows 7 and Office 2010 as well as upgrading the TRIM records management system, the Property and Rating system, the email system as well as various other systems and applications that were required for compatibility reasons. The upgrade was completed over a single weekend and it was business as usual on the Monday morning. Several of these upgrades were completed well under budget and savings in excess of \$150k were realised by using internal resources instead of external consultants.

Completion of a first stage of a new Booking System allowed tennis bookings to be brought online for staff internal use and some limited access to regular hirers. The system was also used for the Active Ku-ring-gai school holiday program. Delays were experienced due to various resourcing issues and the project will continue into the next financial year.

Improved our online Information databases

A new edition of the National Parks and Wildlife's Atlas Flora and Fauna database has been implemented into Council's Geographical Information System and is now accessible to all internal staff.

Work was also completed on the matching of over 44,000 land parcels between Council's and the NSW Government's Land and Property Information's (LPI's) databases in preparation for the implementation of the Planning NSW online Electronic Housing Code (EHC). The Planning NSW online Electronic Housing Code went live on 11 June 2013.

Established and launched economic development unit in Council

In 2012/2013 Council made a commitment to supporting our local business community and boosting the local economy with the establishment of the Economic Development Unit. Council hosted a number of forums with local businesses and community stakeholders to understand the needs of the business community and identify opportunities to create an environment in Ku-ring-gai that promotes business growth, investment and employment generation.

In 2013/2014 we will deliver a range of initiatives to support our local businesses to grow, create vibrant places and spaces for our residents and deliver new investment into our centres. We will promote the area as a tourism destination for day and overnight visitors.



Continued our focus on customer service

Enhanced customer service standards

In 2012/2013 Council received 23,680 customer requests. Of those requests 90% were actioned within agreed Customer Service Request standards with the remaining 10% actioned within acceptable standards. Customer service surveys undertaken during 2012/2013 showed a high 95% satisfaction rating for Council's customer service.

Improvements are continuing to our customer services. In recent years we have reviewed and improved our complaints management system and reporting, implemented customer service training for development assessment staff who deal directly with the community, prepared new DA customer information packs in plain English and expanded enquiry and feedback opportunities to Council.

During 2012/2013:

- The Customer Service Certificate IV program continued with 32 staff working on a number of projects with results being used to improve Council's customer service delivery. The projects have stimulated thinking and review of customer service delivery across the organisation.
- Council's DA information packs benefited applicants and the general public alike and has assisted in achieving a smoother and faster assessment process.

Maintained high standards of communication

Our communications team focused on providing accurate, timely and relevant information for both community and staff to keep them updated on Council's activities. The main communication channels are the website, social media, monthly e-newsletter, paper newsletter, media releases, staff intranet and internal newsletter. Our talented graphic design team also provides the creative concepts and support for the organisation's marketing and promotional materials.

Launched new website and mobile phone site

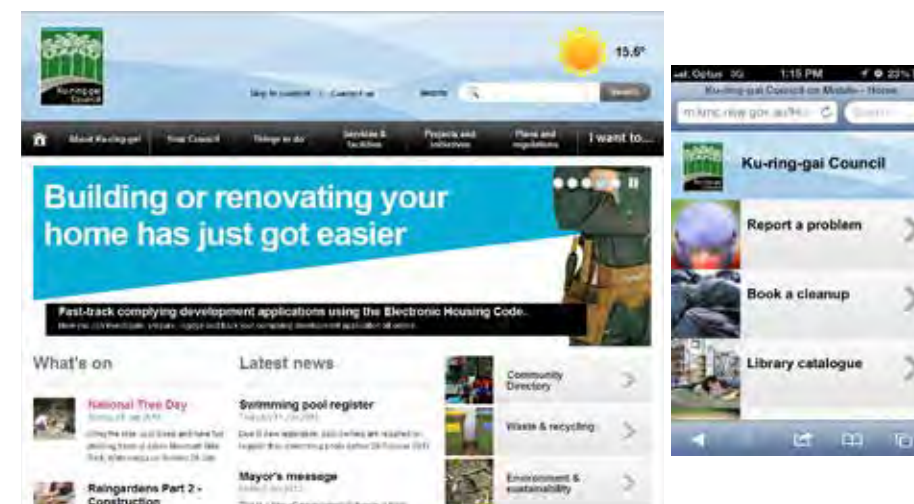
Council launched a new corporate website and mobile phone site in early 2013, www.kmc.nsw.gov.au and m.kmc.nsw.gov.au to meet the changing needs of the community and make it easier for people to do business with Council. The new website was developed after extensive consultation and usability testing with Ku-ring-gai residents and council staff. The new website features a fresh new look and feel, is written in plain English, has content that is easy to find, and information written with the public in mind and free of Council jargon. The new website features:

- **Find out what's near you:** a function allowing residents to enter their home address and find out their bin collection dates, ward/councillor information, what's on nearby and council facilities within 5km
- **Find a facility:** allows the public to search for a facility that suits their needs. For example, searching for a park in St Ives with a playground and picnic table
- **Online bookings for clean-up services**
- **Dynamic keyword search:** starts looking for relevant pages before you press 'search'

- **Live chat:** allows the public to instant message with a customer service officer online
- **Social media integration:** allows people to 'share' pages on their facebook, twitter or email networks
- **Dynamic translation:** ability to translate the entire site into the four most popular languages spoken in homes in Ku-ring-gai
- **A cut-down mobile version of the site:** this includes a "report a problem" form that allows residents to take a photo and report problems direct to council on the go such as pot holes, fallen trees and blocked drains
- **Accessibility:** a number of new accessibility features have been included to allow everyone, including people with disabilities, to access the website more easily, ensuring we met our obligations under the website content accessibility Guidelines 2.0.

Utilised social media and Facebook

In 2012/13 we increased the 'likes' on our Ku-ring-gai Council Facebook account by over 500%. Our posts not only inform our audience of Council initiatives and activities but also pose questions, encourage conversations and showcase the natural beauty and rich history of the area.



Website and mobile phone site

Consulted and engaged the community

During the period a range of key consultation and engagement activities were successfully completed with the community and across departments and service areas. We used a range of tools to engage with the community and consultation and engagement included:

- Ward summits which sought ideas and aspirations for the future of Ku ring gai. The results informed the Community Strategic Plan.
- The 'Closing the Gap' survey for the development and delivery of the Asset Management Strategy which now integrates with the Community Strategic Plan.
- Aged Strategy consultation.
- Young People Strategy consultation
- Economic and social development forum for representatives of the business community and other interested community members to discuss issues, challenges and opportunities for long-term economic employment planning for Ku ring gai.
- Community events survey.

For further details of the extensive community consultation and engagement undertaken in 2012/2013 see page 35 of this report.

Progressed corporate governance initiatives

Assisted with Local Government Elections

The Governance Team assisted the Returning Officer and other staff from the NSW Electoral Commission in preparation for the 2012 Local Government Elections held on the 8 September 2012.

Enhanced governance procedures and systems

Initiatives completed in 2012/2013 included:

- Migrating all Council Meeting agendas and minutes from 2004 onto Council's new website.
- Reviewing Council's delegations and policies including Council's Code of Meeting Practice, Privacy Management Plan, Payment of Expenses and Provision of Facilities to Councillors, Councillor's Access to Information and Interaction with Staff and Records Management.
- Reviewing Council's Publication Guide and processing 1144 informal requests for access to Council information and 33 formal GIPA applications under the Act.
- Planning for the relocation of primary and secondary records storage areas with the impending move to the new Administration building in 2014.

Developed our workforce

Reviewed our workforce planning

Council faces significant future challenges as it implements its new Community Strategic Plan *Our Community Our Future 2030*. Looking forward, the next four years offer challenges as our ageing workforce amplifies existing areas of skills shortage and the tight labour supply in jobs such as urban planning, engineering, policy, surveying, environmental health and child care.

Council recognises that workforce planning needs to become a key strategic process within our organisation, and in 2012/2013 we adopted our first Workforce Strategy to guide the development of a supporting Workforce Action Plan throughout 2013/2014.

A comprehensive understanding of the current internal workforce is being established with the development of HR systems and reporting processes to capture internal workforce data. This is an ongoing process.

Addressed workforce needs

Whilst our current staff turnover rate of 9% is modest, our ageing workforce and skills shortages in key positions means Council must ensure staff are attracted and retained in strategic areas.

Council has implemented a number of strategies as well as reviewing how we can better support and meet the needs of our older workforce (to encourage continuance of employment). These include:

- a transition to retirement program
- part time and job share opportunities
- requesting opportunities to work from home and
- taking up the option of purchasing additional leave through the self-funded leave policy
- Promoting a work life balance
- valuing older workers; their experience, work ethic, commitment and achievements.
- continuing to adopt preventative measures to reduce health risks and absences related to ill health.

Maintained equal opportunity

Ku-ring-gai Council is an equal opportunity employer and will not discriminate against any employee or applicant on the basis of age, colour, disability, gender, national origin, race, religion, sexual orientation, veteran status, or any classification protected by federal or state law.

All new staff participate in a comprehensive induction process that includes an online induction with a whole of council focus and a face to face induction seminar covering Equal Employment Opportunity, Work Health and Safety, Bullying and Harassment and Code of Conduct. All recruitment processes are regularly reviewed to ensure that EEO principles are applied to all staff selection.

Planned for staff development

During 2012/2013 Council staff were provided with multiple training and development opportunities and this included training to support the implementation of major new systems and procedures, cross organisational development workshops for the preparation of new integrated plans, customer service training, WHS training, induction training for new staff as well as professional seminars and conference attendances.





Staff health and wellbeing fair, June 2013



Walking lunchtime class for staff

Implemented our Health and Wellbeing Program

Ku-ring-gai Council values its staff and recognises the importance and benefits of creating a happy and healthy workplace. We have an ongoing Health and Wellbeing Program that aims to lift employee morale, reduce absenteeism and sick leave, reduce employee turnover, reduce workplace accidents, improve safety, encourage staff networking and communication and improve staff productivity.

During 2012/2013 the program offered the following benefits to staff:

- a health and wellbeing rebate for 132 staff to promote physical activity and psychological wellbeing across a range of beneficial activities such as gym memberships, quit smoking programs and exercise classes.
- discounted local gym memberships at no cost to Council
- two health and wellbeing fairs attended by over 250 staff that provided information on healthy food choices and portion sizes, stretching and core strength opportunities, massage and stress relief and biometric measurement. The health fairs provided an opportunity for staff to review their health and wellbeing choices and information upon which they can act.
- lunchtime exercise classes including yoga, tai chi and boxing paid for by Council staff.
- monthly lunchtime seminars with guest speakers or activities during lunch times to encourage learning opportunities and staff networking.
- Corporate Weight Watchers, which was attended by 47 staff who lost over 110kg between them.
- Free skin cancer checks given to 121 staff that spend over 50% of their time outdoors.

Improved workplace safety

Over the past four years Ku-ring-gai Council has consistently improved its year by year Work Health and Safety (WHS) performance across a range of WHS indicators.

During 2012/2013 we achieved a 43% reduction in lost time injuries compared to 2011/2012. This represents a continuous collaborative effort from managers and supervisors at Council, especially in the Operations area as well as the introduction of innovative programs and approaches to work health and safety.

The introduction of the 'Safestart' human error reduction program has been a key driver in reducing WHS incidents, lost time injuries and hours of work lost due to injury. Council's Safestart skills program involves staff at all levels in Operations and continues to be an important part of Council's WHS management system. During 2012/2013 the Safestart Program was provided to 150 staff giving them a set of skills to take responsibility for their own safety in 'real' time. Staff safety manuals are

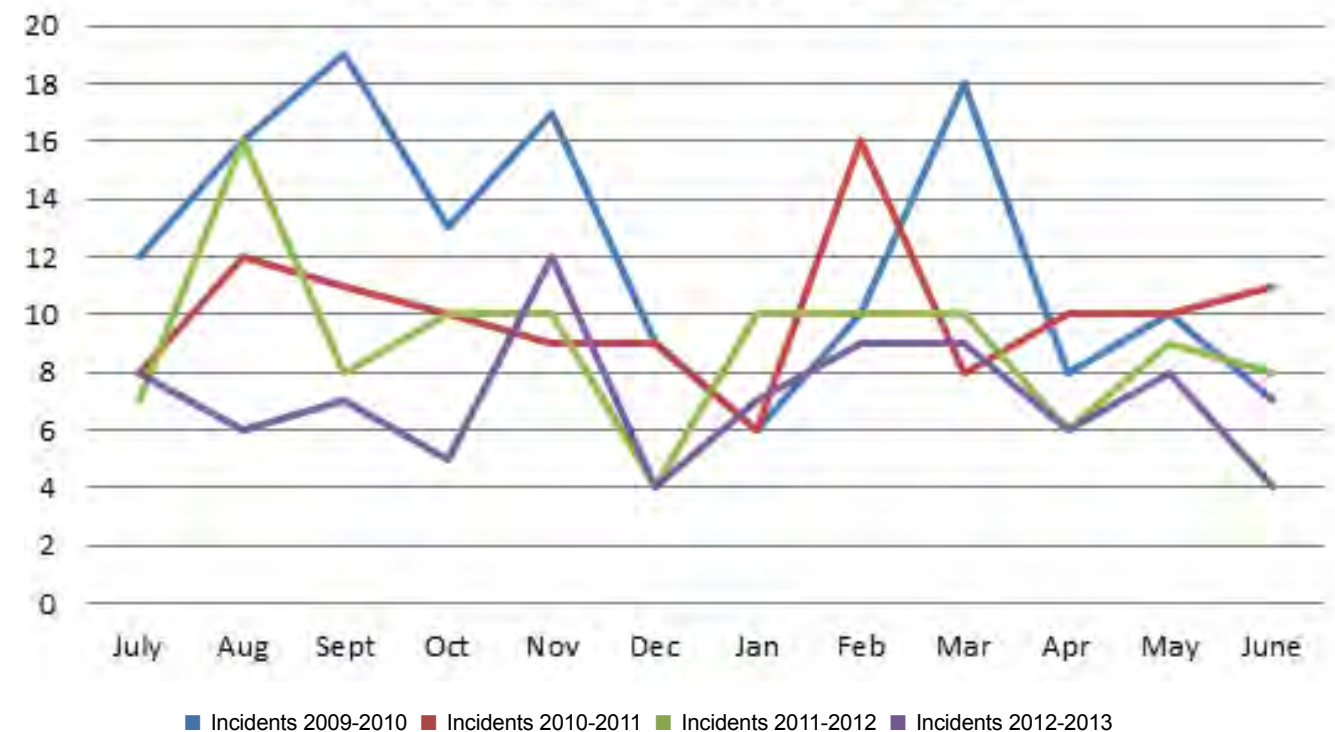
provided to every outdoor staff member as permanent resource for their jobs. Each manual contained copies of policies, standard operating procedures and safe work method statements relevant to those roles.

The simplification of the WHS Management System and the close teamwork of the Operations and Corporate departments in areas of safety continues to deliver positive results against all WHS Performance Indicators. In total, over the past four years, Council has achieved the following improvements:

- reported WHS incidents - 34.48% reduction
- lost time injuries - 53.57% reduction
- workers compensation claims - 55.81% reduction

The graph below shows the reducing trend of WHS incidents, for the 4 years between June 2009 and June 2013.

WHS incidents July 2009 - June 2013





Walking lunchtime class for staff

Key Achievements in 2012/2013

- Achieved significant operational efficiencies with the relocation of all operational staff to one new council work depot in November 2012.
- Purchased a new Council administration building 828 Pacific Highway, Gordon to provide contemporary office space and enhanced customer service facilities.
- Achieved approximately \$18million operational savings over the next 10 years from initiatives to improve efficiency and productivity.
- Adopted a revised Community Strategic Plan, new Delivery Program and Operational Plan and Resourcing Strategy to guide Council's operations and services over the short, medium and longer term.
- Aligned all Integrated Planning and Reporting documents consistent with local government legislation
- Finalist AR Bluett Award 2012/2013
- Received Bronze Award for distinguished reporting in our 2011/2012 Annual Report.
- Launched new corporate website and mobile phone site to enhance communication and customer service.
- Completed comprehensive program of engagement and consultation with the community.
- Established and launched the economic development unit in Council.
- Carried out a major upgrade of our systems.

The year ahead In 2013/2014 we will

- Relocate of Council's administrative and customer service functions and staff to new premises.
- Continue to upgrade of Council's systems.
- Complete service level reviews to document existing services and assist in identifying productivity improvements.
- Develop a workforce plan that is responsive to Council's workforce needs and the delivery of the community Strategic Plan.
- Continue to develop a high performing collaborative work environment.
- Deliver economic development initiatives to support local business, grow local employment and deliver improved economic outcomes for Ku-ring-gai.
- Identify visitation opportunities in Ku-ring-gai.

Our Challenges in 2012/2013

- Managing the planning for the relocation of Council's administrative centre to new premises.
- Managing the major upgrade to Council's systems with minimal disruption to customer services.
- Continuing to implement productivity and efficiency improvements.
- Continuing to provide service levels that meet community needs within available resources.
- Responding to NSW State Government reforms

**Summary of performance for 2012/2013
CIVIC LEADERSHIP AND CORPORATE SERVICES**



QBL trend analysis – key performance indicators

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

The following table indicates our performance for key 'governance' indicators for the 2012/2013 year, under this activity, compared to the previous four years.

| Measure | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|--|---------|---------|---------|---------|-----------------|-----------|
| Operational Plan key performance indicators targets achieved | 87% | 89% | 84% | 84% | 86% | Stable |
| Number of policies reviewed | 45 | 18 | 15 | 27 | 10 ^U | Decreased |
| Customer requests completed | 98% | 98% | 98% | 98% | 96% | Stable |
| Leadership training program | 10 | 10 | 10 | 0 | 0 ^V | N/A |
| Induction program | 6 | 6 | 6 | 5 | 5 ^W | Stable |
| Full-time employee turnover rate | 11.6% | 9% | 9% | 8% | 9% | Stable |
| Consultation surveys conducted | 12 | 45 | 42 | 45 | 42 | Stable |

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

U – The total number of corporate and governance policies reviewed each year varies according to their required review frequency.

V – The Leadership Training Program is under review pending the review and update of the current Workforce Action Plan to a Workforce Action Plan 2013 – 2017. The new action plan will address workforce planning, recruitment and retention, organisational development, people and culture.

W – There were 5 induction programs delivered for 32 new employees.

Achievement of Operational Plan Key Performance Indicators (KPIs)

The annual Operational Plan sets out performance indicators and targets under each service area. The following table indicates our performance for those indicators in 2012/2013 under this activity.

| Service | Key Performance Indicator – 2012/1013 | Target | Result |
|------------------------|--|--------|--------|
| Corporate planning | Reports are prepared and submitted within statutory timeframe | 100% | 100% |
| | Completion rate of integrated community plan | 90% | 100% |
| Consultation | Council service areas using the results of community consultation in decision-making or planning processes | 85% | 85% |
| | Council staff satisfied that they had the tools and support needed to conduct consultation in a strategic fashion. | 65% | 65% |
| Information technology | IT agreed project milestones completed | 80% | 75% |
| | Availability of IT systems within working hours | 98% | 98% |
| Land information | Availability of GIS system | 98% | 98% |
| | All data updated and accurate in Proclaim Nucleus Property System | 95% | 99% |
| Workforce Plan | Reduction in lost time injury (LTI) rate from previous year | -2% | -40% |
| | Staff turnover between 10% and 20% | 20% | 9% |
| | Operating budget allocated to training and development | 1% | 0.64%* |
| Customer service | Customer requests (CRS) received and actioned as per CRS standards | 85% | 90% |
| | Satisfaction with customer service | 85% | 95% |

Note * - The percentage is equivalent to over \$600,000 in training expenditure and included:

- 28 mandatory WHS training courses with 338 attendances
- 193 training or conference attendances as staff participated in a wide range of learning and development activities. These included inductions and code of conduct training, professional seminars and computer system courses like Microsoft Office, Property and Rating, performance Planning, TRIM.
- Study assistance provided to staff undertaking approved study courses.

Key Operational Plan Projects for 2012/2013

The following tables provide a summary of key capital and operating projects completed or progressed by Council during 2012/2013.

Key projects completed in 2012 -2013

| Project | Date completed | Council funding | Source of Council Funds* |
|--|----------------|-----------------|--|
| New website and mobile phone site | Feb-13 | 100% | 2010 Plan Recreational, Cultural & Social Facilities, General Fund |
| Asset management strategy | Jul-12 | 100% | General Fund |
| Health and Wellbeing staff program | Jun-13 | 100% | General Fund |
| Community Engagement - Ward Summits | Jun-13 | 100% | General Fund |
| Integrated Planning and Reporting | Jun-13 | 100% | General Fund |
| Community Strategic Plan development | Jun-13 | 100% | General Fund |
| Systems upgrades – Windows 7 Office 2010, TRIM records, Property & Rating and e-mail systems | Jun-13 | 100% | General Fund |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.

Key projects progressed in 2012/13

These projects will carry over to 2013/14 or later years

| Project | % Completed | Council funding | Source of Council Funds* |
|---|-------------|-----------------|--------------------------|
| New Council administration building, refurbishment and relocation | 50% | 100% | Loan, Environment Levy |
| Bookings system (Stage 2) | 60% | 100% | General Fund |
| Systems upgrade – includes eProperty implementation, new Asset Management system, Phase 2 of a new budgeting system and an upgraded performance review system | 30% | 100% | General Fund |

* Non-Council sources of funds are generally grants and contributions from other government or external organisations.



Financial sustainability

About this principal activity

This activity is about effectively managing our finances and resources to meet community expectations for service delivery.

Services provided under this activity:

- ▶ Financial Management
- ▶ Revenue Accounting
- ▶ Procurement
- ▶ Risk Management

QUICK FACTS

- There are almost 41,000 ratepayers in Ku-ring-gai
- 62% of Council's total income came from rates in 2012/2013
- Council's total income in 2012/2013 was \$111.5 million
- Council's total operating expenses in 2012/2013 were \$95.8million
- \$66.4 million was spent on capital works in 2012/2013 (\$48.6 million in 2011/2012)
- We managed \$0.93 billion worth of assets infrastructure including roads, bridges, halls, land, recreation and leisure facilities, drains, parks and property.

What we achieved in 2012/2013

Our future is financially sound

Ku-ring-gai Council was assessed as being in a 'sound' financial position with a 'neutral' outlook for the future. This was the report card issued by the NSW Treasury Corporation's (TCorp's) in its recent study Financial Sustainability of the NSW Local Government Section – April 2013.

This puts Council in the top 16 councils in NSW for financial sustainability and is the result of prudent and innovative financial management over many years. This is a significant turnaround, considering that in 2000 Council was included in the Department of Local Government's financial watch list.

Our overall guiding principle is to maintain a healthy financial position, underpinned by a sound income base and commitment to control and delivery of services, facilities and infrastructure demanded by the community in an effective and efficient manner. Our Long-term Financial Plan is reviewed each year and focuses on funding capital works and upgrade and renewal of our infrastructure assets to meet community expectations.

Maintained a strong operating surplus

During 2012/2013 we maintained a strong operating surplus. This means that Council's income exceeds the cost of running its day to day operations and the depreciation of its assets. This surplus is available for capital works.



Increased funding for asset renewal

During 2012/2013 we increased our funding for asset renewal. This was achieved by:

- Completing the implementation of a rates restructure, which will provide \$36 million over 20 years for asset renewal
- Redirecting approximately \$18 million of savings from operational efficiencies over the next 10 years towards expenditure on renewal of infrastructure assets.
- Maintaining an operating surplus which has fully funded the depreciation of Council's assets

Successfully extended the Infrastructure Levy

The Infrastructure Levy was due to expire on 30 June 2013. Council applied to IPART for a continuation of this levy up to 30 June 2018 following community consultation and support for the levy. IPART only granted a further one year extension of the Levy until 30 June 2014. The infrastructure Levy has been used entirely to fund Council's road works.

In 2012/2013 funds from the Infrastructure Levy were used for:

- road pavement rehabilitation and resurfacing
- road shoulder asphaltting
- heavy road patching
- footpath reconstruction
- new concrete footpaths.

Reviewed and updated our Long-term Financial Plan

Council first adopted a Long-term Financial Plan (LTFP) in 2001 for a ten year period commencing 2002/2003. Since that time, it has been the core document used to guide all financial planning within Council and is the basis for annual budgets and the preparation of the Delivery Program and Operational Plan. Since 2009/2010, the Plan has been extended to have a 20 year time horizon, principally to align with the time period of Council's Development Contributions Plans and the Community Strategic Plan. To align with State Government guidelines Council must also outline the Plan for a period of 10 years.

Council adopted a revised LTFP in June 2013 to cover the period 2013/14 to 2033/34. This plan takes account of Council's current and future financial capacity and its ability to continue delivering high quality services, facilities and infrastructure to the community while commencing new initiatives and projects contained in the new Community Strategic Plan 2030.

Completed a funding strategy for the acquisition of a new administration building

Council resolved to fund the purchase of 828 Pacific Highway Gordon for \$22 million. Acquisition of the building gives Council a significant strategic landholding in the western side of Gordon precinct with frontage to the Pacific Highway, McIntyre Street and Dumaresq Street. This precinct will be master planned to provide a civic hub for community facilities, open space and Council's civic and administrative functions within the heart of the Gordon Town Centre.

Council considered a range of funding strategies as part of Capital Expenditure Review and elected to sell under utilised and surplus assets to fully fund the purchase rather than increasing Council's debt liability and/or reducing the level of services provided to the broader community.

Achieved sound investments performance

The net return on investments for the financial year ending June 2013 was \$4.41M against a revised budget of \$4.31M, giving a YTD favourable variance of \$100K. Overall for the year ended June the investments performance was well above industry benchmark with cash and at call investments exceeding the industry benchmark of 11am Cash Rate by 0.79% and all other investments (Term deposits, bank bonds, FRNs) exceeding the UBS bank bill Index by an average of 1.9%.

Managed rates

Levying of Rates and Fees and Charges as at June 2013 has been in accordance with all relevant legislation. Pension claims prepared and submitted, supplementary rates processed and issued as per legislation. Rates levied and Draft Fees and Charges for 2013/14 have been adopted as part of the Delivery Program and Operational Plan 2013/14 at the Ordinary Meeting of Council on 25 June 2013. For the year ended June 2013 Council achieved the yearly target and collected 96% in Rates and Debtors.

Continued improving our financial systems and reporting

Upgraded our Property and Rating System

The new Property and Rating system upgrade has been implemented and went live as scheduled in May 2013. This was part of a major systems upgrade to Windows 7, Office 2010, TRIM 7.3 and email System. All staff in Rates and Debtors section as well as relevant staff in Finance have been fully trained in using the new features and functionality of the system. The system upgrade has been managed and coordinated by Information Technology.

Completed financial reporting

A 100% of statutory financial reports were completed within the required timeframes. These include monthly investment reports to Council, quarterly budget review reports (QBR), LTFP as part of Council's Resourcing Strategy and the Annual Budget 2013/14 as part of the Delivery Program and Operational Plan 2013-2014.

Continued our focus on risk management

Implemented Enterprise Risk Management system

Council has developed and implemented an Enterprise Risk Management (ERM) system which meets the requirements of AS/NZS ISO 19001 – Risk Management.

Extensive risk registers were developed for all areas of Council during 2011/2012. During 2012/2013 these registers were analysed and organisational wide significant risks, which require further action, were identified. Six key Risk Projects were workshopped with key staff and prioritised actions developed and pulled together in the first phase of the 2011-2014 Strategic Risk Management Plan. These Risk Projects were:

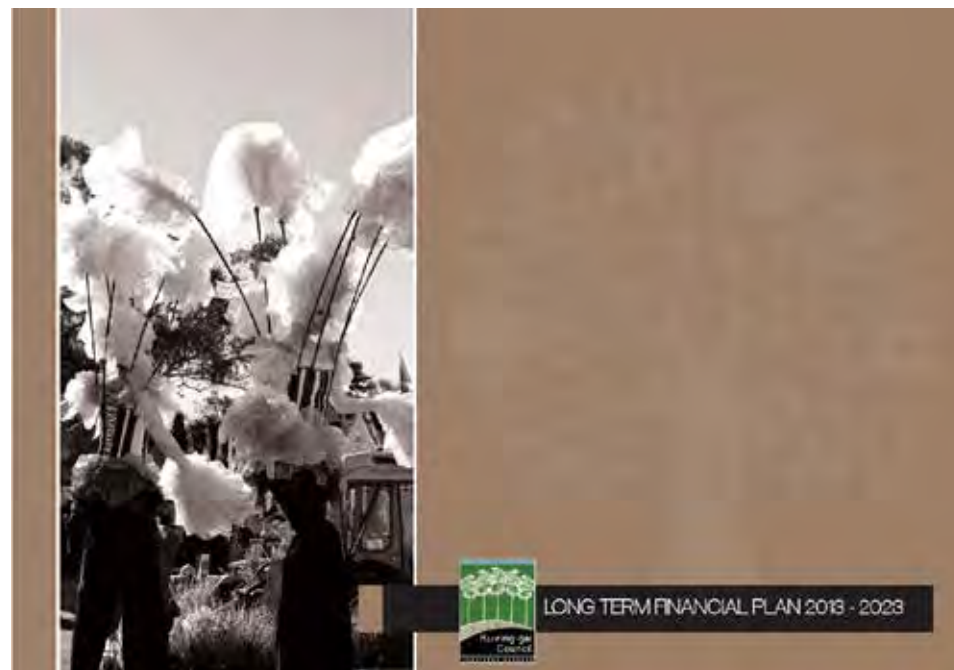
- Project Management
- Contract Management
- Change Management of Business Systems
- IT Competency and Skills Development
- Climate Change Response
- Internal Environmental Management / Compliance.

During 2012-13 risk management was integrated as a key component of the Asset Management Strategy and subsequent Asset Management Plans. An Asset Management Risk Register and associated processes have been developed and piloted on one asset class. This will be reviewed, further refined and implemented for the remaining classes as they are updated.

The risk function was also heavily involved in the review and updating of the procurement procedures – in particular the tender and EOI process.

The risk function is currently spread across a number of areas of Council. An initial review has been undertaken to identify appropriate structures, roles and reporting lines. The pulling together and integration of the Risk Management function into one team will assist in ensuring that the effectiveness and coordination of Risk Management activities is improved and will enable a more coordinated risk response and more effective risk service to be provided to Council.

During 2013-14 the Risk Registers will be reviewed and updated along with the Register structure and risk action reporting and follow-up processes. This will include integration of our Enterprise Risk Management System (ERM) into the Corporate Performance Planning System enabling risk management to be further integrated into existing Council business processes.





Key achievements in 2012/2013

- Received a sound financial report card from NSW Treasury Corporation, highlighting our robust financial position.
- Maintained a strong operating surplus – this means Council's income exceeds the cost of its day to day operations.
- Increased funding for infrastructure asset renewal from operational efficiencies - approximately \$18m over the next 10 years.
- Increased funding for asset renewal from a rates restructure - will provide \$36 million over 20 years.
- Successfully applied for the renewal of the Infrastructure Levy for 2012/13 for one year which will be used entirely to fund Council's road works.
- Completed a funding strategy for the acquisition of a new administration building.
- Designed a new budgeting system and procedures.
- Upgraded the Property and Rating system.

Our challenges in 2012/2013

- The Infrastructure Levy was renewed for one year only until 30 June 2014. The Levy currently ensures that Council has the capacity to provide additional funding to reduce the asset renewal gap, and continue to bring Council's roads to a fair standard within an established timeframe.
- Continuing to seek new funding sources for the delivery of community long-term objectives.
- Council's operations are being continuously reviewed and any funding available from efficiency gains is redirected towards expenditure on renewal of infrastructure assets.
- Resources invested in integrating our asset management plans and strategy with the Long-term Financial Plan.

The year ahead In 2013/2014 we will:

- Further analyse and determine the level of community support for Council to apply for a Special Rate Variation that funds the renewal and upgrade of all of our community and infrastructure assets.
- Maintain an operating surplus result to fund day to day operations and capital projects.
- Continue to satisfy all performance measures for financial sustainability.
- Maximise funds available for projects to upgrade or renew infrastructure.
- Fully integrate our Assets Management Plans and Strategy with the Long-term Financial Plan, consistent with Integrated Planning and Reporting legislation and good practice.
- Implement Phase 2 asset enterprise management system and enterprise budgeting system
- Review the Long-term Financial Strategy against financial factors and Federal and State Government Policy changes.
- Proactively investigate new funding sources for our projects, programs and services.
- Continue to integrate Enterprise Risk Management into organisation decision-making systems and processes.



QBL trend analysis – key performance indicators

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

The following table indicates our performance for key 'economic' indicators for the 2012/2013 year, under this activity, compared to the previous four years.

| Measure | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | Trend |
|---|-----------|-----------|-----------|-----------|-----------|---------------------------|
| Unrestricted current ratio | 2.14 | 2.11 | 2.06 | 2 | 2.04 | Stable |
| Restricted cash - internal (\$M) | 13,644 | 27,905 | 27,339 | 20,848 | 14,746 | Decreasing |
| Restricted cash - external (\$M) | 60,971 | 72,709 | 76,208 | 70,650 | 70,764 | Stable |
| Operating result before capital grants and contributions (\$M) | 5,285 | 20,199 | 5,009 | 8,360 | 4,815 | Decreasing ⁽¹⁾ |
| Building and infrastructure renewal expenditure (ratio) | 1.67 | 1.6 | 0.98 | 1 | 0.95 | Stable |
| Debt servicing | 3.09% | 2.37% | 2.23% | 2% | 2.08% | Stable |
| Loans/borrowings per year (\$M) | \$1 | Nil | \$2.35 | \$2.23 | \$28.3 | Increased ⁽²⁾ |
| Collection performance (including rates, annual, interest and extra charges & fees) | 3.04% | 3.25% | 3.15% | 3.39% | 3.36% | Stable |
| Re-votes expenditure | 9.71% | 16.22% | 10.39% | 10% | 8% | Decreasing |
| Return on investment | 4.81% | 5.71% | 6.91% | 6% | 5.38% | Decreasing ⁽³⁾ |
| Number of ratepayers | 37,237 | 38,752 | 39,688 | 40,299 | 40,914 | Increasing |
| IPART rate increase approved (including special variations) | 3.2% | 6.65% | 5.75% | 7.8% | 8.6% | Increasing ⁽⁴⁾ |
| Untied grants revenue (\$) | 3,940,000 | 3,305,000 | 3,546,000 | 4,207,000 | 3,338,000 | Decreasing |
| Specific purpose grants revenue (\$) | 5,211,000 | 3,534,000 | 5,153,000 | 4,039,000 | 5,938,000 | Increasing ⁽⁵⁾ |
| Source of revenue from rates and annual charges | 58.4% | 51.7% | 56.6% | 59% | 61.69% | Increasing |
| Available funds balance (Working Capital) (\$M) | \$1.3 | \$2.9 | \$4.8 | \$5.7 | \$5.9 | Stable |

TABLE LEGEND QBL ■ Environment ■ Economic ■ Social ■ Governance

Notes:

- (1) Decreasing due to lower investment interest revenue and higher depreciation expense on assets
- (2) Increased borrowings of \$28.3 million as a result of:
 - Acquisition of a new administrative building
 - Short term funding for a stage of the Aquatic Centre
 - Borrowing under the Local Infrastructure Renewal Scheme (LIRS) to upgrade the Gordon Library and refurbishment of public toilets.
- (3) Decreasing due to lower interest rates and lower than anticipated return on investment portfolio.
- (4) Increasing due to IPART Rate Increase approved for 2012/13 to 8.6% (rate peg 3.6% +5% IL). Note that this 5% was a continuation (or reinstatement) of the existing 5% levy that expired in 2012/13.
- (5) Increasing mainly due to one-off projects funded by grants.

Achievement of Operational Plan Key Performance Indicators (KPIs)

The annual Operational Plan sets out performance indicators and targets under each service area. The following table indicates our performance for those indicators in 2012/2013 under this activity.

| Service | Key Performance Indicator – 2012/1013 | Target | Result |
|-----------|--|--------|--------|
| Insurance | Performance in period | 100% | 100% |
| Rates | Rates, charges and fees collected | 96% | 96% |
| Financial | Statutory financial reports prepared and submitted within legislative timeframes | 100% | 100% |
| | Weighted average year to date return exceeds the UBSWA Bank Bill Index (%) benchmark return | 80% | 80% |
| | Available working capital balance to increase \$3.9M by 2012/13, in accordance with Long-term Financial Plan | \$4M | \$4M |



Financial information



Financial Statements

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Ku-ring-gai Council.
- (ii) Ku-ring-gai Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

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

- (iii) All figures presented in these financial statements are presented in Australian Currency.

- (iv) These financial statements were authorised for issue by the Council on 11 September 2013. Council has the power to amend and reissue these financial statements.

Ku-ring-gai Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council & Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2013.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the NSW Division of Local Government.

About the Councillor/Management Statement

The financial statements must be certified by Senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities and "Net Wealth".

4. The Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "Net Wealth".

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements ?

The financial statements are publicly available documents and must be presented at a Council meeting between 7 days and 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Division of Local Government.

Ku-ring-gai Council

General Purpose Financial Statements for the financial year ended 30 June 2013

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:

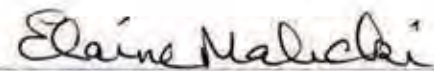
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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 10 September 2013.




Elaine Malicki
MAYOR



Cheryl Sztatow
COUNCILLOR



John McKee
GENERAL MANAGER



Angela Apostol
RESPONSIBLE ACCOUNTING OFFICER

Ku-ring-gai Council

Income Statement

for the financial year ended 30 June 2013

| Budget 2013 | (1) \$ '000 | Notes | Actual 2013 | Actual 2012 | |
|--|----------------|--|----------------|----------------|----------------|
| Income from Continuing Operations | | | | | |
| Revenue: | | | | | |
| 68,142 | | Rates & Annual Charges | 3a | 68,816 | 65,779 |
| 12,082 | | User Charges & Fees | 3b | 12,349 | 12,306 |
| 4,575 | | Interest & Investment Revenue | 3c | 4,558 | 6,368 |
| 7,387 | | Other Revenues | 3d | 8,247 | 7,295 |
| 5,794 | | Grants & Contributions provided for Operating Purposes | 3e,f | 6,589 | 6,677 |
| 13,012 | | Grants & Contributions provided for Capital Purposes | 3e,f | 10,991 | 13,754 |
| Other Income: | | | | | |
| 5,812 | | Net gains from the disposal of assets | 5 | - | 137 |
| 116,804 | | Total Income from Continuing Operations | | 111,550 | 112,316 |
| Expenses from Continuing Operations | | | | | |
| 35,857 | | Employee Benefits & On-Costs | 4a | 34,572 | 33,887 |
| 576 | | Borrowing Costs | 4b | 453 | 460 |
| 30,627 | | Materials & Contracts | 4c | 28,997 | 27,861 |
| 16,675 | | Depreciation & Amortisation | 4d | 15,790 | 14,958 |
| 13,812 | | Other Expenses | 4e | 14,709 | 13,036 |
| - | | Net Losses from the Disposal of Assets | 5 | 1,223 | - |
| 97,547 | | Total Expenses from Continuing Operations | | 95,744 | 90,202 |
| 19,257 | | Operating Result from Continuing Operations | | 15,806 | 22,114 |
| Discontinued Operations | | | | | |
| - | | Net Profit/(Loss) from Discontinued Operations | 24 | - | - |
| 19,257 | | Net Operating Result for the Year | | 15,806 | 22,114 |
| 6,245 | | Net Operating Result for the year before Grants and Contributions provided for Capital Purposes | | 4,815 | 8,360 |

(1) Original Budget as approved by Council - refer Note 16 for details on material budget variations

This Statement should be read in conjunction with the accompanying Notes.

Ku-ring-gai Council

Statement of Comprehensive Income for the financial year ended 30 June 2013

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|----------|----------------|----------------|
| Net Operating Result for the year (as per Income statement) | | 15,806 | 22,114 |
| Other Comprehensive Income: | | | |
| <i>Amounts which will not be reclassified subsequently to the Operating Result</i> | | | |
| Gain (loss) on revaluation of I,PP&E (Revaluation of Buildings & Op Land) | 20b (ii) | (1,580) | - |
| Gain (loss) on revaluation of other reserves | 20b (ii) | - | - |
| Other Movements in reserves (Revaluation of Community Land) | 20b (ii) | - | (3,780) |
| Total Other Comprehensive Income for the year | | (1,580) | (3,780) |
| Total Comprehensive Income for the Year | | 14,226 | 18,334 |

Ku-ring-gai Council

Statement of Financial Position as at 30 June 2013

| \$ '000 | Notes | Actual 2013 | Actual 2012 | Actual 2011 |
|---|-------|------------------|----------------|----------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash & Cash Equivalents | 6a | 13,028 | 204 | 65 |
| Investments | 6b | 42,876 | 58,835 | 50,239 |
| Receivables | 7 | 7,379 | 7,942 | 7,204 |
| Inventories | 8 | 253 | 254 | 264 |
| Other | 8 | 1,283 | 1,116 | 1,202 |
| Total Current Assets | | 64,819 | 68,351 | 58,974 |
| Non-Current Assets | | | | |
| Investments | 6b | 34,999 | 36,948 | 56,972 |
| Receivables | 7 | 192 | 187 | 222 |
| Inventories | 8 | - | - | - |
| Infrastructure, Property, Plant & Equipment | 9 | 938,784 | 892,101 | 863,209 |
| Intangible Assets | 25 | 850 | 656 | 274 |
| Total Non-Current Assets | | 974,825 | 929,892 | 920,677 |
| TOTAL ASSETS | | 1,039,644 | 998,243 | 979,651 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Payables | 10 | 11,047 | 10,398 | 10,417 |
| Borrowings | 10 | 2,992 | 2,067 | 1,857 |
| Provisions | 10 | 9,602 | 9,814 | 9,474 |
| Total Current Liabilities | | 23,641 | 22,279 | 21,748 |
| Non-Current Liabilities | | | | |
| Payables | 10 | - | - | - |
| Borrowings | 10 | 31,676 | 5,880 | 5,748 |
| Provisions | 10 | 339 | 322 | 268 |
| Total Non-Current Liabilities | | 32,015 | 6,202 | 6,016 |
| TOTAL LIABILITIES | | 55,656 | 28,481 | 27,764 |
| Net Assets | | 983,988 | 969,762 | 951,887 |
| EQUITY | | | | |
| Retained Earnings | 20 | 668,370 | 652,564 | 628,985 |
| Revaluation Reserves | 20 | 315,618 | 317,198 | 322,902 |
| Council Equity Interest | | 983,988 | 969,762 | 951,887 |
| Non-controlling Interest | | - | - | - |
| Total Equity | | 983,988 | 969,762 | 951,887 |

This Statement should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity
for the financial year ended 30 June 2013

| \$ '000 | Notes | Non- | | | | Total Equity |
|--|----------|-------------------|----------------------|------------------|----------------------|----------------|
| | | Retained Earnings | Reserves (Refer 20b) | Council Interest | controlling Interest | |
| 2013 | | | | | | |
| Opening Balance (as per Last Year's Audited Accounts) | | 653,023 | 317,198 | 970,221 | - | 970,221 |
| a. Correction of Prior Period Errors | 20 (c) | (459) | - | (459) | - | (459) |
| b. Changes in Accounting Policies (prior year effects) | 20 (d) | - | - | - | - | - |
| Revised Opening Balance (as at 1/7/12) | | 652,564 | 317,198 | 969,762 | - | 969,762 |
| c. Net Operating Result for the Year | | 15,806 | - | 15,806 | - | 15,806 |
| d. Other Comprehensive Income | | | | | | |
| - Revaluations : IPP&E Asset Reval Reserve | 20b (ii) | - | (1,580) | (1,580) | - | (1,580) |
| Other Comprehensive Income | | - | (1,580) | (1,580) | - | (1,580) |
| Total Comprehensive Income (c&d) | | 15,806 | (1,580) | 14,226 | - | 14,226 |
| Equity - Balance at end of the reporting period | | 668,370 | 315,618 | 983,988 | - | 983,988 |

| \$ '000 | Notes | Non- | | | | Total Equity |
|--|----------|-------------------|----------------------|------------------|----------------------|----------------|
| | | Retained Earnings | Reserves (Refer 20b) | Council Interest | controlling Interest | |
| 2012 | | | | | | |
| Opening Balance (as per Last Year's Audited Accounts) | | 628,985 | 322,902 | 951,887 | - | 951,887 |
| a. Correction of Prior Period Errors | 20 (c) | 1,465 | (1,924) | (459) | - | (459) |
| b. Changes in Accounting Policies (prior year effects) | 20 (d) | - | - | - | - | - |
| Revised Opening Balance (as at 1/7/11) | | 630,450 | 320,978 | 951,428 | - | 951,428 |
| c. Net Operating Result for the Year | | 22,114 | - | 22,114 | - | 22,114 |
| d. Other Comprehensive Income | | | | | | |
| - Other Movements | 20b (ii) | - | (3,780) | (3,780) | - | (3,780) |
| Other Comprehensive Income | | - | (3,780) | (3,780) | - | (3,780) |
| Total Comprehensive Income (c&d) | | 22,114 | (3,780) | 18,334 | - | 18,334 |
| Equity - Balance at end of the reporting period | | 652,564 | 317,198 | 969,762 | - | 969,762 |

This Statement should be read in conjunction with the accompanying Notes.

Statement of Cash Flows
for the financial year ended 30 June 2013

| Budget 2013 | \$ '000 | Notes | Actual 2013 | Actual 2012 |
|---|---------|---|-----------------|-----------------|
| | | | | |
| Receipts: | | | | |
| 68,539 | | | 68,737 | 65,557 |
| 19,129 | | | 15,306 | 11,899 |
| 4,575 | | | 4,483 | 6,992 |
| 17,805 | | | 17,099 | 21,104 |
| 70 | | | 50 | 100 |
| 7,500 | | | 15,151 | 12,592 |
| Payments: | | | | |
| (35,857) | | | (34,937) | (33,559) |
| (28,409) | | | (32,580) | (31,468) |
| (576) | | | (453) | (460) |
| (80) | | | (99) | (155) |
| (16,086) | | | (20,198) | (16,737) |
| 36,610 | | 11b | 32,559 | 35,865 |
| Cash Flows from Investing Activities | | | | |
| Receipts: | | | | |
| 35,000 | | | 56,463 | 40,440 |
| 5,000 | | | 836 | 738 |
| Payments: | | | | |
| (18,000) | | | (38,383) | (29,081) |
| (70,000) | | | (65,372) | (48,165) |
| (48,000) | | | (46,456) | (36,068) |
| Cash Flows from Financing Activities | | | | |
| Receipts: | | | | |
| 31,300 | | | 28,300 | 2,100 |
| Payments: | | | | |
| (2,254) | | | (1,579) | (1,758) |
| 29,046 | | | 26,721 | 342 |
| 17,656 | | | 12,824 | 139 |
| 200 | | plus: Cash & Cash Equivalents - beginning of year | 204 | 65 |
| 17,856 | | | 13,028 | 204 |
| | | plus: Investments on hand - end of year | 77,875 | 95,783 |
| | | | 90,903 | 95,987 |

This Statement should be read in conjunction with the accompanying Notes.

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

(a) Basis of preparation

(i) Background

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

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

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

Because 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 International Financial Reporting Standards (IFRS), or

- (b) specifically exclude application by not-for-profit entities.

Accordingly in preparing these financial statements and accompanying Notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), 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) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

Refer further to paragraph (v) (p.18) relating to a summary of the effects of Standards with future operative dates.

(v) 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
- (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.

Note 1. Summary of Significant Accounting Policies (continued)

(vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated.

(vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

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

(b) Revenue recognition

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

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

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

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.

Note 1. Summary of Significant Accounting Policies (continued)

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 June 2013) and **(ii)** all the related operating results (for the financial year ended 30th June 2013).

(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

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

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

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

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

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

Note 1. Summary of Significant Accounting Policies (continued)

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council 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 de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

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

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

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "fair value through profit or loss" category are included in the income statement in the period in which they arise.

Impairment

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

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 authorised investments prescribed under the Ministerial Local Government Investment Order.

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

Council amended its Policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity

Note 1. Summary of Significant Accounting Policies (continued)

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 (bank securities) is based on quoted market prices at the balance sheet date.

The fair value of structured financial instruments is based on directly observable market inputs and market – standard valuation methodology.

(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 (i.e. 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 and Stores and Finished Goods**

Raw materials and 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 continually revalued over a 5 year period in accordance with the fair valuation policy as mandated 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** (External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (VG Valuation)
- **Land Improvements**
(as approximated by depreciated historical cost)
- **Other Structures**
(as approximated by depreciated historical cost)
- **Other Assets**
(as approximated by depreciated historical cost)

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 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

Note 1. Summary of Significant Accounting Policies (continued)

to Council and the cost of the item can be measured reliably.

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

Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & 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 class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Full revaluations are undertaken for all assets on a 5 year cycle.

Capitalisation Thresholds

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:

| | |
|---|----------|
| - Road Assets | \$10,000 |
| - Bridge Assets | \$10,000 |
| - Road & Reserve Furniture | \$2,000 |
| - Car Park Assets | \$10,000 |
| - Footpath Assets | \$5,000 |
| - Kerb & Gutter Assets | \$5,000 |
| - Stormwater Drainage Assets | \$10,000 |
| - Buildings | \$5,000 |
| - Parks & Recreation Assets | \$5,000 |
| - Fleet & Plant | \$2,000 |
| - Information Technology Hardware/ Software | \$2,000 |

In determining (and annually reviewing) such thresholds, regard is 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 |
| - Roads: Pavement | 50 - 70 years |
| - Roads: 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 |
| - Software | 5 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.

Disposal and De-recognition

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

Any gain or loss arising on de-recognition 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 de-recognised.

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local

Note 1. Summary of Significant Accounting Policies (continued)

Government Act (1993) classified as either Operational or Community.

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

(l) Land under roads

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

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

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

(m) Intangible Assets

IT Development and Software

Systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include software licences.

Amortisation is calculated on a straight line basis over period of 5 years.

(n) Impairment of Assets

All Council's IPP&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.

(o) Payables

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

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

(p) Borrowings

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

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

(q) Borrowing costs

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

(r) 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.

(s) 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.

Note 1. Summary of Significant Accounting Policies (continued)

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.

(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) is 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 based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 5 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 5 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

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

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

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

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

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 last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20th February 2013 and covers the period ended 30 June

Note 1. Summary of Significant Accounting Policies (continued)

2013. However, the position is monitored annually and the Actuary has estimated that as at 30 June 2013 a deficit still exists.

As a result, the Scheme has asked for a continuation of increased future contributions to recover that deficiency.

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

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

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

Defined Contribution Plans

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

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

(t) 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.

(u) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

(v) 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 2013.

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, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

Note 1. Summary of Significant Accounting Policies (continued)

When adopted, the standard will affect in particular, 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.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the Financial Statements.

However, application of the new standard will impact the type of information disclosed in the Notes to the Financial Statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there is no impact on disclosures as there are no offsetting arrangements currently in place.

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

None

(w) Rounding of amounts

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

(x) 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.

(y) 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 2013

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 Operations | | Total Assets held (Current & Non-current) | |
| | Original Budget | Actual | Actual | Original Budget | Actual | Actual | Original Budget | Actual | Actual | Actual | Actual | Actual | |
| | 2013 | 2013 | 2012 | 2013 | 2013 | 2012 | 2013 | 2013 | 2012 | 2013 | 2012 | 2013 | |
| Governance | 4 | 2 | 2 | 974 | 903 | 224 | (970) | (901) | (222) | - | 9 | 307 | 295 |
| Administration | 32,710 | 32,958 | 32,908 | 23,736 | 22,346 | 21,377 | 8,974 | 10,612 | 11,531 | - | - | 155,969 | 149,758 |
| Public Order & Safety | 404 | 903 | 569 | 4,188 | 4,054 | 4,072 | (3,784) | (3,151) | (3,503) | 437 | 324 | 6,141 | 5,896 |
| Health | 135 | 116 | 89 | 419 | 393 | 366 | (284) | (277) | (277) | 6 | 21 | 6,184 | 5,938 |
| Environment | 16,920 | 17,426 | 16,011 | 22,533 | 21,772 | 20,242 | (5,613) | (4,346) | (4,231) | 815 | 366 | 4,682 | 4,496 |
| Community Services & Education | 5,435 | 5,940 | 5,707 | 5,127 | 5,801 | 5,446 | 308 | 139 | 261 | 1,118 | 857 | 9,901 | 9,507 |
| Housing & Community Amenities | 774 | 2,294 | 1,304 | 4,298 | 4,441 | 4,437 | (3,524) | (2,147) | (3,133) | 1,228 | 192 | 53,173 | 51,056 |
| Recreation & Culture | 8,593 | 7,930 | 10,856 | 16,764 | 17,649 | 15,586 | (8,171) | (9,719) | (4,730) | 761 | 1,083 | 317,401 | 304,761 |
| Mining, Manufacturing & Construction | 2,329 | 1,957 | 1,887 | 5,216 | 4,523 | 5,229 | (2,887) | (2,566) | (3,342) | - | - | 1,646 | 1,580 |
| Transport & Communication | 16,505 | 8,936 | 9,524 | 14,011 | 13,683 | 13,020 | 2,494 | (4,747) | (3,496) | 1,573 | 1,187 | 484,240 | 464,956 |
| Economic Affairs | 104 | 122 | 61 | 281 | 179 | 203 | (177) | (57) | (142) | - | - | - | - |
| Total Functions & Activities | 83,913 | 78,584 | 78,918 | 97,547 | 95,744 | 90,202 | (13,634) | (17,160) | (11,284) | 5,938 | 4,039 | 1,039,644 | 998,243 |
| General Purpose Income ¹ | 32,891 | 32,966 | 33,398 | - | - | - | 32,891 | 32,966 | 33,398 | 3,644 | 4,554 | - | - |
| Operating Result from Continuing Operations | 116,804 | 111,550 | 112,316 | 97,547 | 95,744 | 90,202 | 19,257 | 15,806 | 22,114 | 9,582 | 8,593 | 1,039,644 | 998,243 |

1. Includes: Rates & Annual Charges, Interest on Overdue Rates, United General Purpose Grants & Unrestricted Interest & Investment Income.

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.

ADMINISTRATION

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

PUBLIC ORDER & SAFETY

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

HEALTH

Inspection, immunisations, food control, health centres, other, administration.

ENVIRONMENT

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

COMMUNITY SERVICES & 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, street lighting, other sanitation and garbage, 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.

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & 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, other.

ECONOMIC AFFAIRS

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

Note 3. Income from Continuing Operations

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------|----------------|
| (a) Rates & Annual Charges | | | |
| Ordinary Rates | | | |
| Residential | | 23,959 | 23,236 |
| Business | | 3,698 | 3,295 |
| Total Ordinary Rates | | 27,657 | 26,531 |
| Special Rates | | | |
| New Facility Rate | | 1,573 | 1,605 |
| Environmental Levy | | 2,492 | 2,397 |
| Infrastructure Levy | | 21,974 | 20,942 |
| Total Special Rates | | 26,039 | 24,944 |
| Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611) | | | |
| Domestic Waste Management Services | | 14,106 | 13,303 |
| Stormwater Management Services | | 940 | 934 |
| Section 611 Charges | | 74 | 67 |
| Total Annual Charges | | 15,120 | 14,304 |
| TOTAL RATES & ANNUAL CHARGES | | 68,816 | 65,779 |

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

Note 3. Income from Continuing Operations (continued)

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------------|----------------------|
| (b) User Charges & Fees | | | |
| User Charges & Fees | | | |
| (i) Fees & Charges - Statutory & Regulatory Functions (per s.608) | | | |
| Building Regulation | | 1,493 | 1,324 |
| Certificates | | 666 | 570 |
| DA Advertising Fees | | 58 | 60 |
| Driveway Application Fees | | 561 | 405 |
| Outstanding Notices | | 161 | 149 |
| Regulatory Application Fees | | 242 | 238 |
| Tree Preservation Charges | | 114 | 104 |
| Total Fees & Charges - Statutory/Regulatory | | 3,295 | 2,850 |
| (ii) Fees & Charges - Other (incl. General User Charges) (per s.608) | | | |
| Art Centre | | 431 | 479 |
| Bus Shelters | | 289 | 286 |
| Family Day Care | | 947 | 940 |
| Golf Courses | | 1,061 | 957 |
| Halls | | 241 | 269 |
| Holiday Activities | | 242 | 219 |
| Leaseback Fees - Council Vehicles | | 343 | 347 |
| Library | | 39 | 46 |
| Nursery | | 59 | 60 |
| Parks | | 390 | 586 |
| Restoration Charges | | 2,512 | 2,845 |
| Sale of Documents | | 4 | 4 |
| Showground | | 24 | 46 |
| Tennis Courts | | 287 | 295 |
| Trade Waste Charges | | 1,771 | 1,758 |
| Other | | 414 | 319 |
| Total Fees & Charges - Other | | 9,054 | 9,456 |
| <u>TOTAL USER CHARGES & FEES</u> | | <u>12,349</u> | <u>12,306</u> |

Note 3. Income from Continuing Operations (continued)

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|---|-------|---------------------|---------------------|
| (c) Interest & Investment Revenue | | | |
| Interest & Dividends | | | |
| - Interest on Overdue Rates & Annual Charges | | 129 | 122 |
| - Interest earned on Investments (interest & coupon payment income) | | 4,257 | 6,315 |
| Fair Value Adjustments | | | |
| - Fair Valuation movements in Investments (at FV) | | 172 | (69) |
| <u>TOTAL INTEREST & INVESTMENT REVENUE</u> | | <u>4,558</u> | <u>6,368</u> |
| Interest Revenue is attributable to: | | | |
| Unrestricted Investments/Financial Assets: | | | |
| Overdue Rates & Annual Charges (General Fund) | | 129 | 122 |
| General Council Cash & Investments | | 967 | 1,075 |
| Restricted Investments/Funds - External: | | | |
| Development Contributions | | | |
| - Section 94 | | 2,893 | 4,055 |
| Restricted Investments/Funds - Internal: | | | |
| Internally Restricted Assets | | 569 | 1,116 |
| <u>Total Interest & Investment Revenue Recognised</u> | | <u>4,558</u> | <u>6,368</u> |
| (d) Other Revenues | | | |
| Rental Income - Other Council Properties | | 4,301 | 3,651 |
| Fines - Parking | | 1,565 | 1,456 |
| Fines - Other | | 493 | 544 |
| Legal Fees Recovery - Rates & Charges (Extra Charges) | | 77 | 102 |
| Legal Fees Recovery - Other | | 257 | 111 |
| Commissions & Agency Fees | | 19 | 11 |
| Credit Card Surcharge | | 112 | 111 |
| Dog Registration Fees | | 68 | 31 |
| Filming Fees | | 7 | 4 |
| Insurance Claim Recoveries | | 71 | 75 |
| Licence Income | | 145 | 114 |
| Program Fees | | 187 | 167 |
| Recycling Income (non domestic) | | 561 | 632 |
| Trade Discount | | 41 | 7 |
| Other | | 343 | 279 |
| <u>TOTAL OTHER REVENUE</u> | | <u>8,247</u> | <u>7,295</u> |

Note 3. Income from Continuing Operations (continued)

| \$ '000 | 2013 Operating | 2012 Operating | 2013 Capital | 2012 Capital |
|---|-------------------|-------------------|-----------------|-----------------|
| (e) Grants | | | | |
| General Purpose (Untied) | | | | |
| Financial Assistance | 3,338 | 4,207 | - | - |
| Pensioners' Rates Subsidies - General Component | 306 | 347 | - | - |
| Total General Purpose | 3,644 | 4,554 | - | - |
| Specific Purpose | | | | |
| Pensioners' Rates Subsidies: | | | | |
| - Domestic Waste Management | 182 | 124 | - | - |
| Aged Care | 40 | - | - | - |
| Community Care | 9 | - | - | 155 |
| Community Centres | 996 | 714 | 40 | - |
| Economic Development | 21 | - | 63 | - |
| Environmental Protection | 246 | 346 | 45 | 40 |
| Fire Management | - | - | 321 | 99 |
| Library | 228 | 211 | 55 | - |
| Noxious Weeds | - | 15 | - | - |
| NSW Rural Fire Services | 71 | 102 | - | - |
| Recreation & Culture | 2 | 99 | 285 | 87 |
| Road Safety | 42 | 66 | - | - |
| Street Lighting | 281 | 274 | - | - |
| Transport | - | - | 1,248 | 735 |
| WASIP grant | 718 | 20 | - | 619 |
| State Emergency Services | - | - | 1,025 | - |
| Other | 20 | 92 | - | 241 |
| Total Specific Purpose | 2,856 | 2,063 | 3,082 | 1,976 |
| Total Grants | 6,500 | 6,617 | 3,082 | 1,976 |
| Grant Revenue is attributable to: | | | | |
| - Commonwealth Funding | 3,338 | 4,207 | 1,248 | 735 |
| - State Funding | 3,162 | 2,410 | 1,834 | 1,241 |
| | 6,500 | 6,617 | 3,082 | 1,976 |

Note 3. Income from Continuing Operations (continued)

| \$ '000 | 2013 Operating | 2012 Operating | 2013 Capital | 2012 Capital |
|--|-------------------|-------------------|-----------------|-----------------|
| (f) Contributions | | | | |
| Developer Contributions: | | | | |
| (s93 & s94 - EP&A Act, s64 of the LGA): | | | | |
| S 94 - Contributions towards amenities/services | 14 | 20 | 7,193 | 11,360 |
| Total Developer Contributions | 14 | 20 | 7,193 | 11,360 |
| Other Contributions: | | | | |
| Contribution to Works | 75 | 40 | 411 | 124 |
| RMS Contributions (Regional Roads, Block Grant) | - | - | 305 | 294 |
| Total Other Contributions | 75 | 40 | 716 | 418 |
| Total Contributions | 89 | 60 | 7,909 | 11,778 |
| TOTAL GRANTS & CONTRIBUTIONS | 6,589 | 6,677 | 10,991 | 13,754 |
| (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 | | | 66,244 | 71,694 |
| add: Grants & contributions recognised in the current period but not yet spent: | | | 14,246 | 17,935 |
| less: Grants & contributions recognised in a previous reporting period now spent: | | | (14,722) | (23,385) |
| Net Increase (Decrease) in Restricted Assets during the Period | | | (476) | (5,450) |
| Unexpended and held as Restricted Assets | | | 65,768 | 66,244 |
| Comprising: | | | | |
| - Specific Purpose Unexpended Grants | | | 1,117 | 879 |
| - Developer Contributions | | | 64,651 | 65,365 |
| | | | 65,768 | 66,244 |

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------|----------------|
| (a) Employee Benefits & On-Costs | | | |
| Salaries and Wages | | 27,631 | 26,935 |
| Employee Leave Entitlements (ELE) | | 4,514 | 4,332 |
| Superannuation | | 3,156 | 3,185 |
| Workers' Compensation Insurance | | 710 | 615 |
| Fringe Benefit Tax (FBT) | | 257 | 256 |
| Training Costs (other than Salaries & Wages) | | 218 | 303 |
| Other | | 123 | 104 |
| Total Employee Costs | | 36,609 | 35,730 |
| less: Capitalised Costs | | (2,037) | (1,843) |
| TOTAL EMPLOYEE COSTS EXPENSED | | 34,572 | 33,887 |
| Number of "Equivalent Full Time" Employees at year end | | 418 | 443 |
| (b) Borrowing Costs | | | |
| (i) Interest Bearing Liability Costs | | | |
| Interest on Loans | | 453 | 460 |
| Total Interest Bearing Liability Costs | | 453 | 460 |
| TOTAL BORROWING COSTS EXPENSED | | 453 | 460 |

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------|----------------|
| (c) Materials & Contracts | | | |
| Raw Materials & Consumables | | 3,237 | 3,168 |
| Contractor & Consultancy Costs | | 23,648 | 21,133 |
| Auditors Remuneration ⁽¹⁾ | | 61 | 70 |
| Legal Expenses: | | | |
| - Legal Expenses: Planning & Development | | 1,217 | 1,779 |
| - Legal Expenses: Other | | 55 | 179 |
| Operating Leases: | | | |
| - Operating Lease Rentals: Minimum Lease Payments ⁽²⁾ | | 358 | 379 |
| Lease Expense | | 242 | 1,010 |
| Other | | 179 | 143 |
| Total Materials & Contracts | | 28,997 | 27,861 |
| TOTAL MATERIALS & CONTRACTS | | 28,997 | 27,861 |
| 1. Auditor Remuneration | | | |
| During the year, the following fees were incurred for services provided by the Council's Auditor : | | | |
| (i) Audit and Other Assurance Services | | | |
| - Audit & review of financial statements: Council's Auditor | | 58 | 67 |
| - Other audit & assurance services | | 3 | 3 |
| Remuneration for audit and other assurance services | | 61 | 70 |
| Total Auditor Remuneration | | 61 | 70 |
| 2. Operating Lease Payments are attributable to: | | | |
| Computers | | 358 | 379 |
| | | 358 | 379 |

Note 4. Expenses from Continuing Operations (continued)

| \$ '000 | Notes | Impairment Costs | | Depreciation/Amortisation | |
|---|-------|------------------|----------------|---------------------------|----------------|
| | | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| (d) Depreciation, Amortisation & Impairment | | | | | |
| Plant and Equipment | | - | - | 996 | 1,042 |
| Office Equipment | | - | - | 174 | 144 |
| Furniture & Fittings | | - | - | 15 | 6 |
| Land Improvements (depreciable) | | - | - | 1,411 | 1,118 |
| Buildings | | - | - | 1,813 | 1,404 |
| Other Structures | | - | - | 405 | 310 |
| Infrastructure: | | | | | |
| - Roads, Bridges & Footpaths | | - | - | 7,752 | 7,891 |
| - Stormwater Drainage | | - | - | 2,390 | 2,385 |
| Other Assets | | | | | |
| - Library Books | | - | - | 657 | 598 |
| - Other | | - | - | 15 | 24 |
| Intangible Assets | 25 | - | - | 162 | 36 |
| Total Depreciation & Impairment Costs | | - | - | 15,790 | 14,958 |
| TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED | | - | - | 15,790 | 14,958 |

Note 4. Expenses from Continuing Operations (continued)

| \$ '000 | Notes | Actual | Actual |
|--|-------|---------------|---------------|
| | | 2013 | 2012 |
| (e) Other Expenses | | | |
| Other Expenses for the year include the following: | | | |
| Advertising | | 319 | 362 |
| Bad & Doubtful Debts | | 35 | 36 |
| Bank Charges | | 216 | 214 |
| Commissions | | 216 | 274 |
| Computer Software Charges | | 753 | 712 |
| Conferences | | 78 | 109 |
| - Department of Planning Levy | | 374 | 362 |
| - NSW Fire Brigade Levy | | 1,941 | 1,980 |
| Corporate Events | | 19 | 48 |
| Councillor Expenses - Mayoral Fee | | 37 | 36 |
| Councillor Expenses - Councillors' Fees | | 167 | 166 |
| Donations, Contributions & Assistance to other organisations (Section 356) | | 141 | 194 |
| Election Expenses | | 494 | - |
| Electricity & Heating | | 810 | 660 |
| External Plant Hire | | 13 | 29 |
| Family Day Care (Child Care Assistance) | | 408 | 218 |
| Insurance | | 1,109 | 1,089 |
| Insurance Excess | | 53 | 72 |
| Postage | | 247 | 218 |
| Rate Issue Costs | | 22 | 36 |
| Rental Rebates | | 2,174 | 1,719 |
| Street Lighting | | 2,531 | 2,286 |
| Subscriptions & Publications | | 261 | 215 |
| Sydney Water | | 272 | 210 |
| Telephone & Communications | | 536 | 556 |
| Valuation Fees | | 201 | 212 |
| Vehicle Registration | | 156 | 140 |
| Other | | 1,126 | 883 |
| Total Other Expenses | | 14,709 | 13,036 |
| TOTAL OTHER EXPENSES | | 14,709 | 13,036 |

Note 5. Gains or Losses from the Disposal of Assets

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------|----------------|
| Plant & Equipment | | | |
| Proceeds from Disposal - Plant & Equipment | | 954 | 738 |
| less: Carrying Amount of P&E Assets Sold | | (1,117) | (601) |
| Net Gain/(Loss) on Disposal | | (163) | 137 |
| Infrastructure | | | |
| Proceeds from Disposal - Infrastructure | | - | - |
| less: Carrying Amount of Infrastructure Assets Sold / Written Off | | (1,060) | - |
| Net Gain/(Loss) on Disposal | | (1,060) | - |
| Financial Assets | | | |
| Proceeds from Disposal / Redemptions / Maturities - Financial Assets | | 56,463 | 40,440 |
| less: Carrying Amount of Financial Assets Sold / Redeemed / Matured | | (56,463) | (40,440) |
| Net Gain/(Loss) on Disposal | | - | - |
| NET GAIN/(LOSS) ON DISPOSAL OF ASSETS | | (1,223) | 137 |

Note 6a. - Cash Assets and Note 6b. - Investments

| \$ '000 | Notes | 2013 Actual Current | 2013 Actual Non Current | 2012 Actual Current | 2012 Actual Non Current |
|--|-------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| Cash & Cash Equivalents (Note 6a) | | | | | |
| Cash on Hand and at Bank | | 13,028 | - | 204 | - |
| Total Cash & Cash Equivalents | | 13,028 | - | 204 | - |
| Investments (Note 6b) | | | | | |
| - Deposits | | 8,375 | - | 16,823 | - |
| - Term Deposits | | 31,500 | 13,000 | 25,502 | 16,000 |
| - NCD's, FRN's (with Maturities > 3 months) | | 3,001 | 12,999 | 14,493 | 11,948 |
| - CDO's | | - | 3,000 | - | 3,000 |
| - Other Long Term Financial Assets* | | - | 6,000 | 2,017 | 6,000 |
| Total Investments | | 42,876 | 34,999 | 58,835 | 36,948 |
| TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS | | 55,904 | 34,999 | 59,039 | 36,948 |

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

| Cash & Cash Equivalents | | 2013 Actual Current | 2013 Actual Non Current | 2012 Actual Current | 2012 Actual Non Current |
|---|---------|---------------------------|-------------------------------|---------------------------|-------------------------------|
| a. "At Fair Value through the Profit & Loss" | | 13,028 | - | 204 | - |
| Investments | | | | | |
| a. "At Fair Value through the Profit & Loss" | | | | | |
| - "Designated at Fair Value on Initial Recognition" | 6(b-i) | 8,375 | - | 18,840 | - |
| b. "Held to Maturity" | 6(b-ii) | 34,501 | 34,999 | 39,995 | 36,948 |
| Investments | | 42,876 | 34,999 | 58,835 | 36,948 |

Council holds two "grandfathered" investments that were previously entered into in accordance with the Ministerial Investment Order at the time. The Ministerial Investment Order no longer allows investment in these products. These investments are:

- CDO - Maple Hill, with a face value of \$3M invested by Council on a "held to maturity" basis being December 2014. The market value at 30 June 2013 was \$2.75M.
 - Royal Bank of Scotland CPDO PP (Constant Proportion Debt Obligations - Principle Protected). This is a zero coupon senior bank bond with a value of \$6M and is capital protected and invested by Council on a "Held to maturity" basis being September 2016. The market value of the CPDO PP at 30 June 2013 was \$4.54M.
- As per the General Terms and Conditions of the investment the Note benefits from principal protection equal to the Principal Protection Amount on the Maturity Date only.

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 6b. Investments (continued)

| \$ '000 | 2013 | 2013 | 2012 | 2012 |
|--|-------------------|-----------------------|-------------------|-----------------------|
| | Actual Current | Actual Non Current | Actual Current | Actual Non Current |
| Note 6(b-i) | | | | |
| Reconciliation of Investments classified as "At Fair Value through the Profit & Loss" | | | | |
| Balance at the Beginning of the Year | 18,840 | - | 13,594 | - |
| Revaluations (through the Income Statement) | 172 | - | (69) | - |
| Additions | 3,831 | - | 7,029 | - |
| Disposals (sales & redemptions) | (14,468) | - | (1,714) | - |
| Balance at End of Year | 8,375 | - | 18,840 | - |
| Comprising: | | | | |
| - Deposits | 8,375 | - | 16,823 | - |
| - Other Long Term Financial Assets | - | - | 2,017 | - |
| Total | 8,375 | - | 18,840 | - |

Note 6(b-ii)
Reconciliation of Investments classified as "Held to Maturity"

| \$ '000 | 2013 | 2013 | 2012 | 2012 |
|---|-------------------|-----------------------|-------------------|-----------------------|
| | Actual Current | Actual Non Current | Actual Current | Actual Non Current |
| Balance at the Beginning of the Year | 39,995 | 36,948 | 36,645 | 56,972 |
| Additions | 22,501 | 12,051 | 6,081 | 15,971 |
| Disposals (sales & redemptions) | (39,995) | (2,000) | (38,726) | - |
| Transfers between Current/Non Current | 12,000 | (12,000) | 35,995 | (35,995) |
| Balance at End of Year | 34,501 | 34,999 | 39,995 | 36,948 |
| Comprising: | | | | |
| - Term Deposits | 31,500 | 13,000 | 25,502 | 16,000 |
| - NCD's, FRN's (with Maturities > 3 months) | 3,001 | 12,999 | 14,493 | 11,948 |
| - CDO's | - | 3,000 | - | 3,000 |
| - Other Long Term Financial Assets | - | 6,000 | - | 6,000 |
| Total | 34,501 | 34,999 | 39,995 | 36,948 |

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

| \$ '000 | 2013 | 2013 | 2012 | 2012 |
|---|-------------------|-----------------------|-------------------|-----------------------|
| | Actual Current | Actual Non Current | Actual Current | Actual Non Current |
| Total Cash, Cash Equivalents and Investments | 55,904 | 34,999 | 59,039 | 36,948 |
| attributable to: | | | | |
| External Restrictions (refer below) | 35,765 | 34,999 | 42,702 | 27,948 |
| Internal Restrictions (refer below) | 14,746 | - | 11,848 | 9,000 |
| Unrestricted | 5,393 | - | 4,489 | - |
| | 55,904 | 34,999 | 59,039 | 36,948 |

| 2013 | Opening | Transfers to | Transfers from | Closing |
|---------|---------|--------------|----------------|---------|
| \$ '000 | Balance | Restrictions | Restrictions | Balance |

Details of Restrictions

External Restrictions - Other

| 2013 | Opening | Transfers to | Transfers from | Closing |
|---|---------------|---------------|-----------------|---------------|
| \$ '000 | Balance | Restrictions | Restrictions | Balance |
| Developer Contributions - General (A) | 65,365 | 10,100 | (10,814) | 64,651 |
| Specific Purpose Unexpended Grants (B) | 879 | 4,146 | (3,908) | 1,117 |
| Domestic Waste Management (C) | 1,387 | 14,961 | (16,348) | - |
| Infrastructure Levy | - | 2,385 | (2,385) | - |
| Environmental Levy | 761 | 2,510 | (2,548) | 723 |
| New Facility Rate | 2,258 | 1,573 | (1,421) | 2,410 |
| Specific Purpose Unexpended Loan - LIRS | - | 1,863 | - | 1,863 |
| External Restrictions - Other | 70,650 | 37,538 | (37,424) | 70,764 |
| Total External Restrictions | 70,650 | 37,538 | (37,424) | 70,764 |

| 2013 | Opening | Transfers to | Transfers from | Closing |
|---------|---------|--------------|----------------|---------|
| \$ '000 | Balance | Restrictions | Restrictions | Balance |

Internal Restrictions

| | | | | |
|------------------------------------|---------------|--------------|-----------------|---------------|
| Infrastructure & Facilities | 16,113 | 7,210 | (14,347) | 8,976 |
| Employees Leave Entitlement | 2,027 | 23 | - | 2,050 |
| Carry Over Works | 716 | 1,410 | (502) | 1,624 |
| Deposits, Retentions & Bonds | 1,239 | 250 | - | 1,489 |
| Other | 753 | 880 | (1,026) | 607 |
| Total Internal Restrictions | 20,848 | 9,773 | (15,875) | 14,746 |

| | | | | |
|---------------------------|---------------|---------------|-----------------|---------------|
| TOTAL RESTRICTIONS | 91,498 | 47,311 | (53,299) | 85,510 |
|---------------------------|---------------|---------------|-----------------|---------------|

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

B Grants which are not yet expended for the purposes for which the grants were obtained (refer Note 1).

C 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.

Note 7. Receivables

| \$ '000 | Notes | 2013 | | 2012 | |
|---|-------|--------------|-------------|--------------|-------------|
| | | Current | Non Current | Current | Non Current |
| Purpose | | | | | |
| Rates & Annual Charges | | 2,024 | 157 | 1,951 | 151 |
| Interest & Extra Charges | | 182 | 35 | 170 | 36 |
| User Charges & Fees | | 1,577 | - | 3,057 | - |
| Capital Debtors (being sale of assets) | | | | | |
| - Other Asset Sales - Plant | | 118 | - | - | - |
| Accrued Revenues | | | | | |
| - Interest on Investments | | 1,397 | - | 1,505 | - |
| - Other Income Accruals | | 432 | - | 283 | - |
| Government Grants & Subsidies | | 749 | - | 178 | - |
| Net GST Receivable | | 995 | - | 906 | - |
| Other Debtors | | 22 | - | 9 | - |
| Total | | 7,496 | 192 | 8,059 | 187 |
| less: Provision for Impairment | | | | | |
| User Charges & Fees | | (117) | - | (117) | - |
| Total Provision for Impairment - Receivables | | (117) | - | (117) | - |
| TOTAL NET RECEIVABLES | | 7,379 | 192 | 7,942 | 187 |
| Internally Restricted Receivables | | | | | |
| - I&F Reserve | | - | - | 475 | - |
| Internally Restricted Receivables | | - | - | 475 | - |
| Unrestricted Receivables | | 7,379 | 192 | 7,467 | 187 |
| TOTAL NET RECEIVABLES | | 7,379 | 192 | 7,942 | 187 |

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Interest was charged on overdue rates & charges at 9.00% (2012 10.00%).
Generally all other receivables are non interest bearing.
- (iii) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Note 8. Inventories & Other Assets

| \$ '000 | Notes | 2013 | | 2012 | |
|---|-------|--------------|-------------|--------------|-------------|
| | | Current | Non Current | Current | Non Current |
| Inventories | | | | | |
| Stores & Materials | | 140 | - | 122 | - |
| Trading Stock | | 113 | - | 132 | - |
| Total Inventories | | 253 | - | 254 | - |
| Other Assets | | | | | |
| Prepayments | | 1,283 | - | 1,116 | - |
| Total Other Assets | | 1,283 | - | 1,116 | - |
| TOTAL INVENTORIES / OTHER ASSETS | | 1,536 | - | 1,370 | - |
| Total Unrestricted Assets | | 1,536 | - | 1,370 | - |
| TOTAL INVENTORIES & OTHER ASSETS | | 1,536 | - | 1,370 | - |

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

| \$ '000 | as at 30/6/2012 | | | Asset Movements during the Reporting Period | | | | | as at 30/6/2013 | | |
|---|------------------|----------------|-------------------|---|------------------------------|-------------------------|----------------------------|---|------------------|----------------|-------------------|
| | At Fair Value | Acc. Dep'n | Carrying Value | Asset Additions | WDV of Asset Disposals | Depreciation Expense | Adjustments & Transfers | Revaluation Decrements to Equity (ARR) | At Fair Value | Acc. Dep'n | Carrying Value |
| | | | | | | | | | | | |
| Plant & Equipment | 12,774 | 6,722 | 6,052 | 1,990 | (1,117) | (996) | - | - | 12,491 | 6,562 | 5,929 |
| Office Equipment | 1,683 | 774 | 909 | 55 | - | (174) | - | - | 1,738 | 948 | 790 |
| Furniture & Fittings | 220 | 175 | 45 | 97 | - | (15) | - | - | 317 | 190 | 127 |
| Land: | | | | | | | | | | | |
| - Operational Land | 50,123 | - | 50,123 | 1,913 | - | - | 728 | (2,724) | 50,040 | - | 50,040 |
| - Community Land | 326,761 | - | 326,761 | 901 | - | - | 3,134 | - | 330,796 | - | 330,796 |
| - Land under Roads (post 30/6/08) | 58 | - | 58 | - | - | - | - | - | 58 | - | 58 |
| Land Improvements - non depreciable | 3,862 | - | 3,862 | - | - | - | (3,862) | - | - | - | - |
| Land Improvements - depreciable | 28,844 | 2,883 | 25,961 | 15,748 | - | (1,411) | (4,998) | - | 39,051 | 3,751 | 35,300 |
| Buildings - Non Specialised | 83,896 | 47,617 | 36,279 | 26,844 | (1,060) | (1,813) | 5,178 | 1,144 | 122,803 | 56,230 | 66,572 |
| Buildings - Specialised | 11,641 | 187 | 11,454 | - | - | - | - | - | 11,641 | 187 | 11,454 |
| Other Structures | 8,867 | 4,377 | 4,490 | 9,472 | - | (405) | - | - | 18,338 | 4,781 | 13,557 |
| Infrastructure: | | | | | | | | | | | |
| - Roads, Bridges, Footpaths | 407,404 | 185,661 | 221,743 | 8,097 | - | (7,752) | - | - | 415,501 | 193,413 | 222,088 |
| - Bulk Earthworks (non-depreciable) | 60,227 | - | 60,227 | - | - | - | - | - | 60,227 | - | 60,227 |
| - Stormwater Drainage | 236,555 | 96,226 | 140,329 | 340 | - | (2,390) | - | - | 236,895 | 98,616 | 138,279 |
| Other Assets: | | | | | | | | | | | |
| - Library Books | 11,290 | 8,303 | 2,987 | 601 | - | (657) | - | - | 11,892 | 8,961 | 2,931 |
| - Other | 5,035 | 4,214 | 821 | 10 | - | (15) | (180) | - | 4,778 | 4,142 | 636 |
| TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP. | 1,249,240 | 357,139 | 892,101 | 66,068 | (2,177) | (15,628) | - | (1,580) | 1,316,566 | 377,781 | 938,784 |

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals \$21.4M (Buildings & Infrastructure Assets \$11.4M & Land Improvements \$10M) and New Assets \$59.1M. Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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

\$ '000

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 | 2013 | | 2012 | |
|--|-------|---------------|---------------|---------------|--------------|
| | | Current | Non Current | Current | Non Current |
| Payables | | | | | |
| Goods & Services - operating expenditure | | 3,854 | - | 4,538 | - |
| Goods & Services - capital expenditure | | 2,186 | - | 1,134 | - |
| Payments Received in Advance | | 1,459 | - | 1,117 | - |
| Security Bonds, Deposits & Retentions | | 2,716 | - | 2,765 | - |
| Urban Sustainability Program | | - | - | 318 | - |
| Other | | 832 | - | 526 | - |
| Total Payables | | 11,047 | - | 10,398 | - |
| Borrowings | | | | | |
| Loans - Secured ¹ | | 2,992 | 31,676 | 2,067 | 5,880 |
| Total Borrowings | | 2,992 | 31,676 | 2,067 | 5,880 |
| Provisions | | | | | |
| Employee Benefits; | | | | | |
| Annual Leave | | 2,983 | - | 2,846 | - |
| Sick Leave | | 399 | - | 455 | - |
| Long Service Leave | | 5,472 | 339 | 5,470 | 322 |
| Gratuities | | 748 | - | 1,043 | - |
| Total Provisions | | 9,602 | 339 | 9,814 | 322 |
| Total Payables, Borrowings & Provisions | | 23,641 | 32,015 | 22,279 | 6,202 |

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.

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

| \$ '000 | Actual 2013 | Actual 2012 |
|---|----------------|----------------|
| (i) 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 | 6,800 | 7,124 |
| Payables - Security Bonds, Deposits & Retentions | 2,566 | 2,615 |
| | 9,366 | 9,739 |

Note 10b. Description of and movements in Provisions

| Class of Provision | 2012 | | 2013 | | | Closing Balance as at 30/6/13 |
|--------------------|------------------------------|-----------------------|--------------------------|--|-------------------------|-------------------------------|
| | Opening Balance as at 1/7/12 | Additional Provisions | Decrease due to Payments | Remeasurement effects due to Discounting | Unused amounts reversed | |
| Annual Leave | 2,846 | 2,355 | (2,218) | - | - | 2,983 |
| Sick Leave | 455 | - | (56) | - | - | 399 |
| Long Service Leave | 5,792 | 1,066 | (1,047) | - | - | 5,811 |
| Gratuities | 1,043 | - | (295) | - | - | 748 |
| TOTAL | 10,136 | 3,421 | (3,616) | - | - | 9,941 |

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.

Note 11. Statement of Cash Flows - Additional Information

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------|----------------|
| (a) Reconciliation of Cash Assets | | | |
| Total Cash & Cash Equivalent Assets | 6a | 13,028 | 204 |
| BALANCE as per the STATEMENT of CASH FLOWS | | 13,028 | 204 |
| (b) Reconciliation of Net Operating Result to Cash provided from Operating Activities | | | |
| Net Operating Result from Income Statement | | 15,806 | 22,114 |
| Adjust for non cash items: | | | |
| Depreciation & Amortisation | | 15,790 | 14,958 |
| Net Losses/(Gains) on Disposal of Assets | | 1,223 | (137) |
| Losses/(Gains) recognised on Fair Value Re-measurements through the P&L: | | | |
| - Investments classified as "At Fair Value" | | (172) | 69 |
| +/- Movement in Operating Assets and Liabilities & Other Cash Items: | | | |
| Decrease/(Increase) in Receivables | | 676 | (564) |
| Increase/(Decrease) in Provision for Doubtful Debts | | - | (139) |
| Decrease/(Increase) in Inventories | | 1 | 10 |
| Decrease/(Increase) in Other Assets | | (167) | 86 |
| Increase/(Decrease) in Payables | | (684) | (410) |
| Increase/(Decrease) in Other Liabilities | | 281 | (516) |
| Increase/(Decrease) in Employee Leave Entitlements | | (195) | 394 |
| NET CASH PROVIDED FROM/(USED IN) | | | |
| OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS | | 32,559 | 35,865 |
| (c) Financing Arrangements | | | |
| (i) Unrestricted access was available at balance date to the following lines of credit: | | | |
| Bank Overdraft Facilities ⁽¹⁾ | | 2,000 | 2,000 |
| Corporate Credit Cards | | 78 | 65 |
| Total Financing Arrangements | | 2,078 | 2,065 |

1. The Bank overdraft facility relates to Council's main account and 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 and are disclosed in Note 15.

Note 12. Commitments for Expenditure

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|--|-------|----------------|----------------|
| (a) Capital Commitments (exclusive of GST) | | | |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: | | | |
| Property, Plant & Equipment | | | |
| Buildings | | 3,064 | 4,470 |
| Other | | 1,452 | 1,561 |
| Total Commitments | | 4,516 | 6,031 |
| These expenditures are payable as follows: | | | |
| Within the next year | | 4,516 | 6,031 |
| Total Payable | | 4,516 | 6,031 |

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:

| | | |
|--|------------|------------|
| Within the next year | 214 | 285 |
| Later than one year and not later than 5 years | 158 | 157 |
| Total Non Cancellable Operating Lease Commitments | 372 | 442 |

b. Non Cancellable Operating Leases include the following assets:

Council's current operating leases are for IT Equipment including desktop computers, laptops, printers and multi-function devices and are for a term of three years.

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

| \$ '000 | Amounts 2013 | Indicator 2013 | Prior Periods 2012 | Prior Periods 2011 |
|--|-----------------|-------------------|-----------------------|-----------------------|
| Local Government Industry Indicators | | | | |
| 1. Unrestricted Current Ratio | | | | |
| Current Assets less all External Restrictions ⁽¹⁾ | 29,054 | 2.04 : 1 | 2.05 | 2.06 |
| Current Liabilities less Specific Purpose Liabilities ^(2,3) | 14,275 | | | |
| 2. Debt Service Ratio | | | | |
| Debt Service Cost | 2,032 | 2.08% | 2.30% | 2.24% |
| Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions) | 97,614 | | | |
| 3. Rates & Annual Charges Coverage Ratio | | | | |
| Rates & Annual Charges | 68,816 | 61.69% | 58.57% | 56.63% |
| Income from Continuing Operations | 111,550 | | | |
| 4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage | | | | |
| Rates, Annual & Extra Charges Outstanding | 2,398 | 3.36% | 3.39% | 3.15% |
| Rates, Annual & Extra Charges Collectible | 71,330 | | | |
| 5. Building & Infrastructure Renewals Ratio | | | | |
| Asset Renewals ⁽⁴⁾ | 11,411 | 95.45% | 95.09% | 97.76% |
| Depreciation, Amortisation & Impairment | 11,955 | | | |

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(a)(ii) - 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/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Note 13a(ii). Local Government Industry Indicators - Graphs

| | | |
|---|---|---|
| <p>1. Unrestricted Current Ratio</p> | <p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p> | <p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 2.04 : 1</p> <p>Council's liquidity position is satisfactory. Council can easily pay its debts as they fall due.</p> |
| <p>2. Debt Service Ratio</p> | <p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p> | <p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 2.08%</p> <p>Council's ability to service its debt is strong. In accordance with Council's Long Term Financial Plan borrowing is only undertaken in accordance with Council's borrowing policy.</p> |
| <p>3. Rates & Annual Charges Coverage Ratio</p> | <p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p> | <p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 61.69%</p> <p>Council's dependence upon rates revenue has increased from 58.57% in 2011/12 to 61.69% in 2012/13.</p> |
| <p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> | <p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p> | <p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 3.36%</p> <p>This ratio assesses only the impact of Rates, Annual, Interest & Extra Charges on liquidity and the adequacy of recovery efforts and is in line with Council's internal target.</p> |
| <p>5. Building & Infrastructure Renewals Ratio</p> | <p>Purpose of Asset Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p> | <p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 95.45%</p> <p>The Asset Management Strategy and Asset Management Plans identifying asset ratios have been incorporated and are monitored within Council's Long Term Financial Plan.</p> |

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 | |
|---|----------------|----------------|---------------|----------------|
| | 2013 | 2012 | 2013 | 2012 |
| Financial Assets | | | | |
| Cash and Cash Equivalents | 13,028 | 204 | 13,028 | 204 |
| Investments | | | | |
| - "Designated At Fair Value on Initial Recognition" | 8,375 | 18,840 | 8,375 | 18,840 |
| - "Held to Maturity" | 69,500 | 76,943 | 67,908 | 74,089 |
| Receivables | 7,571 | 8,129 | 7,571 | 8,129 |
| Total Financial Assets | 98,474 | 104,116 | 96,882 | 101,262 |
| Financial Liabilities | | | | |
| Payables | 9,588 | 9,281 | 9,588 | 9,281 |
| Loans / Advances | 34,668 | 7,947 | 34,668 | 7,947 |
| Total Financial Liabilities | 44,256 | 17,228 | 44,256 | 17,228 |

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** are estimated to be the carrying value which approximates market 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"** are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Note 15. Financial Risk Management (continued)

\$ '000

Fair Value Measurements / Hierarchy

The fair value of financial instruments must be estimated in accordance with Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets that have been measured at fair value.

Arriving at fair values for financial instruments can be broken up into 3 distinct measurement hierarchies:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

| 2013 | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|----------|----------|--------------|
| Financial Assets | | | | |
| Investments | | | | |
| - "Designated At Fair Value on Initial Recognition" | 8,375 | - | - | 8,375 |
| Total Financial Assets | 8,375 | - | - | 8,375 |

| 2012 | Level 1 | Level 2 | Level 3 | Total |
|---|---------------|----------|----------|---------------|
| Financial Assets | | | | |
| Investments | | | | |
| - "Designated At Fair Value on Initial Recognition" | 18,840 | - | - | 18,840 |
| Total Financial Assets | 18,840 | - | - | 18,840 |

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & loss' & "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 area manages the 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 it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

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

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

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent 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 (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

| 2013 | Increase of Values/Rates | | Decrease of Values/Rates | |
|--|--------------------------|--------|--------------------------|---------|
| | Profit | Equity | Profit | Equity |
| Possible impact of a 10% movement in Market Values | 838 | 838 | (838) | (838) |
| Possible impact of a 1% movement in Interest Rates | 84 | 84 | (84) | (84) |
| 2012 | | | | |
| Possible impact of a 10% movement in Market Values | 1,884 | 1,884 | (1,884) | (1,884) |
| Possible impact of a 1% movement in Interest Rates | 188 | 188 | (188) | (188) |

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise of (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.

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.

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:

| | 2013 | 2013 | 2012 | 2012 |
|----------------------------------|------------------------|-------------------|------------------------|-------------------|
| | Rates & Annual Charges | Other Receivables | Rates & Annual Charges | Other Receivables |
| (i) Ageing of Receivables | | | | |
| Current (not yet overdue) | 2,181 | 4,484 | 2,102 | 3,945 |
| Past due by up to 30 days | - | 223 | - | 539 |
| Past due between 31 and 180 days | - | 800 | - | 1,660 |
| | <u>2,181</u> | <u>5,507</u> | <u>2,102</u> | <u>6,144</u> |

(ii) Movement in Provision for Impairment of Receivables

| | 2013 | 2012 |
|--|------------|------------|
| Balance at the beginning of the year | 117 | 256 |
| - amounts provided for but recovered during the year | - | (9) |
| - previous impairment losses reversed | - | (130) |
| Balance at the end of the year | <u>117</u> | <u>117</u> |

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

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 | | |
| 2013 | | | | | | | | | |
| Bank Overdraft | - | - | - | - | - | - | - | - | - |
| Trade/Other Payables | 2,716 | 6,872 | - | - | - | - | - | 9,588 | 9,588 |
| Loans & Advances | - | 3,562 | 8,869 | 8,262 | 8,041 | 7,242 | 2,894 | 38,870 | 34,668 |
| Total Financial Liabilities | <u>2,716</u> | <u>10,434</u> | <u>8,869</u> | <u>8,262</u> | <u>8,041</u> | <u>7,242</u> | <u>2,894</u> | <u>48,458</u> | <u>44,256</u> |
| 2012 | | | | | | | | | |
| Trade/Other Payables | 2,765 | 6,516 | - | - | - | - | - | 9,281 | 9,281 |
| Loans & Advances | - | 2,407 | 2,123 | 1,817 | 1,534 | 776 | 402 | 9,059 | 7,947 |
| Total Financial Liabilities | <u>2,765</u> | <u>8,923</u> | <u>2,123</u> | <u>1,817</u> | <u>1,534</u> | <u>776</u> | <u>402</u> | <u>18,340</u> | <u>17,228</u> |

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:

| | 2013 | | 2012 | |
|---|----------------|-----------------------|----------------|-----------------------|
| | Carrying Value | Average Interest Rate | Carrying Value | Average Interest Rate |
| Bank Overdraft | - | | - | |
| Trade/Other Payables | 9,588 | 5.0% | 9,281 | 5.0% |
| Loans & Advances - Fixed Interest Rate | 3,652 | 6.0% | 2,593 | 6.3% |
| Loans & Advances - Variable Interest Rate | <u>31,016</u> | 4.3% | <u>5,354</u> | 6.6% |
| | <u>44,256</u> | | <u>17,228</u> | |

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 2012/13 was adopted by the Council on 26 June 2012.

While the Income Statement included in this General Purpose Financial Report 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.

Note that for Variations of Budget to Actual :

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

F = Favourable Budget Variation, U = Unfavourable Budget Variation

| \$ '000 | 2013 Budget | 2013 Actual | 2013 Variance* | | |
|--|----------------|----------------|-------------------|--------|----------|
| REVENUES | | | | | |
| Other Revenues | 7,387 | 8,247 | 860 | 12% | F |
| Other revenue is up by \$860K on budget primarily due to increased rental income. | | | | | |
| Operating Grants & Contributions | 5,794 | 6,589 | 795 | 14% | F |
| Operating Grants & Contributions income is up by \$795K on budget primarily due to higher than anticipated Grants and Contributions received across a range of services. | | | | | |
| Capital Grants & Contributions | 13,012 | 10,991 | (2,021) | (16%) | U |
| Capital Grants & Contributions income is down compared to budget by \$2.0M primarily due to lower than anticipated Section 94 income received during the financial year. | | | | | |
| Net Gains from Disposal of Assets | 5,812 | - | (5,812) | (100%) | U |
| The variation of \$5.8M to budget is due to deferred sale of Council Assets to future years. | | | | | |

EXPENSES

| | | | | | |
|--|------------|--------------|----------------|-----|----------|
| Borrowing Costs | 576 | 453 | 123 | 21% | F |
| The variation on borrowing costs of \$123K is mainly due to the reduction in interest rate during the year compared to forecast. | | | | | |
| Net Loss from Disposal of Assets | - | 1,223 | (1,223) | 0% | U |
| Net Loss from Disposal of Assets is due to demolition of three Council Properties intended for construction of a new park. | | | | | |

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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.

| 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 | | |
| Drainage | - | - | - | - | - | - | - | - | - | - | - | - |
| Roads | (7,632) | 675 | - | - | (326) | - | (7,283) | 7,283 | - | - | - | - |
| Traffic Facilities | 4,548 | 1,879 | - | 202 | (15) | - | 6,614 | 49,815 | (56,429) | - | - | - |
| Parking | 1,650 | - | - | 66 | (1) | - | 1,715 | - | (1,715) | - | - | - |
| Open Space | 60,329 | 3,916 | - | 2,394 | (8,398) | - | 58,241 | 270,989 | (329,230) | - | - | - |
| Community Facilities | 5,980 | 717 | - | 217 | (1,776) | - | 5,138 | 9,979 | (15,117) | - | - | - |
| Other | 490 | 20 | - | 14 | (298) | - | 226 | 180 | (406) | - | - | - |
| S94 Contributions - under a Plan | 65,365 | 7,207 | - | 2,893 | (10,814) | - | 64,651 | 338,246 | (402,897) | - | - | - |
| Total Contributions | 65,365 | 7,207 | - | 2,893 | (10,814) | - | 64,651 | 338,246 | (402,897) | - | - | - |

Notes to the Financial Statements
for the financial year ended 30 June 2013

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 | |
| Parking | 1,650 | - | - | 66 | (1) | - | 1,715 | - | (1,715) | - | - |
| Community Facilities | 337 | 1 | - | 13 | (99) | - | 252 | - | (252) | - | - |
| Total | 1,987 | 1 | - | 79 | (100) | - | 1,967 | - | (1,967) | - | - |

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 | 5,657 | - | - | 177 | (3,267) | - | 2,567 | - | (2,567) | - | - |
| Community Facilities | 565 | - | - | 25 | - | - | 590 | - | (590) | - | - |
| Other | 23 | - | - | 1 | (24) | - | - | - | - | - | - |
| Total | 6,245 | - | - | 203 | (3,291) | - | 3,157 | - | (3,157) | - | - |

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

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 | |
| Open Space | 12,859 | 150 | - | 469 | (2,378) | - | 11,100 | 57 | (11,157) | - | - |
| Community Facilities | 2,891 | 33 | - | 123 | (76) | - | 2,971 | - | (2,971) | - | - |
| Other | 414 | 5 | - | 13 | (230) | - | 202 | - | (202) | - | - |
| Total | 16,164 | 188 | - | 605 | (2,684) | - | 14,273 | 57 | (14,330) | - | - |

CONTRIBUTION PLAN - 2010 Plan

| PURPOSE | Opening Balance | Contributions received during the Year | | Interest earned in Year | Expenditure during Year | Internal Borrowing (to)/from | Held as Restricted Asset | Projections | | | Cumulative Internal Borrowings due/(payable) |
|----------------------|-----------------|--|----------|-------------------------|-------------------------|------------------------------|--------------------------|----------------|-----------------------|-------------------------|--|
| | | Cash | Non Cash | | | | | Future income | Exp still outstanding | Over or (under) Funding | |
| Roads | (7,632) | 675 | - | - | (326) | - | (7,283) | 7,283 | - | - | - |
| Traffic Facilities | 4,548 | 1,879 | - | 202 | (15) | - | 6,614 | 49,815 | (56,429) | - | - |
| Open Space | 41,273 | 3,766 | - | 1,729 | (2,546) | - | 44,222 | 270,932 | (315,154) | - | - |
| Community Facilities | 2,187 | 683 | - | 56 | (1,601) | - | 1,325 | 9,979 | (11,304) | - | - |
| Other | 53 | 15 | - | - | (44) | - | 24 | 180 | (204) | - | - |
| Total | 40,429 | 7,018 | - | 1,987 | (4,532) | - | 44,902 | 338,189 | (383,091) | - | - |

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

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 | 540 | - | - | 19 | (207) | - | 352 | - | (352) | - | - |
| Total | 540 | - | - | 19 | (207) | - | 352 | - | (352) | - | - |

Ku-ring-gai Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make higher contributions in future years.

The Scheme has estimated that as at 30 June 2013 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions in 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 \$1,900,168 as at 30 June 2013.

(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 Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

(ii) S94 Plans

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

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

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

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

Council has zoned a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (& subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but unpaid Infringement Notices.

Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

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 2013 | Actual 2012 |
|--|--------|----------------|----------------|
| (a) Retained Earnings | | | |
| Movements in Retained Earnings were as follows: | | | |
| Balance at beginning of Year (from previous years audited accounts) | | 653,023 | 628,985 |
| a. Correction of Prior Period Errors | 20 (c) | (459) | 1,465 |
| b. Changes in Accounting Policies (prior period effects) | 20 (d) | - | - |
| c. Other Comprehensive Income (excl. direct to Reserves transactions) | | - | - |
| d. Net Operating Result for the Year | | 15,806 | 22,114 |
| Balance at End of the Reporting Period | | 668,370 | 652,564 |
| (b) Reserves | | | |
| (i) Reserves are represented by: | | | |
| - Infrastructure, Property, Plant & Equipment Revaluation Reserve | | 315,618 | 317,198 |
| Total | | 315,618 | 317,198 |
| (ii) Reconciliation of movements in Reserves: | | | |
| Infrastructure, Property, Plant & Equipment Revaluation Reserve | | | |
| - Opening Balance | | 317,198 | 322,902 |
| - Revaluations for the year (Buildings & Operational Land) | 9(a) | (1,580) | - |
| - Correction of Prior Period Errors | 20(c) | - | (1,924) |
| - Other movements - Revaluation of Community Land | | - | (3,780) |
| - Balance at End of Year | | 315,618 | 317,198 |
| TOTAL VALUE OF RESERVES | | 315,618 | 317,198 |

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

| \$ '000 | Notes | Actual 2013 | Actual 2012 |
|---------|-------|----------------|----------------|
|---------|-------|----------------|----------------|

(c) Correction of Errors relating to a Previous Reporting Period

Correction of errors disclosed in this year's financial statements:

| | | | |
|--|--|---------|---|
| As part of the previous revaluation of Council's Buildings the adjustment to Depreciation for prior years understated Accumulated Depreciation and overstated the Buildings Revaluation Reserve. | | | - |
| The balances have been reinstated by: | | | - |
| - An increase in Accumulated Depreciation | | 1,924 | |
| - A decrease in Building Revaluation Reserve | | (1,924) | |
| Overall Impact on Equity: | | (1,924) | |

As part of Council's transition to measuring all its I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for the following Asset Classes:

- Buildings
- Operational Land
- Plant & Equipment

As part of the revaluation and measurement process, the remaining useful life of each asset has been reassessed to actual.

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.

Council does not have sufficient and reliable information that will allow the restatement of information prior to 30/6/12 (the closing date for the comparative figures in this report).

As a result, Council has adjusted the accumulated depreciation for the following asset classes as at 30/6/12 to reflect the correct value of accumulated depreciation:

| | |
|---|-----|
| - Buildings (increase)/decrease to accumulated depreciation | 879 |
|---|-----|

Council also added new assets not previously recognised as part of the revaluation process.

586

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

| \$ '000 | Actual 2013 | Actual 2012 |
|---------|----------------|----------------|
|---------|----------------|----------------|

(c) Correction of Errors relating to a Previous Reporting Period (continued)

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

| | | |
|--|--------------|----------|
| - Adjustments to Opening Equity - 1/7/12 (relating to adjustments for the 30/6/12 reporting year end and prior periods) | (459) | - |
| - Adjustments to Closing Equity - 30/6/13 (relating to adjustments for the 30/6/13 year end) | - | - |
| Total Prior Period Adjustments - Prior Period Errors | (459) | - |

(d) Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council utilises only a General Fund for its operations.

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

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 23. Events occurring after the Reporting Period

Events that occur between the end of the reporting period (ending 30 June 2013) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 11/09/2013.

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

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2013.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2013 and which are only indicative of conditions that arose after 30 June 2013.

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

Note 24. Discontinued Operations

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

Note 25. Intangible Assets

\$ '000

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

| | Actual 2013 Carrying Amount | Actual 2012 Carrying Amount |
|--|--------------------------------------|--------------------------------------|
| Intangible Assets are as follows; | | |
| Opening Values: | | |
| Gross Book Value (1/7/12) | 692 | 274 |
| Accumulated Amortisation (1/7/12) | (36) | - |
| Accumulated Impairment (1/7/12) | - | - |
| Net Book Value - Opening Balance | 656 | 274 |
| Movements for the year | | |
| - Purchases | 356 | 418 |
| - Amortisation charges | (162) | (36) |
| Closing Values: | | |
| Gross Book Value (30/6/13) | 1,048 | 692 |
| Accumulated Amortisation (30/6/13) | (198) | (36) |
| TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹ | 850 | 656 |
| ¹ The Net Book Value of Intangible Assets represent: | | |
| - Software | 850 | 656 |
| | 850 | 656 |

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
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *general purpose financial statements of Ku-ring-gai Council*, which comprises the Statement of Financial Position as at 30 June 2013, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
 - (i) have been presented in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
 - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



Gary Mottau
Partner

Dated at Sydney this 11th day of September 2013

Ku-ring-gai Council
General Purpose Financial Statements
Independent Auditors' Report

Assurance Partners

T: +61 2 9232 3111 Level 5 - 1 Clifley Street GPO Box 7044 www.hillrogers.com.au Hill Rogers Spencer Steer ABN 58 422 318 982
F: +61 2 9233 1950 Sydney NSW 2109 Australia Sydney NSW 2001 info@hillrogers.com.au Your Assurance Partners

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A company limited by guarantee incorporated in Australia

11 September 2013

The Mayor
Ku-ring-gai Council
818 Pacific Highway
GORDON NSW 2072

Mayor,

Audit Report - Year Ended 30 June 2013

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2013 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

I. RESULTS FOR THE YEAR

1.1 Operating Result

The operating result for the year was a surplus of \$15.806 million as compared with \$22.114 million in the previous year.

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

| | 2013 \$'000 | % of Total | 2012 \$'000 | % of Total | Increase (Decrease) \$'000 |
|--|----------------|---------------|----------------|---------------|----------------------------------|
| Revenues before capital items | | | | | |
| Rates & annual charges | 68,816 | 68% | 65,779 | 67% | 3,037 |
| User charges, fees & other revenues | 20,596 | 20% | 19,738 | 20% | 858 |
| Grants & contributions provided for operating purposes | 6,589 | 7% | 6,677 | 7% | (88) |
| Interest & investment revenue | 4,558 | 5% | 6,368 | 6% | (1,810) |
| | 100,559 | 100% | 98,562 | 100% | 1,997 |
| Expenses | | | | | |
| Employee benefits & costs | 34,572 | 36% | 33,887 | 38% | 685 |
| Materials, contracts & other expenses | 44,929 | 47% | 40,897 | 45% | 4,032 |
| Depreciation, amortisation & impairment | 15,790 | 16% | 14,958 | 17% | 832 |
| Borrowing costs | 453 | 0% | 460 | 1% | (7) |
| | 95,744 | 100% | 90,202 | 100% | 5,542 |
| Surplus/(Deficit) before capital items | 4,815 | | 8,360 | | (3,545) |
| Grants & contributions provided for capital purposes | 10,991 | | 13,754 | | (2,763) |
| Net Surplus/(Deficit) for the year | 15,806 | | 22,114 | | (6,308) |

The table above shows an overall decrease from the previous year of \$6.308 million and is largely attributable to reduced S.94 contributions of \$4.2 million and an increase in contractor and consultancy costs of \$2.515 million.

Levies of rates and domestic waste management charges increased by \$3.037 million and accounted for 68% of Council's operating revenue before capital receipts.

1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.

Assurance Partners

T: +61 2 9232 5111 Level 5, 1 Chifley Square GPO Box 7066 www.hr-ss.com.au Practising as Hill Rogers Spencer ABN 56 435 338 966
F: +61 2 9233 7950 Sydney NSW 2000 Australia Sydney NSW 2001 info@hr-ss.com.au Steer Assurance Partners

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The Mayor, Ku-ring-gai Council
Audit Report for the year ended 30 June 2013

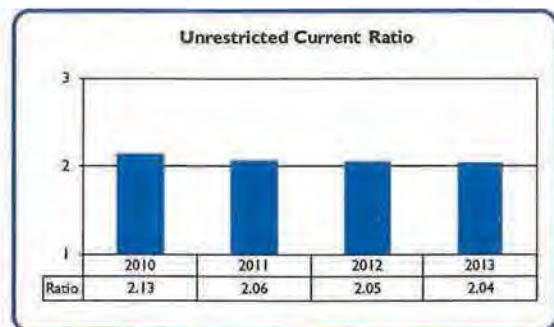
| | 2013 \$'000 | 2012 \$'000 |
|---|-----------------|-----------------|
| Funds were provided by:- | | |
| Operating Result (as above) | 15,806 | 22,114 |
| Add back non funding items:- | | |
| - Depreciation, amortisation & impairment | 15,790 | 14,958 |
| - Book value of non current assets sold | 2,177 | 601 |
| | <u>33,773</u> | <u>37,673</u> |
| Decrease/Redemption in Non-Current Investments | 1,949 | 20,024 |
| New loan borrowings | 28,300 | 2,100 |
| Transfers from externally restricted assets (net) | 6,937 | 0 |
| Transfers from internal reserves (net) | 0 | 884 |
| Net Changes in current/non current assets & liabilities | 0 | 374 |
| | <u>70,959</u> | <u>61,055</u> |
| Funds were applied to:- | | |
| Purchase and construction of assets | (66,424) | (48,613) |
| Principal repaid on loans | (1,579) | (1,758) |
| Transfers to externally restricted assets (net) | 0 | (9,334) |
| Transfers to internal reserves (net) | (2,423) | 0 |
| Net Changes in current/non current assets & liabilities | (249) | 0 |
| | <u>(70,675)</u> | <u>(59,705)</u> |
| Increase/(Decrease) in Available Working Capital | 284 | 1,350 |

2. FINANCIAL POSITION

2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$14.779 million representing a factor of 2.04 to 1.



2.2 Available Working Capital – (Working Funds)

A more meaningful financial indicator specific to local government is the level of **Available Working Capital**. Net Current Assets are adjusted by eliminating both external and internal reserves held for future purposes. At the close of the year the Available Working Capital of Council stood at \$5.977 million as detailed below;

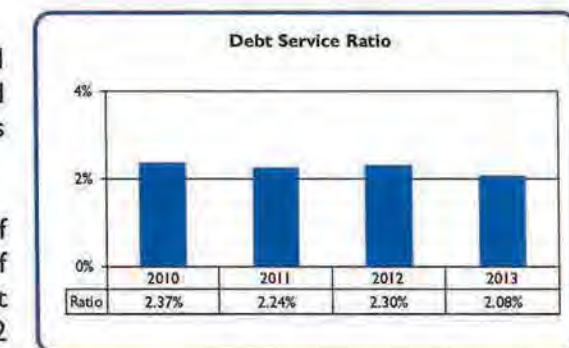
| | 2013 \$'000 | 2012 \$'000 | Change \$'000 |
|--|----------------|----------------|------------------|
| Net Current Assets (Working Capital) as per Accounts | 41,178 | 46,072 | (4,894) |
| Add: Payables & provisions not expected to be realised in the next 12 months included above | 9,366 | 9,739 | (373) |
| Adjusted Net Current Assets | <u>50,544</u> | <u>55,811</u> | <u>(5,267)</u> |
| Add: Budgeted & expected to pay in the next 12 months | | | |
| - Borrowings | 2,992 | 2,067 | 925 |
| - Employees leave entitlements | 2,802 | 2,690 | 112 |
| - Deposits & retention moneys | 150 | 150 | 0 |
| Less: Externally restricted assets | (35,765) | (42,702) | 6,937 |
| Less: Internally restricted assets | (14,746) | (12,323) | (2,423) |
| Available Working Capital as at 30 June | 5,977 | 5,693 | 284 |

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Internally restricted assets (Reserves) include reserves for a number of contingencies and assets expected to be realised in the ensuing year. When taking into consideration the nature and amount of those Reserves the Available Working Capital as at 30 June 2013 was, in our opinion, sound.

2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service (loan repayments) debt was 2.08%.

After repaying principal and interest of \$2.032 million and taking up new loans of \$28.3 million during the year, total debt as at 30 June 2013 stood at \$34.668 million (2012 - \$7.947 million).



2.4 Summary

Subject to the possibility of further investment write downs (as discussed below) Council's overall financial position, when taking into account the above financial indicators was, in our opinion, satisfactory.

3. CASH ASSETS

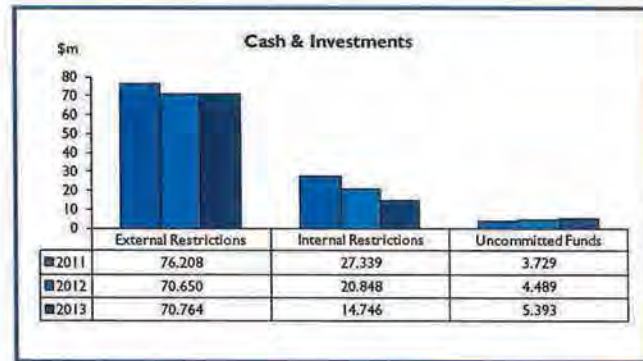
3.1 Cash & Investments

Cash and investments securities amounted \$90.903 million at the close of the year as compared with \$95.987 million in 2012 and \$107.276 million in 2011.

At Fair Value investments amounted to \$8.375 million (2012 - \$18.840 million) after revaluations during the year of \$172,000 were recognised through the Income Statement.

Held to maturity investments and securities (including Other Long Term Financial Assets of \$6 million) totalling \$69.5 million (2012 - \$76.943 million) have been disclosed in the accounts at face value. The fair value of these securities amounted to \$67.908 million based on information provided by brokers as disclosed in Note 15. The unrealised losses in respect to these investments of \$1.592 million have not been recognised.

The table alongside summarises the purposes for which cash and investments were held.



Externally restricted cash and investments are restricted in their use by externally imposed requirements and consisted of unexpended development contributions under Section 94 (\$64.651 million), special levies (\$3.133 million), specific purpose grants (\$1.117 million) and unexpended specific purpose loans (\$1.863 million).

Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "Reserves". These Reserves totalled \$14.746 million and their purposes are more fully disclosed in Note 6 of the financial statements.

Unrestricted cash and investments amounted to \$5.393 million.

3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash increased by \$12.824 million to \$13.028 million at the close of the year.

In addition to operating activities which contributed net cash of \$32.559 million were the proceeds from the redemption of investments securities (\$56.463 million), proceeds from new loans (\$28.3 million) and the sale of assets (\$836,000). Cash outflows other than operating activities were used to repay loans (\$1.579 million), purchase investment securities (\$38.383 million) and to purchase and construct assets (\$65.372 million).

4. RECEIVABLES

4.1 Rates & Annual Charges

Net rates and annual charges levied during the year totalled \$68.816 million and represented 61.69% of Council's total revenues. Including arrears, the total rates and annual charges collectible was \$70.918 million of which \$68.737 million (96.92%) was collected.

4.2 Rates, Annual & Extra Charges

Arrears of rates, annual & extra charges stood at \$2.398 million at the end of the year and represented 3.36% of those receivables.



4.3 Other Receivables

Receivables (other than rates & annual charges) totalled \$5.29 million and mainly consisted of user charges and fees (\$1.577 million), accrued interest on investments (\$1.397 million) and amounts due from government departments (\$1.744 million). Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$117,000.

Hill Rogers
Spencer Steer

5. PAYABLES

5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$9.941 million. A cash reserve of \$2.050 million was held at year end representing 21% of this liability and was, in our opinion, sufficient to enable Council to meet unbudgeted and unanticipated terminations.

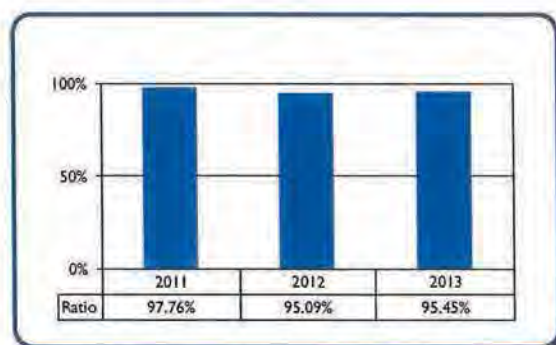
5.2 Deposits, Retentions & Bonds

Deposits, Retentions and Bonds held at year end amounted to \$2.716 million. A cash reserve of \$1.489 million was held at year end representing almost 55% of this liability.

6. BUILDING AND INFRASTRUCTURE RENEWALS

The Building and Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

The ratio indicates that asset renewals for 2013 represented 95% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



7. MANAGEMENT LETTER

Letters were issued to management on 7 May and 17 June 2013 in respect of our examination of certain aspects of Council's accounting systems and internal controls necessary to produce reliable financial reports that we considered warrant attention.

8. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit and commend their efforts in the early completion of the financial reports.

Yours faithfully,
HILL ROGERS SPENCER STEER

GARY MOTTAU
Partner



Special Purpose Financial statements

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Ku-ring-gai Council

Special Purpose Financial Statements for the financial year ended 30 June 2013

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:

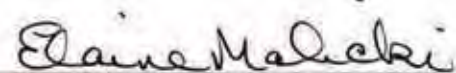
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.

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.

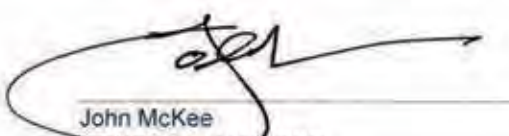
Signed in accordance with a resolution of Council made on 10 September 2013.




Elaine Malicki
MAYOR



Cheryl Szatow
COUNCILLOR



John McKee
GENERAL MANAGER



Angela Apostol
RESPONSIBLE ACCOUNTING OFFICER

Ku-ring-gai Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2013

| | Thomas Carlyle Childrens Centre | | Art Centre | |
|--|------------------------------------|----------------|----------------|----------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| Income from continuing operations | | | | |
| Access charges | - | - | - | - |
| User charges | 922 | 925 | 431 | 479 |
| Fees | - | - | - | - |
| Interest | - | - | - | - |
| Grants and contributions provided for non capital purposes | 234 | 170 | - | - |
| Profit from the sale of assets | - | - | - | - |
| Other income | - | - | 8 | 9 |
| Total income from continuing operations | 1,156 | 1,095 | 439 | 488 |
| Expenses from continuing operations | | | | |
| Employee benefits and on-costs | 786 | 817 | 514 | 528 |
| Borrowing costs | - | - | - | - |
| Materials and contracts | 147 | 79 | 46 | 39 |
| Depreciation and impairment | 25 | 27 | 40 | 40 |
| Other expenses | 77 | 72 | 79 | 70 |
| Total expenses from continuing operations | 1,035 | 995 | 679 | 677 |
| Surplus (deficit) from Continuing Operations before capital amounts | 121 | 100 | (240) | (189) |
| Grants and contributions provided for capital purposes | - | - | - | - |
| Surplus (deficit) from Continuing Operations after capital amounts | 121 | 100 | (240) | (189) |
| Surplus (deficit) from discontinued operations | - | - | - | - |
| Surplus (deficit) from ALL Operations before tax | 121 | 100 | (240) | (189) |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | (36) | (30) | - | - |
| SURPLUS (DEFICIT) AFTER TAX | 85 | 70 | (240) | (189) |
| plus Opening Retained Profits | 741 | 761 | 3,400 | 3,394 |
| plus Adjustments for amounts unpaid: | | | | |
| - Corporate taxation equivalent | 36 | 30 | - | - |
| add: | | | | |
| - Subsidy Paid/Contribution To Operations | - | - | 720 | 195 |
| less: | | | | |
| - Dividend paid | (31) | (120) | - | - |
| Closing Retained Profits | 831 | 741 | 3,880 | 3,400 |
| Return on Capital % | 13.1% | 12.3% | -6.0% | -5.5% |
| Subsidy from Council | - | - | 390 | 293 |

Ku-ring-gai Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2013

| | Trade Waste | | Gordon Golf Club | |
|--|----------------|----------------|------------------|----------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| Income from continuing operations | | | | |
| Access charges | - | - | - | - |
| User charges | 1,771 | 1,751 | 552 | 514 |
| Fees | - | - | - | - |
| Interest | - | - | - | - |
| Grants and contributions provided for non capital purposes | - | - | - | - |
| Profit from the sale of assets | - | - | - | - |
| Other income | 83 | 85 | - | - |
| Total income from continuing operations | 1,854 | 1,836 | 552 | 514 |
| Expenses from continuing operations | | | | |
| Employee benefits and on-costs | 42 | 41 | 360 | 317 |
| Borrowing costs | - | - | - | - |
| Materials and contracts | 1,429 | 1,403 | 264 | 167 |
| Depreciation and impairment | - | - | 166 | 152 |
| Other expenses | 11 | 1 | 149 | 191 |
| Total expenses from continuing operations | 1,482 | 1,445 | 939 | 827 |
| Surplus (deficit) from Continuing Operations before capital amounts | 372 | 391 | (387) | (313) |
| Grants and contributions provided for capital purposes | - | - | - | - |
| Surplus (deficit) from Continuing Operations after capital amounts | 372 | 391 | (387) | (313) |
| Surplus (deficit) from discontinued operations | - | - | - | - |
| Surplus (deficit) from ALL Operations before tax | 372 | 391 | (387) | (313) |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | (112) | (117) | - | - |
| SURPLUS (DEFICIT) AFTER TAX | 260 | 274 | (387) | (313) |
| plus Opening Retained Profits | (150) | (104) | 3,816 | 3,814 |
| plus Adjustments for amounts unpaid: | | | | |
| - Corporate taxation equivalent | 112 | 117 | - | - |
| add: | | | | |
| - Subsidy Paid/Contribution To Operations | - | - | 1,916 | 315 |
| less: | | | | |
| - Dividend paid | (397) | (437) | - | - |
| Closing Retained Profits | (175) | (150) | 5,345 | 3,816 |
| Return on Capital % | n/a | n/a | -6.6% | -8.2% |
| Subsidy from Council | - | - | 607 | 429 |

Ku-ring-gai Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2013

| | Turramurra Golf Course | | Tennis Courts | |
|--|------------------------|----------------|----------------|----------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| Income from continuing operations | | | | |
| Access charges | - | - | - | - |
| User charges | 666 | 669 | 287 | 278 |
| Fees | - | - | - | - |
| Interest | - | - | - | - |
| Grants and contributions provided for non capital purposes | - | - | - | - |
| Profit from the sale of assets | - | - | - | - |
| Other income | - | - | 12 | 11 |
| Total income from continuing operations | 666 | 669 | 299 | 289 |
| Expenses from continuing operations | | | | |
| Employee benefits and on-costs | 313 | 277 | - | - |
| Borrowing costs | - | - | - | - |
| Materials and contracts | 181 | 153 | 10 | 23 |
| Depreciation and impairment | 96 | 14 | 64 | 62 |
| Other expenses | 338 | 260 | 50 | 44 |
| Total expenses from continuing operations | 928 | 704 | 124 | 129 |
| Surplus (deficit) from Continuing Operations before capital amounts | (262) | (35) | 175 | 160 |
| Grants and contributions provided for capital purposes | - | - | - | - |
| Surplus (deficit) from Continuing Operations after capital amounts | (262) | (35) | 175 | 160 |
| Surplus (deficit) from discontinued operations | - | - | - | - |
| Surplus (deficit) from ALL Operations before tax | (262) | (35) | 175 | 160 |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | - | - | (53) | (48) |
| SURPLUS (DEFICIT) AFTER TAX | (262) | (35) | 123 | 112 |
| plus Opening Retained Profits | 3,487 | 3,506 | 3,883 | 3,987 |
| plus Adjustments for amounts unpaid: | | | | |
| - Corporate taxation equivalent | - | - | 53 | 48 |
| add: | | | | |
| - Subsidy Paid/Contribution To Operations | 8,188 | 16 | 498 | - |
| less: | | | | |
| - Dividend paid | - | - | - | (264) |
| Closing Retained Profits | 11,413 | 3,487 | 4,556 | 3,883 |
| Return on Capital % | -2.2% | -1.0% | 3.8% | 4.1% |
| Subsidy from Council | 717 | 143 | - | - |

Ku-ring-gai Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2013

| | Swimming Pool | | Nursery | |
|--|----------------|----------------|----------------|----------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| Income from continuing operations | | | | |
| Access charges | - | - | - | - |
| User charges | - | 38 | 59 | 79 |
| Fees | - | - | - | - |
| Interest | - | - | - | - |
| Grants and contributions provided for non capital purposes | - | - | - | - |
| Profit from the sale of assets | - | - | - | - |
| Other income | - | - | 11 | - |
| Total income from continuing operations | - | 38 | 70 | 79 |
| Expenses from continuing operations | | | | |
| Employee benefits and on-costs | - | - | 119 | 147 |
| Borrowing costs | - | - | - | - |
| Materials and contracts | 2 | 52 | 11 | 11 |
| Depreciation and impairment | 226 | 116 | 9 | 9 |
| Other expenses | 61 | 47 | 41 | 36 |
| Total expenses from continuing operations | 289 | 215 | 180 | 203 |
| Surplus (deficit) from Continuing Operations before capital amounts | (289) | (177) | (110) | (124) |
| Grants and contributions provided for capital purposes | - | - | - | - |
| Surplus (deficit) from Continuing Operations after capital amounts | (289) | (177) | (110) | (124) |
| Surplus (deficit) from discontinued operations | - | - | - | - |
| Surplus (deficit) from ALL Operations before tax | (289) | (177) | (110) | (124) |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | - | - | - | - |
| SURPLUS (DEFICIT) AFTER TAX | (289) | (177) | (110) | (124) |
| plus Opening Retained Profits | 885 | 935 | 90 | 74 |
| plus Adjustments for amounts unpaid: | | | | |
| - Corporate taxation equivalent | - | - | - | - |
| add: | | | | |
| - Subsidy Paid/Contribution To Operations | 12,349 | 127 | 68 | 140 |
| less: | | | | |
| - Dividend paid | - | - | - | - |
| Closing Retained Profits | 12,945 | 885 | 48 | 90 |
| Return on Capital % | -2.2% | -20.0% | -154.9% | -122.8% |
| Subsidy from Council | 780 | 204 | 113 | 127 |

Ku-ring-gai Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2013

| | Commercial Leasing | |
|--|--------------------|----------------|
| | Actual 2013 | Actual 2012 |
| \$ '000 | | |
| Income from continuing operations | | |
| Access charges | - | - |
| User charges | 992 | 838 |
| Fees | - | - |
| Interest | - | - |
| Grants and contributions provided for non capital purposes | - | - |
| Profit from the sale of assets | - | - |
| Other income | - | 116 |
| Total income from continuing operations | 992 | 954 |
| Expenses from continuing operations | | |
| Employee benefits and on-costs | 159 | 440 |
| Borrowing costs | - | - |
| Materials and contracts | 48 | 19 |
| Depreciation and impairment | 267 | 514 |
| Other expenses | 236 | 405 |
| Total expenses from continuing operations | 710 | 1,378 |
| Surplus (deficit) from Continuing Operations before capital amounts | 282 | (424) |
| Grants and contributions provided for capital purposes | - | - |
| Surplus (deficit) from Continuing Operations after capital amounts | 282 | (424) |
| Surplus (deficit) from discontinued operations | - | - |
| Surplus (deficit) from ALL Operations before tax | 282 | (424) |
| less: Corporate Taxation Equivalent (30%) [based on result before capital] | (85) | - |
| SURPLUS (DEFICIT) AFTER TAX | 197 | (424) |
| plus Opening Retained Profits | 1,034 | 1,099 |
| plus Adjustments for amounts unpaid: | | |
| - Corporate taxation equivalent | 85 | - |
| add: | | |
| - Subsidy Paid/Contribution To Operations | 13,508 | 359 |
| less: | | |
| - Dividend paid | - | - |
| Closing Retained Profits | 14,824 | 1,034 |
| Return on Capital % | 1.9% | -37.5% |
| Subsidy from Council | 278 | 458 |

Ku-ring-gai Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

| | Thomas Carlyle Childrens Centre | | Art Centre | |
|--|---------------------------------|-------------|--------------|--------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| 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 | 925 | 815 | 3,969 | 3,426 |
| Other | - | - | - | - |
| Total Non-Current Assets | 925 | 815 | 3,969 | 3,426 |
| TOTAL ASSETS | 925 | 815 | 3,969 | 3,426 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Bank Overdraft | - | - | - | - |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | 90 | 74 | 26 | 26 |
| Total Current Liabilities | 90 | 74 | 26 | 26 |
| Non-Current Liabilities | | | | |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | - | - | - | - |
| Other Liabilities | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - |
| TOTAL LIABILITIES | 90 | 74 | 26 | 26 |
| NET ASSETS | 835 | 741 | 3,943 | 3,400 |
| EQUITY | | | | |
| Retained earnings | 831 | 741 | 3,880 | 3,400 |
| Revaluation reserves | 4 | - | 63 | - |
| Council equity interest | 835 | 741 | 3,943 | 3,400 |
| Non-controlling equity interest | - | - | - | - |
| TOTAL EQUITY | 835 | 741 | 3,943 | 3,400 |

Ku-ring-gai Council

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

| | Trade Waste | | Gordon Golf Club | |
|--|--------------|--------------|------------------|--------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| 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 | - | - | 5,823 | 3,840 |
| Other | - | - | - | - |
| Total Non-Current Assets | - | - | 5,823 | 3,840 |
| TOTAL ASSETS | - | - | 5,823 | 3,840 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Bank Overdraft | - | - | - | - |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | 175 | 150 | 37 | 24 |
| Total Current Liabilities | 175 | 150 | 37 | 24 |
| Non-Current Liabilities | | | | |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | - | - | - | - |
| Other Liabilities | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - |
| TOTAL LIABILITIES | 175 | 150 | 37 | 24 |
| NET ASSETS | (175) | (150) | 5,786 | 3,816 |
| EQUITY | | | | |
| Retained earnings | (175) | (150) | 5,345 | 3,816 |
| Revaluation reserves | - | - | 441 | - |
| Council equity interest | (175) | (150) | 5,786 | 3,816 |
| Non-controlling equity interest | - | - | - | - |
| TOTAL EQUITY | (175) | (150) | 5,786 | 3,816 |

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

| | Turramurra Golf Course | | Tennis Courts | |
|--|------------------------|----------------|----------------|----------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| 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 | 12,082 | 3,551 | 4,556 | 3,883 |
| Other | - | - | - | - |
| Total Non-Current Assets | 12,082 | 3,551 | 4,556 | 3,883 |
| TOTAL ASSETS | 12,082 | 3,551 | 4,556 | 3,883 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Bank Overdraft | - | - | - | - |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | 87 | 64 | - | - |
| Total Current Liabilities | 87 | 64 | - | - |
| Non-Current Liabilities | | | | |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | - | - | - | - |
| Other Liabilities | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - |
| TOTAL LIABILITIES | 87 | 64 | - | - |
| NET ASSETS | 11,995 | 3,487 | 4,556 | 3,883 |
| EQUITY | | | | |
| Retained earnings | 11,413 | 3,487 | 4,556 | 3,883 |
| Revaluation reserves | 582 | - | - | - |
| Council equity interest | 11,995 | 3,487 | 4,556 | 3,883 |
| Non-controlling equity interest | - | - | - | - |
| TOTAL EQUITY | 11,995 | 3,487 | 4,556 | 3,883 |

Statement of Financial Position - Council's Other Business Activities
as at 30 June 2013

| | Swimming Pool | | Nursery | |
|--|----------------|----------------|----------------|----------------|
| | Actual 2013 | Actual 2012 | Actual 2013 | Actual 2012 |
| \$ '000 | | | | |
| 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 | 13,011 | 885 | 71 | 101 |
| Other | - | - | - | - |
| Total Non-Current Assets | 13,011 | 885 | 71 | 101 |
| TOTAL ASSETS | 13,011 | 885 | 71 | 101 |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Bank Overdraft | - | - | - | - |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | - | - | 19 | 11 |
| Total Current Liabilities | - | - | 19 | 11 |
| Non-Current Liabilities | | | | |
| Payables | - | - | - | - |
| Interest bearing liabilities | - | - | - | - |
| Provisions | - | - | - | - |
| Other Liabilities | - | - | - | - |
| Total Non-Current Liabilities | - | - | - | - |
| TOTAL LIABILITIES | - | - | 19 | 11 |
| NET ASSETS | 13,011 | 885 | 52 | 90 |
| EQUITY | | | | |
| Retained earnings | 12,945 | 885 | 48 | 90 |
| Revaluation reserves | 66 | - | 4 | - |
| Council equity interest | 13,011 | 885 | 52 | 90 |
| Non-controlling equity interest | - | - | - | - |
| TOTAL EQUITY | 13,011 | 885 | 52 | 90 |

Ku-ring-gai Council

Statement of Financial Position - Council's Other Business Activities as at 30 June 2013

| \$ '000 | Commercial Leasing | |
|--|--------------------|----------------|
| | Actual 2013 | Actual 2012 |
| 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 | 14,867 | 1,132 |
| Other | - | - |
| Total Non-Current Assets | 14,867 | 1,132 |
| TOTAL ASSETS | 14,867 | 1,132 |
| LIABILITIES | | |
| Current Liabilities | | |
| Bank Overdraft | - | - |
| Payables | - | - |
| Interest bearing liabilities | - | - |
| Provisions | 43 | 98 |
| Total Current Liabilities | 43 | 98 |
| Non-Current Liabilities | | |
| Payables | - | - |
| Interest bearing liabilities | - | - |
| Provisions | - | - |
| Other Liabilities | - | - |
| Total Non-Current Liabilities | - | - |
| TOTAL LIABILITIES | 43 | 98 |
| NET ASSETS | 14,824 | 1,034 |
| EQUITY | | |
| Retained earnings | 14,824 | 1,034 |
| Revaluation reserves | - | - |
| Council equity interest | 14,824 | 1,034 |
| Non-controlling equity interest | - | - |
| TOTAL EQUITY | 14,824 | 1,034 |

Ku-ring-gai Council

Special Purpose Financial Statements for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

| Note | Details | Page |
|------|--|------|
| 1 | Summary of Significant Accounting Policies | 14 |

Note 1. Significant Accounting Policies

These financial statements are 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 (AASB) &
- Australian Accounting Interpretations.
- The Local Government Act and Regulation, and

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values 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.

Note 1. Significant Accounting Policies (continued)

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.

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.

(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 each reported Business Activity.

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 General Purpose Financial Statements (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 each reported Business Activity.

(iii) Return on Investments (Rate of Return)

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

Note 1. Significant Accounting Policies (continued)

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/13.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

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

Current Assets and Liabilities

Current Assets and Liabilities are accounted for in Council's consolidated general fund and in our view would not make a material difference to the financial position of Council's Business Activities.

KU-RING-GAI COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *special purpose financial statements* of *Ku-ring-gai Council*, which comprises the Statement of Financial Position as at 30 June 2013, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

Assurance Partners

| | | | | | |
|--------------------|---------------------------|-----------------|-------------------|-----------------------------------|--------------------|
| T. +61 2 9232 5111 | Level 5, 1 Chifley Square | GPO Box 7066 | www.hr-ss.com.au | Practising as Hill Rogers Spencer | ABN 56 435 338 966 |
| F. +61 2 9233 7950 | Sydney NSW 2000 Australia | Sydney NSW 2001 | info@hr-ss.com.au | Steer Assurance Partners | |

Member of KS International, an association of global independent accounting firms
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Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

HILL ROGERS SPENCER STEER



Gary Mottau
Partner

Dated at Sydney this 11th day of September 2013



Special Schedules

Contents

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| Special Schedule No. 2(a) | Statement of Long-term Debt (all purposes)..... | 226 |
| Special Schedule No. 7 | Condition of Public Works | 227 |
| Special Schedule No. 8 | Financial Projections | 229 |

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.

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2013

| Function or Activity | Expenses from Continuing Operations | Income from continuing operations | | Net Cost of Services. |
|--|-------------------------------------|-----------------------------------|--------------|-----------------------|
| | | Non Capital | Capital | |
| Governance | 903 | 2 | - | (901) |
| Administration | 22,346 | 32,958 | - | 10,612 |
| Public Order and Safety | | | | |
| Fire Service Levy, Fire Protection, Emergency Services | 2,629 | 76 | 366 | (2,187) |
| Enforcement of Local Govt. Regulations | 1,251 | 312 | - | (939) |
| Animal Control | 174 | 149 | - | (25) |
| Total Public Order & Safety | 4,054 | 537 | 366 | (3,151) |
| Health | 393 | 116 | - | (277) |
| Environment | | | | |
| Other Environmental Protection | 1,510 | 2,375 | - | 865 |
| Solid Waste Management | 13,212 | 14,931 | - | 1,719 |
| Street Cleaning | 1,000 | - | - | (1,000) |
| Drainage | 3,124 | - | - | (3,124) |
| Stormwater Management | 2,926 | 120 | - | (2,806) |
| Total Environment | 21,772 | 17,426 | - | (4,346) |
| Community Services and Education | | | | |
| Administration & Education | 2,621 | 2,831 | - | 210 |
| Aged Persons and Disabled | 245 | 197 | - | (48) |
| Children's Services | 2,935 | 2,911 | 1 | (23) |
| Total Community Services & Education | 5,801 | 5,939 | 1 | 139 |
| Housing and Community Amenities | | | | |
| Public Conveniences | - | 10 | 1,185 | 1,195 |
| Street Lighting | 2,533 | 283 | - | (2,250) |
| Town Planning | 1,766 | 361 | - | (1,405) |
| Other Community Amenities | 142 | 434 | 21 | 313 |
| Total Housing and Community Amenities | 4,441 | 1,088 | 1,206 | (2,147) |

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2013

| Function or Activity | Expenses from Continuing Operations. | Income from continuing operations | | Net Cost. of Services. |
|---|--------------------------------------|-----------------------------------|---------------|------------------------|
| | | Non Capital. | Capital. | |
| Recreation and Culture | | | | |
| Public Libraries | 4,395 | 347 | 55 | (3,993) |
| Art Galleries | 653 | 439 | - | (214) |
| Community Centres and Halls | 1,785 | 925 | 40 | (820) |
| Other Cultural Services | 598 | 84 | - | (514) |
| Sporting Grounds and Venues | 3,500 | 554 | 494 | (2,452) |
| Swimming Pools | 289 | - | - | (289) |
| Parks & Gardens (Lakes) | 6,092 | 334 | 3,975 | (1,783) |
| Other Sport and Recreation | 337 | - | 683 | 346 |
| Total Recreation and Culture | 17,649 | 2,683 | 5,247 | (9,719) |
| Mining, Manufacturing and Construction | | | | |
| Building Control | 4,523 | 1,957 | - | (2,566) |
| Total Mining, Manufacturing and Const. | 4,523 | 1,957 | - | (2,566) |
| Transport and Communication | | | | |
| Urban Roads (UR) - Local | 10,849 | 2,999 | 1,712 | (6,138) |
| Urban Roads - Regional | - | - | 516 | 516 |
| Parking Areas | 572 | 1,681 | 1 | 1,110 |
| Footpaths | 2,262 | 148 | - | (2,114) |
| Other Transport & Communication | - | - | 1,879 | 1,879 |
| Total Transport and Communication | 13,683 | 4,828 | 4,108 | (4,747) |
| Economic Affairs | | | | |
| Other Economic Affairs | 179 | 59 | 63 | (57) |
| Total Economic Affairs | 179 | 59 | 63 | (57) |
| Totals – Functions | 95,744 | 67,593 | 10,991 | (17,160) |
| General Purpose Revenues⁽²⁾ | | 32,966 | | 32,966 |
| NET OPERATING RESULT⁽¹⁾ | 95,744 | 100,559 | 10,991 | 15,806 |

(1) As reported in the Income Statement (2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2013

| Classification of Debt | Principal outstanding at beginning of the year | | New Loans raised during the year | Debt redemption during the year | | Transfers to Sinking Funds | Interest applicable for Year | Principal outstanding at the end of the year | | |
|-----------------------------|--|--------------|----------------------------------|---------------------------------|---------------|----------------------------|------------------------------|--|---------------|-------|
| | Current | Non Current | | From Revenue | Sinking Funds | | | Current | Non Current | Total |
| | | | | | | | | | | |
| Loans (by Source) | | | | | | | | | | |
| Commonwealth Government | - | - | - | - | - | - | - | - | - | |
| Treasury Corporation | - | - | - | - | - | - | - | - | - | |
| Other State Government | - | - | - | - | - | - | - | - | - | |
| Public Subscription | - | - | - | - | - | - | - | - | - | |
| Financial Institutions | 2,067 | 5,880 | 28,300 | 1,579 | - | 453 | 2,992 | 31,676 | 34,668 | |
| Other | - | - | - | - | - | - | - | - | - | |
| Total Loans | 2,067 | 5,880 | 28,300 | 1,579 | - | 453 | 2,992 | 31,676 | 34,668 | |
| Other Long Term Debt | | | | | | | | | | |
| Ratepayers Advances | - | - | - | - | - | - | - | - | - | |
| Government Advances | - | - | - | - | - | - | - | - | - | |
| Finance Leases | - | - | - | - | - | - | - | - | - | |
| Deferred Payments | - | - | - | - | - | - | - | - | - | |
| Total Long Term Debt | - | - | - | - | - | - | - | - | - | |
| Total Debt | 2,067 | 5,880 | 28,300 | 1,579 | - | 453 | 2,992 | 31,676 | 34,668 | |

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** (which are reported in the GPFS).

Ku-ring-gai Council

Special Schedule No. 7 - Condition of Public Works
as at 30 June 2013

| ASSET CLASS | Asset Category | Cost | Valuation | Accum. Depreciation Amortisation & Impairment | Carrying Amount (WDV) | Asset Condition* | Estimated cost to bring up to a satisfactory condition / standard ⁽¹⁾ | Required Annual Maintenance | Current Annual Maintenance |
|--|---|------|----------------|---|-----------------------|------------------|--|-----------------------------|----------------------------|
| | | | | | | | | | |
| Buildings | sub total | - | 134,444 | 56,418 | 78,026 | 3 | 23,115 | 3,971 | 2,818 |
| Public Roads | Roads | | 248,868 | 98,215 | 150,653 | 3 | 87,645 | 9,604 | 10,211 |
| | Bridges | | 8,982 | 2,745 | 6,237 | 2 | 8 | 33 | 10 |
| | Footpaths | | 43,174 | 21,247 | 21,926 | 2 | 1,720 | 2,157 | 1,750 |
| | Kerb and Gutter | | 105,322 | 68,053 | 37,269 | 3 | 20,697 | 2,084 | 221 |
| | Road Furniture | | 9,155 | 3,153 | 6,002 | 2 | 186 | 437 | 496 |
| | sub total | - | 415,501 | 193,413 | 222,088 | | 110,256 | 14,315 | 12,688 |
| Land Improvements - Depreciable | Land improvements (Recreational facilities and car parks) | | 39,051 | 3,751 | 35,300 | 2 | 2,859 | 8,075 | 6,131 |
| | sub total | - | 39,051 | 3,751 | 35,300 | | 2,859 | 8,075 | 6,131 |



Statutory information

Local Government Act 1993

Under Section 428 of the Local Government Act 1993 Council must prepare an Annual Report within five months of the end of the financial year. The Annual Report is a report to the community and must outline Council's achievements in implementing its four year Delivery Program and annual Operating Plan. The Annual Report must also contain Council's audited financial statements and notes and any information required by regulation or guidelines.

406 Integrated Planning and Reporting Guidelines

The Annual Report has been prepared in accordance with the requirements of the NSW Division of Local Government's Integrated Planning and Reporting Guidelines for Local Government in NSW, 2010, (revised 2013).

428(2) End-of-Term Report

The End-of-Term report is prepared for the outgoing Council in the year of the Council election. It presents Council's progress and achievements in implementing its Community Strategic Plan over the previous four years. The End-of-Term Report is not required for the 2012/2013 reporting year.

428(4)(a) Financial Statements

Ku-ring-gai Council's audited financial reports for the 2012/2013 financial year are presented on pages 136 - 229. (see General Purpose Financial Statement and Special Purpose Financial Statements).

428A(4) State of the Environment Report - not required

Our State of the Environment Report was prepared in 2011/2012 as part of the joint Northern Sydney Regional Organisation of Councils (NSROC) Regional State of Environment Report prepared for the seven Northern Sydney member Councils of Ku-ring-gai, Hornsby, Hunters Hill, Lane Cove, North Sydney, Ryde and Willoughby.

The Report provides a comprehensive representation of environmental trends, major environmental impacts and relevant environmental indicators for the region. The joint report recognises that many environmental issues impact beyond council boundaries. Member councils are committed to cooperative approaches to achieve improved environmental outcomes. The joint Report is available at www.kmc.nsw.gov.au.

A State of the Environment Report is not required for the 2012/2013 reporting year.

Local Government (General) regulation 2005

Clause 217 of the Local Government (General) Regulation requires the following information to be included in the Annual Report:

217 (1)(a) Details of overseas visits by councillors and council staff

This must include the purpose of overseas visits undertaken during the year by councillors, council staff or other persons while representing the council (including visits sponsored by other organisations):

- Nil return

217 (1)(a1) Details of mayoral and councillor fees, expenses and facilities

This must include the total cost during the year of the payment of the expenses of, and the provision of facilities to, councillors in relation to their civic functions (as paid by the council, reimbursed to the councillor or reconciled with the councillor), including separate details on the total cost of each of the following:

- (i) Provision of dedicated office equipment allocated to councillors

9 x iPhone = \$6537.24
 5 x Bluetooth Car Kit = \$590
 7 x iPad = \$5512.99
 2 x Laptop = \$2340
 9 x Multifunction Printer = \$4392
 Total - \$19,372.23

- (ii) Communication costs (including telephone calls) – \$12,609.09

(iii) Attendance of councillors at conferences and seminars – \$7,214.32 (including accommodation, conference registration, transport and meals)

- (iv) Training of councillors and provision of skill development – \$1,320.00

- (v) Interstate visits by councillors, including transport, accommodation and other out of pocket travelling expenses – \$4,670.93

- (vi) Overseas visits by councillors, including transport, accommodation and other out of pocket travelling expenses – Nil

- (vii) Expenses of any spouse, partner or other person who accompanied a councillor – \$886.50 spouse expenses

- (viii) Expenses involved in the provision of care for a child or an immediate family member of a councillor – \$2,166.43

Ku-ring-gai Council has in place a Councillors' Expense Policy that governs the expenses paid and facilities provided to the Mayor and councillors in the discharge of their civic duties.

The total amount of money spent on mayoral and councillor fees was \$204,702.66

217(1)(a2) Contracts awarded by council

This includes contracts exceeding \$150,000 not including employment contracts. It must include the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract.

| Payee name | Contract Amount (\$) | Description | Contract Description |
|--|----------------------|-------------|---|
| Hideaway Landscapes | 423,115.00 | Contract | Mowing of parks, sportsfields, road reserves and laneways |
| Haden Engineering | 21,877.52 | Contract | Scheduled Maintenance of Mechanical Services at Various Buildings |
| Renascent Sydney | 476,017.00 | Contract | Construction of Warrimoo Clubhouse |
| MGI Piling | 1,473,082.00 | Contract | North Turrumurra former landfill site - Slope Stabilisation Works |
| Taylor Construction Group | 3,179,724.00 | Contract | Design & Construction of Ku-ring-gai Emergency Services Facilities |
| Civil Constructions | 178,887.00 | Contract | Acron Oval Carpark & Ancillary Works |
| Urban Landscape Projects | 180,000.60 | Contract | Two Turners Reserve, Gladstone Parade, Lindfield |
| Recreational Surfacing | 277,299.00 | Contract | Sports Court Refurbishment - 2012 |
| Mainland Civil | 4,676,582.00 | Contract | North Turrumurra Golf Course Finishing Works NTRA Phase 1 - Stage 1 and 2 |
| Smada Electrical Services | 684,934.53 | Contract | Sportsfield Lighting |
| CPG Research and Advisory | 90,000.00 | Contract | Investment Advisory Service |
| Sinclair Knight Merz | 93,678.00 | Contract | Blackbutt Creek Flood Study |
| Hargraves Landscapes | 846,017.24 | Contract | Bruce Avenue Killara - New Park Construction |
| R&N Paddison Pty Ltd (Trading as Turf Drain Australia Pty Ltd) | 542,173.87 | Contract | Allan Small Reserve works |

217(1)(a3) Amounts incurred in relation to legal proceedings

This includes a summary of the amounts incurred by Council during the year in relation to legal proceedings taken by or against Council (including amounts, costs

and expenses paid or received by way of out of court settlements, other than those the terms of which are not to be disclosed) and a summary of the state of progress of each legal proceeding and (if it has been finalised) the result.

The total cost incurred in the 2012/2013 financial year was \$827,038. The amount received for costs recovered was \$88,000.

| Proceedings | Nature of Proceedings | Result | Costs \$ |
|---|-----------------------|--|----------|
| Council ats McGovern | L & E - Class 1 | Dismissed | 4,381 |
| Council ats Brigidine College St Ives | L & E - Class 1 | Consent orders (amended proposal) | 22,009 |
| Council ats Rahmani | L & E - Class 1 | Discontinued | 7,365 |
| Council ats The Northern Eruv Incorporated | L & E - Class 1 | Upheld (amended application) | 360 |
| Council ats Urban Peninsula Pty Limited | L & E - Class 1 | Resolved by agreement (amended proposal) | 13,113 |
| Council ats Phillips | L & E - Class 1 | Resolved by agreement (amended proposal) | 15,922 |
| Council ats Xiang Rong Investment Pty Ltd | L & E - Class 1 | Consent orders (amended proposal) | (34) |
| Council ats Zaki | L & E - Class 1 | Upheld (amended proposal) | 39,230 |
| Council ats Steve Nolan Constructions Pty Ltd | L & E - Class 1 | Resolved by agreement (amended proposal) | 1,440 |
| Council ats Hew | L & E - Class 1 | Upheld (amended proposal) | 21,279 |

| Proceedings | Nature of Proceedings | Result | Costs \$ |
|---|-----------------------|--|--------------------------|
| Council ats The Northern Eruv Incorporated (No 2) | L & E - Class 1 | Dismissed | 36,690 |
| Council ats Ken Willis & Associates | L & E - Class 1 | Discontinued | 2,996 |
| Council ats Knox Grammar School | L & E - Class 1 | Resolved by agreement (amended proposal) | 88,167 |
| Council ats Staldone Corporation Pty Ltd | L & E - Class 1 | Resolved by agreement (amended proposal) | 48,817 |
| Council ats Williams | L & E - Class 1 | Resolved by agreement (amended proposal) | 32,048 |
| Council ats Staldone Corporation Pty Ltd (No 2) | L & E - Class 1 | Resolved by agreement (amended proposal) | 135,166 |
| Council ats Stackhouse | L & E - Class 1 | Upheld in part | 13,050 |
| Council ats Taylor | L & E - Class 1 | Upheld in part | 5,901 |
| Council ats Shek | L & E - Class 1 | Discontinued | 56,757 |
| Council ats McCullagh | L & E - Class 1 | Discontinued | 1,485 |
| Council ats Boston Blyth Fleming | L & E - Class 1 | Resolved by agreement (amended proposal) | 35,823 |
| Council ats Zeng | L & E - Class 1 | Resolved by agreement (amended proposal) | 14,602 |
| Council ats Zeng (No 2) | L & E - Class 1 | Discontinued | (included in above item) |
| Council ats Tsang | L & E - Class 1 | Discontinued | 1,137 |
| Council ats Tsang (No 2) | L & E - Class 1 | Resolved by agreement (amended proposal) | (included in above item) |
| Council ats Urban Peninsula Pty Limited | L & E - Class 1 | Upheld | 49,136 |
| Council ats Thrum Architects Pty Ltd | L & E - Class 1 | Discontinued | 3,785 |
| Council ats Shannon | L & E - Class 1 | Upheld | 12,263 |
| Council ats Do-Gild Pty Limited | L & E - Class 1 | Resolved by agreement (amended proposal) | 15,089 |
| Council ats Lakeman | L & E - Class 1 | Dismissed | 14,419 |
| Council ats Tselepi | L & E - Class 1 | Not concluded | 46,691 |
| Council ats Steve Nolan Constructions Pty Limited | L & E - Class 1 | Not concluded | 4,778 |
| Council ats Mackenzie Architects Pty Ltd | L & E - Class 1 | Not concluded | 25,208 |
| Council ats Thrum Architects Pty Ltd | L & E - Class 1 | Resolved by agreement (amended proposal) | 12,264 |
| Council ats Overall | L & E - Class 1 | Discontinued | 639 |
| Council ats De Stoop | L & E - Class 1 | Not concluded | 540 |
| Council ats De Stoop | L & E - Class 1 | Dismissed Not concluded | (included in above item) |

217(1)(a4) Works on private land

Council is required to provide a summary of resolutions made under Section 67 of the Act concerning work carried out on private land. During 2012/2013 Council resolved to or carried out the following works:

Renovation of West Pymble Philip Mall

Council completed a renovation of the West Pymble Philip Mall in December 2012. Works undertaken by Council on private land were:

- Awning works - \$41,931. Shop owners are contributing 100% of the funds towards this work.
- Paving works - \$7,000. Shop owners are contributing 100% of the funds towards this work.

Designs for Princes Street shops, Turramurra

Council completed designs for the upgrade of public and pedestrian areas for Princes Street shops in Turramurra.

Approximately 180m² of the construction project, which comprises a total area of about 450m², is located on private land. Total estimated costs of works on private land, as reported to Council in December 2012, is \$87,131.

Exeter Road Creek Rehabilitation

Council awarded an Environmental Levy Small Grant to Mr Prince-Wright to undertake creek stabilization works on his property in Wahroonga. Estimated cost of ground works is \$5,000, to be fully funded by Council's Environmental Levy Small Grant. Works will be undertaken in 2013/2014.

Warrimoo North Rain Garden construction

Council resolved to fund a demonstration rain garden construction on private land for the Warrimoo North Water Smart program. Estimated total cost of the project is \$3,800 which will be funded through Council's Environmental Levy. Works are to be completed in 2013/2014.

217(1)(a5) Contributions/grants to organisations and individuals

Each year, Council provides financial assistance to community and cultural groups in Ku-ring-gai. The grants enhance the capacity of community groups to provide much needed support services to the community, foster celebrations, promote the development of artistic pursuits in Ku-ring-gai, increase resident participation in community activities and deliver small community based environmental projects at a neighbourhood level.

Environmental project grants

Council provided 15 grants valued at over \$43,000, funded from the Environmental Levy, to local community groups or individuals for environmental projects in 2012/2013. Details of the recipients and funding can be found in the following table:

2012/2013 Environmental Levy Community Small Grants Scheme

| Name or organisation or group | Name of project | Amount \$ |
|------------------------------------|---|-----------------|
| KU East Killara Preschool | Vegetable garden | 660 |
| Lady Game Community Kindergarten | Environmental Awareness Program - Organic veggie garden and compost bin | 1,620 |
| Geary's Way Bushcare | Geary's Way Bushcare | 4,000 |
| Northside Montessori | Keyhole Garden | 1,500 |
| Ku-ring-gai Bushcare Group | Fauna Study | 500 |
| Roseville Chase Weeding Project | Roseville Chase Bushcare Group | 1,490 |
| Normac Streetcare Group | Ku-ring-gai / Willoughby border project | 4,422 |
| WildThings NSW | Mobile Wildlife Protection Unit | 5,000 |
| West Pymble Community Garden | West Pymble Community Garden | 1,000 |
| HART | Ku-ring-gai Road Safety Centre Bush Regeneration Project | 3,000 |
| Turramurra Public Primary School | Native bush garden and sensory awareness trail | 5,000 |
| Mr Prince Wright | Stormwater impacts at Exeter Rd Wahroonga | 3,900 |
| Friends of Lane Cove National Park | Riparian Bush Regeneration along Quarry Creek | 5,000 |
| St Ives High School | STIF Rehabilitation Project | 3,500 |
| Lower Blackbutt Bushcare Group | Removal of Balloon Vine | 2,765 |
| Total | | \$43,357 |

Community project grants

Projects funded under the Community Grants Program cover a range of target groups including, children, young people, older people, people with disabilities and people from culturally and linguistically diverse backgrounds. The level of funding and diversity of the program was expanded in 2012. This followed a sponsorship agreement between Council (\$93,000) and the Community Bank of Turramurra and Lindfield (\$75,000). A total of \$168,000 funding was allocated as follows:

| Group | Amount \$ | Purpose |
|-------------------------------------|-----------|---|
| Community groups | 109,892 | Various (Recipients and funding are detailed in the following tables) |
| Eryldene Historic House | 3,705 | Rates, garbage rebate |
| Ku-ring-gai Historical Society | 6,600 | Contribution to Society's journal printing costs |
| Ku-ring-gai Chase inaugural Fun Run | 15,000 | To assist with organisation of the event which supported over 350 children with intellectual disabilities in Ku-ring-gai. |

Approximately \$8,000 - \$10,000 was allocated for a presentation evening and the balance of approximately \$22,800 was carried forward to the 2013/2014 year. Details of the recipients and funding can be found in the following tables:

2012/2013 Ku-ring-gai Community Grants

1. Category: Small Equipment

| Name of organisation or group | Amount \$ |
|--|-----------|
| East Lindfield Community Preschool | 1,465 |
| 1st East Roseville Group Scouts | 2,000 |
| English At Gordon (Gordon Baptist Church Cross Cultural Friendship Centre) | 1,200 |
| Girl Guides Assoc (NSW) South Turramurra District | 1,860 |
| Killara Public School P & C Association | 1,535 |
| KU South Turramurra Preschool | 977 |
| KU The Chase Preschool | 2,000 |
| KU Wahroonga Preschool | 2,000 |
| Ku-ring-gai Community Workshop "The Shed" Inc | 2,000 |
| Ku-ring-gai Meals on Wheels | 800 |
| Ku-ring-gai Neighbourhood Centre Inc | 2,000 |
| Lifeline Harbour to Hawkesbury | 1,539 |
| 2nd 3rd Lindfield Scout Group | 2,000 |
| North Turramurra Netball Club | 2,000 |
| Probus Club of Barra Brui Inc | 1,814 |
| Probus Club of East Lindfield Inc | 1,299 |
| St Edmund's School - Edmund Rice Special Educations Services NSW | 1,881 |
| St Ives Girl Guides - Brui District | 1,800 |
| St Ives Toastmasters Club | 2,000 |
| West Pymble Scouts | 2,000 |

2. Category: Community Development

| Name of organisation or group | Amount \$ |
|---|-----------|
| Active Opportunities Inc. (Conditional on quote for t-shirt printing & purchase). | 5,000 |
| Constant Companion Service | 1,350 |
| Easy Care Gardening Inc | 1,000 |
| English At Gordon (Gordon Baptist Church Cross Cultural Friendship Centre) | 1,200 |
| Hills Schools Industry Partnership | 3,323 |
| Hornsby Ku-ring-gai & Hills Multiple Births Association | 620 |
| Killara Public School P & C Association (Release of funds conditional on the availability of funds from the NSW Department of Sport and Recreation and /or the project progressing through funds raised by the Killara Public School P & C Association). | 5,000 |
| Ku-ring-gai Community Workshop "The Shed" Inc | 4,606 |
| Ku-ring-gai Historical Society Inc | 4,700 |
| Ku-ring-gai Neighbourhood Centre Inc | 2,240 |
| Ku-ring-gai Youth Development Service (KYDS) | 5,000 |
| Lifeline Harbour to Hawkesbury | 5,000 |
| 1st Lindfield Scouts: The Scout Association of Australia NSW | 4,800 |
| Parkinson's NSW Hornsby Ku-ring-gai Support Group | 2,150 |
| Rotary Club of Turramurra | 3,000 |

3. Category: Arts/Cultural

| Name of organisation or group | Amount \$ |
|---|-----------|
| Boonah Creative Arts Centre, Centacare Broken Bay | 3,000 |
| Chabad House of the North Shore | 5,000 |
| The Eryldene Trust | 5,000 |
| Jewish Arts Incorporated | 1,980 |
| Ku-ring-gai Historical Society Inc | 4,715 |
| Ku-ring-gai Youth Orchestra | 3,500 |
| The Mirrabooka Singers | 1,475 |
| Zonta Club of Hornsby Ku-ring-gai Inc | 2,063 |
| TOTAL (Tables 1,2 &3) | 109,892 |

217(a)(a6) External bodies exercising delegated functions

- Nil return

217(1)(a7) Controlling interest in companies

- Nil return

217(1)(a8) Partnerships, co-operatives and other joint ventures

- Nil return

217(1)(a9) Activities to implement equal employment opportunity management plan

Ku-ring-gai Council is an equal opportunity employer and will not discriminate against any employee or applicant on the basis of age, colour,

disability, gender, national origin, race, religion, sexual orientation, veteran status, or any classification protected by federal or state law. These principles form the basis of Council's workforce related policies and practices.

Activities undertaken in 2012/2013 to implement Council's Equal Employment Opportunity EEO management plan included:

- Research and analysis of workforce demographics and trends in comparison to local government and state government public sector employment and the broader community. This informed the preparation of a four year Workforce Strategy which was adopted in June 2013.
- The research will also inform preparation of a new Workforce Action

Plan for 2013 – 2017, underpinned by EEO principles.

- Review of recruitment policies and processes to ensure employment practices are consistent with EEO principles.
- Support for an ongoing EEO contact officer network which provides opportunities for staff to raise issues and concerns relating to individuals or broader areas of the organisation.
- Completion of a comprehensive induction process for all new staff covering Equal Employment Opportunity, Work Health and Safety, Bullying and Harassment and Code of Conduct, with a whole of council focus and a work area induction provided by their immediate supervisor/manager.
- Completion of an annual program of

benefits and services available to all employees, including a comprehensive health and wellbeing program. Details of the program can be found on page 118 of this report.

- Continuation of a range of flexible age and family friendly workforce policies and practices. These are aimed at retaining skilled older workers, assisting new parents' return to work and assisting those with carer responsibilities.

217(1)(b) and (c) Senior staff remuneration packages

| Senior Officers | Gross (Salary Component) | Statutory Superannuation Contributions | Non-Cash Benefits | ATRP Payments | Bonus Performance Payments | Total Contract Payments | FBT Payable by Council | Total |
|-----------------|--------------------------|--|-------------------|---------------|----------------------------|-------------------------|------------------------|-------------|
| General Manager | \$287,494 | \$13,098 | \$11,611 | - | - | - | \$5,681 | \$317,884 |
| Directors | \$850,109 | \$107,648 | \$41,962 | - | - | - | \$57,370 | \$1,057,089 |

Following the Director Corporate's resignation effective 18 November 2012, Council recruited and appointed a new Director Corporate, who took up the position on 3 June 2013.

217(1)(e) Information on stormwater levies and charges and management services provided

The stormwater management charge is used to fund new and upgraded drainage works across the Ku-ring-gai Local Government Area as well as the environmental management of Council's drainage system impacting on watercourses. During 2012/2013 this included:

- drainage upgrades
- water quality analysis and data monitoring.
- regular maintenance of 141 Enviropods and 72 other Gross Pollutant Traps as part of the stormwater pollution control device maintenance contract, funded by the stormwater charge.

This maintenance removed approximately 59.5 tonnes of pollutants (rubbish, leaf litter and sediment) from our waterways.

Companion Animals Act 1998

Companion Animal Management has remained a key operational program throughout the year, with a steady demand placed on Council's Regulatory Services Unit.

During 2012/2013 our regulatory officers:

- Managed a total of 662 customer requests for assistance regarding companion animals, a 8% reduction on the previous year's figures.
 - Serviced 261 requests lodged in regard to barking dogs, a 7% increase on the previous year's figures. A large number of these requests are ongoing and multiple requests are being generated for the same address.
 - Attended to 122 reports of stray and roaming dogs, an increase of 8% on the previous year's figures. Of the 122 reported, 74 were seized and impounded at the pound, 30 were reunited directly with owners and the remainder of reports were placed on "patrol watch".
 - Seized 16 cats, all being transferred to Council's pound facility.
 - Managed 81 complaints regarding dog attacks, of which two dogs were declared dangerous and 14 dogs were declared nuisance (6 of these for excessive noise).
- Impounding facilities are provided under contract by Thornleigh Veterinary Hospital. The facility accepted a total of 99 animals on behalf of Council, 36 cats and 63 dogs. This is a 28% decrease from previous year's figures. The majority of the animals were returned to their owners or rehomed. Twenty animals were euthanized; 17 were feral or ill cats and 3 were dogs deemed too dangerous or unsuitable for re-homing. This is an increase from the previous year, during which only 14 animals were euthanized however, in this reporting year there was a higher intake of feral or sick cats which increased the euthanasia rate.

Environmental Planning and Assessment Act 1979

Under section 93G(5) of the Environmental Planning and Assessment Act 1979 Council must include in its Annual Report the planning agreements entered into during the year.

In 2012/2013 Council resolved to enter into one Planning Agreement pursuant to Section 93G (5) of the Environmental Planning and Assessment Act 1979.

Draft Voluntary Planning Agreement for the delivery of a future public road at 28-30 and 32 Dumaresq Street, Gordon - DA 501/12

Australia Wenzhou Group approached Ku-ring-gai Council in mid-2012 to enter into a Voluntary Planning Agreement (VPA) in connection with the redevelopment of a multi-unit apartment block at 28-30 Dumaresq Street Gordon.

The agreement relates to a proposed road identified in the Ku-ring-gai Local Environmental Plan (Local Centres) 2012, Ku-ring-gai Development Control Plan (Local Centres) 2012, Ku-ring-gai Contributions Plan 2010 and Ku-ring-gai Public Domain Plan 2010. The road is to be partly located on 32 Dumaresq Street Gordon, which Ku-ring-gai Council has acquired for this purpose, and continue on to Moree Street, Gordon to provide a link road. Ku-ring-gai Council has not yet acquired the land fronting Moree Street to complete the link.

Under the proposed VPA the developer will be required to pay monetary contributions and deliver that part of the road located on 32 Dumaresq Street Gordon together with earth works required to support the road until it can be continued to Moree Street in the future.

The VPA also includes the sale at agreed market value of a residual amount of land not required for the road reservation.

Status of 2011/2012 Council resolution to enter into a Planning Agreement - Edgelea Development 100 Eton Road Lindfield NSW 2070 (also known as UTS Ku-ring-gai) - DA0677/11

Defence Housing Australia in accordance with the terms of Condition B13 of Concept Approval MP06_0130 (issued by the Minister for Planning) approached Ku-ring-gai Council in December 2011 to enter into a Voluntary Planning Agreement (VPA) in connection with the redevelopment of the UTS Ku-ring-gai site, known as 100 Eton Road Lindfield. The agreement is linked to the first stage of development, being the initial subdivision, land dedication and embellishment works.

Under the proposed VPA the developer will be required to pay monetary contributions and provide other material public benefits which include a minimum of 9,800 m² of land for a soccer field (sports field), 300m² of built community space plus associated amenities, new public access roads and parking, financial contribution for the future maintenance of the public roads in the vicinity of \$200,000, and environmental lands.

Government Information Public Access Act 2009

Statistical Report for 2012/2013

In accordance with Section 125 of the Government Information (Public Access) Act 2009 Council, as an agency under the Act, is required to prepare an annual report of its obligations under the Act. Schedule 2 of the Act outlines the annual reporting requirements for capturing statistical information and is used as the framework for this report.

Schedule 2 – number of applicants by type of applicant and outcome

Ku-ring-gai Council received a total of 33 formal and 2 withdrawn applications under the Government Information (Public Access) Act 2009 during the reporting year 2012/2013.

Table A: Number of Applications by type of applicant and outcome*

| | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refused to deal with application | Refused to confirm/deny whether information is held | Application withdrawn |
|---|------------------------|------------------------|------------------------|----------------------|-------------------------------|----------------------------------|---|-----------------------|
| Media | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Members of Parliament | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Private sector business | 1 | 1 | 0 | 1 | 0 | 0 | 0 | 0 |
| Not for profit organisations or community groups | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Members of the public (application by legal representative) | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Members of the public (other) | 11 | 11 | 0 | 0 | 2 | 4 | 0 | 2 |

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of Applications by type of applicant and outcome

| | Access granted in full | Access granted in part | Access refused in full | Information not held | Information already available | Refused to deal with application | Refused to confirm/deny whether information is held | Application withdrawn |
|--|------------------------|------------------------|------------------------|----------------------|-------------------------------|----------------------------------|---|-----------------------|
| Personal information applications* | 2 | 2 | 0 | 0 | 0 | 1 | 0 | 0 |
| Access applications (other than personal information applications) | 9 | 9 | 1 | 1 | 2 | 3 | 0 | 2 |
| Access applications that are partly personal information applications and partly other | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid Applications

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

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

| Reason for Invalidity | Number of times consideration used* |
|---|-------------------------------------|
| Overriding Secrecy Laws | 0 |
| Cabinet Information | 0 |
| Executive Council Information | 0 |
| Contempt | 0 |
| Legal Professional Privilege | 1 |
| Excluded Information | 0 |
| Documents affecting law enforcement and public safety | 0 |
| Transport Safety | 0 |
| Adoption | 0 |
| Care and Protection of Children | 0 |
| Ku-ring-gai Council Code of Conduct | 0 |
| Aboriginal and Environmental Heritage | 0 |

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

| | Number of occasions when application not successful |
|--|---|
| Responsible and effective government | 0 |
| Law enforcement and security | 6 |
| Individual rights, judicial processes and natural justice | 11 |
| Business interests of agencies and other persons | 2 |
| Environment, culture, economy and general matters | 1 |
| Secrecy provisions | 1 |
| Exempt documents under interstate Freedom of Information legislation | 0 |

Table F: Timeliness

| | Number of Applications |
|--|------------------------|
| Decided within the statutory timeframe (20 days plus any extensions) | 33 |
| Decided after 35 days (by agreement with applicant) | 0 |
| Not decided within time (deemed refusal) | 0 |
| Total | 33 |

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

| | Decision Varied | Decision Upheld | Total |
|--|-----------------|-----------------|----------|
| Internal Review | 3 | 2 | 5 |
| Review by Information Commissioner* | | 1 | 1 |
| Internal review following recommendation under section 93 of Act | | | |
| Review by ADT | | 2 | 2 |
| Total | 3 | 5 | 8 |

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Note: Four (4) applications are still pending as the review period has not expired.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

| | Number of applications for review |
|--|-----------------------------------|
| Applications by access applicants | 5 |
| Application by persons to whom information the subject of access application relates (see section 54 of Act) | 3 |

Review of Authorised Proactive Release of Government Information

In accordance with Section 7(3) of the Act, Council has reviewed its program for the release of government information under this section to identify the kinds of government information held by Council that should in the public interest be made publicly available and that can be made publicly available without imposing unreasonable additional costs on to Council.

Council's Publication Guide outlines what information is publicly available under mandatory public release. In addition, Council will make as much other information as possible available on its website.



The Global Reporting Initiative (GRI) is a process that introduces globally applicable guidelines to assist in understanding an organisation's contribution to sustainable development.

The guidelines are designed to ensure reports based on GRI:

- provide a balanced and reasonable picture of their economic,

environmental and social performance

- facilitate comparability, benchmarking and assessment of performance
 - address issues of concern to stakeholders.
- GRI indicators that have been discussed in this report (either wholly or in part), are referenced in the following table:

| Global Reporting Initiative G3 | | |
|----------------------------------|---|--|
| | | Page No. |
| Strategy and analysis | | |
| 1.1 | Statement from the most senior decision maker of the organisation | 16 |
| 1.2 | Description of key impacts, risks, and opportunities | 12-14 |
| Organisational profile | | |
| 2.1 | Name of the organisation | Cover page |
| 2.2 | Primary brands, products, and/or services. | 45-133 |
| 2.3 | Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures | 41 |
| 2.4 | Location of organisation's headquarters. | 2/back page |
| 2.5 | Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report | 2/back page |
| 2.6 | Nature of ownership and legal form | 32 |
| 2.7 | Markets served (including geographic breakdown, sectors served, types of customers and beneficiaries) | 6-7 |
| 2.8 | Scale of the reporting organisation, including: • number of employees; • net sales (for private sector organisations) or net revenues | 20-23/42 |
| 2.9 | Major decisions during the reporting period regarding the location of, or changes in operations, including facility openings, closings, and expansions | 16-19 |
| Report parameters | | |
| Report profile | | |
| 3.1 | Reporting period (e.g. fiscal/calendar year) for information provided | Cover page |
| 3.2 | Date of most recent previous report | 30-31 |
| 3.3 | Reporting cycle | 30-31 |
| 3.4 | Contact point for questions regarding the report or its contents | Back page |
| Report scope and boundary | | |
| 3.5 | Process for defining report content, including: • Determining materiality; • Prioritising topics within the report; and • Identifying stakeholders the organisation expects to use the report | 3 |
| 3.6 | Boundary of the report (countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers) | 2/6/back page |
| 3.7 | State any specific limitations on the scope or boundary of the report | 3 |
| 3.8 | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisation's | 235 |
| 3.9 | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report | 30, 60, 78, 94, 108, 122, 132, 136 |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report | 2/30-31 |
| GRI Content index | | |
| 3.12 | Table identifying the location of the standard disclosures in the report. Identify the page numbers or web links where the following can be found: <ul style="list-style-type: none"> • Strategy and Analysis • Organisational Profile • Report Parameters • Governance, Commitments, and Engagement • Disclosure of Management Approach, per category • Core Performance Indicators • Any GRI Additional Indicators that were included • Any GRI Sector Supplement Indicators included in the report | pg 9/11 pg 42 pg 3 pg 32-35 pg 39-40 pg 25 5 |
| Assurance | | |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organisation and the assurance provider(s) | 196 |

| Governance, commitments and engagement | | |
|--|---|---------------------|
| Governance | | Page No. |
| 4.1 | Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisation oversight | 32-35 |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer | 32 |
| 4.3 | For organisation's that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members. | N/A |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body | 39 |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance | 39-40 |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided | 32 |
| 4.7 | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics | 32 |
| 4.8 | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation | 38 |
| 4.9 | Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles | 32-35 |
| 4.10 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance | 30-35 |
| Commitments to external initiatives | | |
| 4.11 | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments | 136 |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses | 9 |
| Stakeholder engagement | | |
| 4.14 | List of stakeholder groups engaged by the organisation | 35 |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage | 35 |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group | 35 |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting | 35-37/59/68/107/116 |
| Economic performance indicators | | |
| Economic performance | | |
| EC1 | Economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and to governments | 136 |
| EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change | 92/83-91 |
| Indirect economic impacts | | |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement | 136 |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts | 18-19 |
| Environmental performance indicators | | |
| Materials | | |
| En1 | Materials used by weight or volume | 75/78 |
| En2 | Percentage of materials used that are recycled input materials. | 75/78 |
| Energy | | |
| En3 | Direct energy consumption by primary energy source | 87/94 |
| En5 | Energy saved due to conservation and efficiency improvements | 87/94 |
| En6 | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives | 87 |
| En7 | Initiatives to reduce indirect energy consumption and reductions achieved | 87 |
| Water | | |
| En8 | Total water withdrawal by source | 86 |
| En9 | Water sources significantly affected by withdrawal of water | 86 |
| En10 | Percentage and total volume of water recycled and reused | 86/94 |

| Biodiversity | | Page No. |
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| En11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | 82-96 |
| En12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas | 82-96 |
| En13 | Habitats protected or restored | 82-96 |
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| Emissions, effluents and waste | | |
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| En18 | Initiatives to reduce greenhouse gas emissions and reductions achieved | 82-93 |
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| En26 | Initiatives to manage the environmental impacts of products and services and extent of impact mitigation | 82-93/102-106 |
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| En30 | Total environmental protection expenditures and investments by type | 83/136 |
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| LA2 | Total number and rate of employee turnover by age group, gender, and region | 42 |
| Occupational health and safety | | |
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism and number of work-related fatalities by region. | 116-119 |
| LA8 | Education, training, counseling, prevention and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases | 116-119 |
| Diversity and opportunity | | |
| LA13 | Composition of governance bodies' and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity | 42 |
| Social performance: society performance indicators | | |
| Community | | |
| SO1 | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting | 48-62 |
| Corruption | | |
| SO2 | Percentage and total number of business units analysed for risks related to corruption | N/A |
| SO3 | Percentage of employees trained in organization's anti-corruption policies and procedures | N/A |
| Compliance | | |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations | 104-106/159 |
| Social performance: product responsibility performance indicators | | |
| Customer health and safety | | |
| PR1 | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures | 74/85/104-106/129 |
| Products and services | | |
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| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship | 115 |

**Aboriginal Heritage Office (AHO)**

Ku-ring-gai Council is a member of the Aboriginal Heritage Office, which preserves and protects over 1,000 Aboriginal heritage sites across Sydney's north shore. The AHO also studies Aboriginal life before colonisation and runs a series of educational walks and talks for school groups and the general public.

ABS

Australian Bureau of Statistics

AHO

Aboriginal Heritage Office

Best Practice

A best practice is a method or technique that has consistently shown results superior to those achieved with other means, and that is used as a benchmark.

Biodiversity

The variety of all living things including plants, animals and microorganisms, their genes and the ecosystems of which they are a part.

CALD

Culturally and linguistically diverse.

Catchment

Area of land that drains rainfall into a river or lake.

Community Engagement

Refers to Council's consultative practices that enable communities and individuals to participate in the development of Ku-ring-gai and build community capacity. It supports and informs all Council's decision-making processes.

Community Strategic Plan

The Ku-ring-gai Community Strategic Plan 2030 - Our community Our future identifies the community's main priorities and aspirations for the future and sets out clear strategic directions to achieve them over the long-term. While Council has the main role in progressing the plan on behalf of the community other partners such as government agencies, external organisations and community groups also play an important role in delivering the long-term objectives of the plan.

Councillors

Elected representatives who set strategic direction for the organisation, monitor organisational performance, liaise with stakeholders and ensure operational compliance.

DA

Development Application

Database

Systematic arrangement of computer data to enable it to be automatically retrieved and manipulated.

Development Control Plan (DCP)

Provides policy statements and more detail beyond the provisions contained in a Local Environmental Plan and serves to further guide development decisions across the local government area.

Delivery Program

The Delivery Program outlines what Council intends to do towards achieving the Community Strategic Plan's long-term objectives and priorities during the 4 year term of the elected Council. This includes identifying who is responsible for achieving objectives in the Community Strategic Plan. Some will be the responsibility of Council, some will be other levels of government and some will be community groups or individuals.

DLG (NSW)

New South Wales Division of Local Government

EEO

Equal Employment Opportunity.

Financial Year

The financial year that we are reporting on in this annual report is the period from 1st July 2012 to 30 June 2013.

GIPA

The Government Information (Public Access) Act 2009, which has replaced Freedom of Information legislation.

Governance

Governance comprises the traditions, institutions and processes that determine how power is exercised, how citizens are given a voice, and how decisions are made on issues of public concern.

Heritage

Refers to the extensive aboriginal, natural, social and built history of the Ku-ring-gai area. It consists of those places and objects, including houses, public and commercial buildings, parks and monuments, that we as a community have inherited from the past and want to hand on to future generations. In a planning context, heritage refers to things in our built and natural environment that we want to preserve for future generations to enjoy.

ICLEI

An international association of local governments and their associations that have made a commitment to sustainable development.

Indigenous

Refers to origination in a particular region or country, native to the area. The original inhabitants of the Ku-ring-gai area were the Guringai people. For thousands of years before the arrival of European settlers, the Guringai people lived in the area from Newcastle down to Sydney, mostly along the foreshores of the harbour. The Guringai people developed a rich and complex culture, including distinctive language, customs, spirituality and law, the heart of which was their connection to the land.

Infrastructure

Roads, buildings, bridges, pavements, cycleways and other constructions.

Integrated Planning and Reporting (IP&R)

In 2009 the NSW Division of Local Government introduced the Integrated Planning and Reporting Framework. The framework introduced a hierarchy of plans which require:

- long-term strategic planning with the community
- long-term resourcing strategies for assets, finances and the workforce
- four year programs aligned to a council's term, detailing key actions, projects and resourcing
- one year plans of actions, projects and budgets
- quarterly, biannual and annual performance reporting schedule.



Report index

IPART

Independent Pricing and Regulatory Tribunal of NSW. The tribunal sets the local government rate peg and assesses applications for special rate variations and council contributions plans.

Issue

A key area of concern or priority identified by the community and Council that needs to be addressed

Key Performance Indicator (KPI)

A measure that assists in the assessment of overall performance towards the community's term achievements and long-term objectives and also tell us whether we are heading in the right direction.

Leachate

Water carrying impurities that have percolated through the earth, primarily at rubbish tips.

LGA

Local Government Area

LIRS

Local Infrastructure Renewal Scheme
Local Environmental Plan (LEP)
An environmental planning instrument that contains legally binding provisions relating to development.

Long-term Objective

Describes the desired future state or outcome for each issue. 'Long-term' implies that it is beyond this Council's term and in some instances beyond a second term as well. It recognises that it may take some time to achieve the objective.

LTFP

Long-term Financial Plan. It sets out Council's 10-20 year financial plan.

NAIDOC

National Aborigines and Islanders Day Observance Committee

Northern Sydney Regional Organisation of Councils (NSROC)

Comprising the Councils of Hornsby, Hunter's Hill, Ku-ring-gai, Lane Cove, North Sydney, Ryde and Willoughby.

NPWS

NSW National Parks and Wildlife Service

Objectives

An objective is a specific, measurable condition that must be attained in order to accomplish a particular program goal.

OEH

Office of Environment and Heritage

Operational Plan

An annual plan that provides details of projects and activities for one year of the Delivery Program with a detailed annual budget.

Partnering

A structured approach to working together with other parties to achieve a mutually beneficial outcome.

Performance

The results of activities and progress in achieving the desired outcomes over a given period of time.

Plan of Management (PoM)

A document which regulates the use and management of community land.

PIIP

Privacy and Personal Information Protection Act 1998.

Principal Activity

A key area in which Council sets objectives and performance indicators in order to measure performance.

Quadruple Bottom Line (QBL)

The framework for measuring and reporting on the achievement of long-term objectives in the Community Strategic Plan against governance, economic, social and environmental parameters.

Resourcing Strategy

The Resourcing Strategy details how the strategic aspirations of Ku-ring-gai can be achieved in terms of time, money, people and assets.

The Resourcing Strategy consists of three components:

- 10 year Long-term Financial Plan
- 10 year Asset Management Plan
- 4 year Workforce Management Plan

RFS

Rural Fire Service

Riparian

Situated on the bank of a creek or body of water.

Risk Management

Good management which operates to minimise the incidence of injury, damage, or loss to persons or property and to the good reputation of Council.

SES

State Emergency Service

Stakeholder

Any individual or group having a particular interest in a project or action.

State of Environment Report

Mechanism for providing details on the current status of the main environmental issues utilising the pressure, state, response model.

Sustainable Development

Development designed to meet the present needs whilst also taking into account future costs. These include environmental costs and the depletion of natural resources.

Sustainability

Sensitive use of natural resources without harming the ecological balance of the region.

Target

A numerical goal against which performance is measured.

TRIM

Electronic system that registers incoming and outgoing correspondence and documentation and provides ready access to files.

Values

Underlying attitudes that influence decisions and actions to maximise an organisation's performance.

Vision

Statement of direction that articulates the aspirations of the community and serves as a guide to all those who contribute to it.

VPA

Voluntary Planning Agreement

WHS

Workplace Health and Safety.

WSUD

Water Sensitive Urban Design

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CONTACT US

For assistance or information regarding any of Council's services or facilities please contact us.

CONTACT DETAILS

Address

Ku-ring-gai Council
818 Pacific Highway, Gordon NSW 2072

Post Locked Bag 1056, Pymble NSW 2073

Business hours

Monday - Friday, 8.30am - 5pm

Phone 02 9424 0000

Fax 02 9424 0001

DX 8703 Gordon

Email kmc@kmc.nsw.gov.au

Online chat

Go to our online chat - www.kmc.nsw.gov.au
8.30am - 5pm (AEDST), Monday to Friday

Website

www.kmc.nsw.gov.au

Telephone interpreter service

Non-English speakers can phone 131 450 and quote ID number C018630.

National Relay Service

If you have a hearing or speech impairment, contact us using the National Relay Service. TTY users Call 133 677 then dial 02 9424 0000. Speak and Listen users with ordinary handset Call 1300 555 727 then ask for 02 9424 0000.

Internet relay users

Log on to Internet relay and enter 02 9424 0000

ACKNOWLEDGEMENTS

Ku-ring-gai Council would like to acknowledge all staff who contributed to the completion of the 2012/2013 Annual Report.

Photography

Many of the photographs featured throughout this Annual Report were entrants in the *Capture Ku-ring-gai Photo Competition* - thank you to our photographers.

Need help?

This document contains important information. If you do not understand it, please call the Translating and Interpreting Service on 131 450. Ask them to phone 9424 0000 on your behalf to contact Ku-ring-gai Council. Business hours: Monday to Friday, 8.30am-5pm.

Simplified Chinese

需要帮助吗?

本文件包含重要信息。如果您不理解本文件，请致电翻译口译服务 131 450。让其代表您致电 9424 0000 联系Ku-ring-gai议会。营业时间：周一至周五，上午8.30—下午5.00。

Traditional Chinese

需要幫助嗎?

本檔包含重要資訊。如果您不理解本檔，請致電翻譯口譯服務 131 450。讓其代表您致電 9424 0000 聯繫Ku-ring-gai議會。營業時間：週一至週五，上午8.30—下午5.00。

Japanese

お困りですか?

この文書には、重要な情報が含まれています。ご不明な点があれば、「翻訳・通訳サービス」(電話 131 450) までお電話いただき、あなたに代わって、クーリングガイ (Ku-ring-gai) 議会に連絡するよう、ご依頼ください。営業時間：月曜日～金曜日 (8.30am-5pm)。

Korean

도움이 필요하십니까?

이 문서에는 중요한 정보가 담겨 있습니다. 여러분이 이해할 수 없다면, TIS (번역 및 통역 서비스)의 131 450번으로 전화하십시오. 9424 0000 번으로 여러분을 대신하여 전화해서 쿠링가이 카운슬을 연락해 달라고 요청하십시오. 영업 시간: 월요일-금요일, 오전 8시30분-오후 5시.

**OUR COMMUNITY. OUR COMMITMENT.
GROWING OUR CAPACITY.**

