



Business Paper

Special Council Meeting

Tuesday, 4 October 2016

6:30pm

**Council Chambers,
Level 2, Administration Building
4-20 Eton Street, Sutherland**

ORDER OF BUSINESS

1. ACKNOWLEDGMENT OF COUNTRY

2. APOLOGIES

3. DISCLOSURES OF INTEREST

4. MAYORAL MINUTES

5. REPORTS FROM OFFICERS

CCL026-17 Council Meeting Structure

CCL027-17 2015/16 Annual Financial Statements

6. CONSIDERATION OF BUSINESS IN CLOSED SESSION

7. CONFIDENTIAL REPORTS FROM OFFICERS

CCL004A-17 Request for Financial Assistance - Legal Assistance to Councillors and Staff
Policy

CCL026-17 COUNCIL MEETING STRUCTURE

Attachments: Appendix A and Appendix B

EXECUTIVE SUMMARY

- Council is required to set its meeting structure for the coming Council term. The report proposes an alternate meeting structure for the upcoming term to ensure more efficient use of Councillor and staff time and resources.
- The introduction of the Councillors Weekly Bulletin and twice monthly informal Councillor Briefing sessions has increased the flow of information to Councillors and has resulted in a more efficient means of facilitating quality decision making.
- The proposed meeting schedule will allow all Standing Committees to meet on the one evening and have increased Councillor representation on each Committee as compared to present Committee membership.

REPORT RECOMMENDATION

THAT:

1. The proposed meeting structure outlined in the report be endorsed.
 2. Consideration be given to nominating Councillors for appointment as members of each Standing Committee and Sub-Committee and as Council representatives on External Bodies as listed in Appendix "A".
 3. The schedule of meeting dates contained in Appendix "B" to the report be adopted.
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PURPOSE

The purpose of this report is to establish the Council meeting structure and cycle for the upcoming Council term and to consider Councillor membership and representation on Standing Committees, Sub-Committees and External Bodies.

BACKGROUND

Presently, Council operates a three tier Council and Committee meeting structure. The three tiers being the General Meeting, Standing Committees, and Sub-Committees. Council has four standing committees; Community and Lifestyles; Environmental Health and Regulation; Finance and Strategy; and Infrastructure and Projects and Council, which each meet monthly. The Finance and Strategy Committee would always meet at 6.30pm and immediately following the end of the meeting, Councillors would split into the other three Committees.

In addition to the Standing Committees Council also had 20 Sub Committees, which met on an as needed basis.

The meeting structure is supplemented by twice monthly informal Councillor Briefing sessions that provide an opportunity for staff to present more detail on subjects than would be the case if the information was presented as a Councillors Bulletin article. The informal briefing sessions offer an opportunity for staff and Councillors to discuss concepts and proposals prior to them being presented to Council for consideration. Importantly, informal briefings do not replace the formal decision making process that would otherwise take place at a General Meeting. No Council decisions are taken at informal briefing sessions. Instead, they provide an extra layer of information exchange to improve the decision making process.

Further information is also provided to Councillors by a weekly Councillors Bulletin that presents contemporary information to Councillors that is topical, relevant, professional in appearance and is presented in a format which is more efficient and accessible.

The introduction of the Councillors Bulletin and Councillor Briefing sessions has seen a significant reduction in the number of unnecessary 'receive and note' type reports being prepared for Standing Committees and Council.

DISCUSSION

Proposed Standing Committee Format

In the current arrangements for Standing Committees the Finance and Strategy Committee is comprised of all 15 Councillors as members and would always meet at 6.30pm. At the conclusion of the Finance and Strategy Meeting Councillors split into the other three Committees, with each Committee having a membership of four or five Councillors.

The structure of the Finance and Strategy Committee having all 15 Councillors as members creates considerable duplication of processes and is not efficient as the same reports are considered by the same membership twice in the meeting process. Similarly, the other Standing Committees membership of five Councillors do not allow for the critical mass required to give meaningful direction to the General Meeting, particularly during times of Councillor absence when as little as two or three Councillors could be present at a meeting. Further, as the Committees are not aligned to the Corporate Structure, ownership and administration of Committee resolutions is more challenging than needs to be the case.

To address the above issues it is proposed to implement the following Standing Committee structure in 2016/17:

- Corporate Governance Committee
- Shire Services Committee
- Shire Planning Committee
- Shire Infrastructure Committee

Such a structure would be implemented as follows:

- All Committees would comprise seven Councillors.
- All Councillors would sit on two Committees (with the Mayor being the 'floating' Committee member of all four committees).
- Each Committee would be serviced by the respective Divisional Director.
- Corporate Governance and Shire Services Committees would meet at 6.30pm.
- Shire Planning and Shire Infrastructure Committees would meet at the conclusion of the Corporate Governance and Shire Services Committees.

The proposed format is advantageous as it allows a wide membership for each Committee. A further benefit is that limiting the number of concurrent meetings will result in cost savings as less staff will be required to service the committees.

Proposed Sub-Committees

Council also operates a number of Sub-Committees that are advisory in nature and have a membership that comprises both nominated Councillors and also community representatives. A list of the proposed Sub-Committees is attached for consideration. It is proposed that the following Sub-Committees be deleted from the previously adopted Sub-Committee structure for the reasons specified below:

- **Anzac Youth and Recreation Centre Advisory Committee**

This committee meets with regular users of the facility to discuss maintenance, usage and management of the centre. It is recommended that staff continue to meet with regular users and significant issues can be brought to Councillors via a report or bulletin article if required.

- **Australia Day and Citizenship Committee**

This Committee was established to plan and guide the Australia Day and Citizenship Ceremonies and activities in the Shire. Staff already regularly consult with relevant stakeholders, sponsors and contractors in relation to preparation for and management of these events. Staff can report on significant issues via a report to Council or via a Councillors Bulletin article.
- **Commercial Property Projects Steering Committee**

This Committee meets to investigate and oversee potential redevelopment of Council Car Parks and the Entertainment Centre. These are significant issues and it is considered more appropriate to deal with these directly with reports and consideration at Standing Committee level with the ability to have in depth discussion via Councillor briefings.
- **Port Hacking Management Panel**

This Committee was created to oversee the development of the Port Hacking Management Plan which has been completed and implemented.
- **Significant Parks and Shire Landmarks Committee**

This committee was established to plan and develop significant parks in the Shire. As staff regularly seek community feedback and place proposed designs on public exhibition for comment, this would obtain wider community feedback than from the small number of community representatives on the Committee.
- **Sports and Active Communities Sub Committee**

This committee meets with sporting associations in relation to playing fields maintenance and allocation to users. It is recommended that staff continue to meet with associations and regular users and significant issues can be brought to Councillors via a report or bulletin article if required.
- **Surf Life Saving Clubs Working Party**

This committee was created explore and review refurbishment options of Cronulla Surf Life Saving Club and North Cronulla Surf Life Saving Club. Staff can report on significant issues via a report to Council or via a Councillors Bulletin article.
- **The Ridge Working Party**

This committee was created to report on possible future use of the remaining developable space at The Ridge. Staff can report on significant issues via a report to Council or via a Councillors Bulletin article.

BUDGET AND RESOURCES

The proposed Council and Committee meeting structure will reduce the number of concurrent meetings held on Committee Meeting nights which will result in cost savings as less staff will be required to service the committees.

POLICY

The structure of Council and Committee meeting cycle is not mandated by legislation or Council policy and is amended from time to time by Council resolution.

CONCLUSION

The proposed Committee structure provides a more efficient framework for consideration of reports and issues by Councillors. The proposed structure allows for a wider membership of Standing Committees and removal of Sub-Committees that duplicate current staff processes.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Governance and Customer Service, Todd Hopwood, who can be contacted on 9710 0817.

File Number: 2015/904

CCL027-17 2015/16 ANNUAL FINANCIAL STATEMENTS

Attachments: Appendix A

EXECUTIVE SUMMARY

- Two separate financial statements are produced each year to comply with the Local Government Act 1993, the Local Government (General) Regulations 2005, the Local Government Code of Accounting Practice and Asset Accounting Manual and the Australian Accounting Standards.
- The statements produced are the General Purpose Financial Statements and the Special Purpose Financial Statements, each of which has been completed and audited. The financial reports must be audited and submitted to the Office of Local Government within four months of the close of the financial year, that being 31 October.
- Final audit sign off is pending a statement of opinion being signed by Council as per the regulations. The signing of this statement is a recommendation of this report.
- Council must now set a date for a meeting at which it will consider the Financial Statements, the Auditor's Report and any public submissions on these reports.

REPORT RECOMMENDATION

THAT:

1. With regard to the General and Special Purpose Financial Reports of the Council for the year ended 30 June 2016, it is the opinion of Council that:
 - a. The Annual Financial Reports have been drawn up in accordance with:
 - i. the Local Government Act 1993 and the Regulations; and
 - ii. the Local Government Code of Accounting Practice and Asset Accounting Manual; and
 - iii. the Australian Accounting Standards.
 - b. The reports present fairly the Council's financial position and operating result for the year.
 - c. The reports are in accord with the Council's accounting and other records.
 - d. The Council is unaware of anything that would make the financial reports false or misleading in any way.
 2. Pursuant to Section 418 of the Local Government Act 1993, public notice be given that the Council will present its audited financial reports and auditor's report at the Ordinary Meeting of Council to be held on 24 October 2016.
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PURPOSE

The purpose of this report is to resolve Council's opinion on the General Purpose and Special Purpose Financial Statements as per statutory requirements and to fix the date of a later meeting at which the Financial Statements, Auditor's Report and any public submissions are formally presented to Council and the public.

BACKGROUND

The Local Government Act provides for the following process to be observed by councils for the preparation and audit of the General Purpose Financial Report and the Special Purpose Financial Report:

Legislative Requirement – LG Act	Progress
Council staff prepare draft annual financial reports. (section 413 (1))	Staff have completed the draft annual financial reports.
Draft report (this agenda item) to Council for signing of Statement of Opinion by Council on the annual financial reports. (section 413 (2)(c))	Report prepared for consideration at Council 4 October 2016.
Auditors complete audit and any adjustments are incorporated into the final report. (section 415)	Audit has been completed with audit sign off pending Council's signing of the statement of opinion sought by this council report. Audit report expected to be received by Council 4 October 2016.
Auditor submits financial reports and audit reports to the Council and the Office of Local Government within four months of financial year end. (section 416)	Expected to be submitted by Friday 7 October 2016.
A notice is published in the local newspaper advising that the annual financial reports together with the auditors report's will be presented to the public at an Ordinary meeting of the Council. (section 418)	A notice has been prepared and will be published in the local newspaper "The Leader" on Wednesday 5 October 2016 advising that the presentation will be made at the Council meeting 24 October 2016.
The reports are presented to the public at a Council meeting and placed on exhibition. (section 419)	Recommended to occur 24 October 2016. Council's auditor has been scheduled to present at this meeting.
Submissions invited and referred to auditor. (section 420)	Any person may make submissions on the financial statements or the auditor's report within seven days after the presentation on 24 October 2016.

Statement by Council

Section 413(2) of the Local Government Act 1993 requires Council to include in the financial reports a statement as to Council's opinion on each of the reports. This statement must be made by resolution of the Council. The auditor requires these statements to be signed prior to the issue of the audit reports. Section 215 of the Local Government (General) Regulation 2005 requires a Council to make a statement on the accounts in the following terms:

- "(a) whether or not the council's annual financial reports have been drawn up in accordance with:*
- (i) the Act and the regulations, and*
 - (ii) the Code and the Manual, and*
 - (iii) the Australian Accounting Standards issued by the Australian Accounting Standards Board, and*
- (b) whether or not those reports present fairly the council's financial position and operating result for the year, and*
- (c) whether or not those reports accord with the council's accounting and other records, and*
- (d) whether or not the signatories know of anything that would make those reports false or misleading in any way,*

and include such information and explanations as will prevent those reports from being misleading because of any qualification that is included in the statement."

The prescribed form including the statement of opinion must be signed by the Mayor, at least one other Councillor, the General Manager and the Responsible Accounting Officer of the Council (Manager Finance). Once the statement is signed, Council's auditor will provide a signed audit report for each of the two financial reports.

Following receipt of the audit report, Council's auditors, PricewaterhouseCoopers (PWC), will be making a presentation to Councillors on the audited financial reports. It is proposed that this be undertaken at Council's 24 October 2016 Ordinary Council meeting. This will provide an opportunity for a discussion on the financial results and trends.

DISCUSSION

The financial reports have been completed and referred to Council's auditors, PWC. The audit has also been completed and is pending final sign off by the auditors.

Whilst a full set of the accounts has been prepared and is available for perusal, only the key statements are appended to this report. They are:

General Purpose Financial Reports

- Income Statement
- Statement of Financial Position (Balance Sheet)
- Statement of Changes in Equity
- Statement of Cash Flow
- Note 6(a): Cash and Cash Equivalent Assets
- Note 6(b): Investments
- Note 9(a): Infrastructure, Property, Plant and Equipment
- Note 13: Statement of Performance Measurement – Indicators
- Note 16: Material Budget Variations

Special Schedules

- Special Schedule 2(a): Statement of Long Term Debt (All Purposes)
- Special Schedule 7: Report on Infrastructure Assets (including Indicators)

A summary of the Financial Statements is provided below:

	2015/16 \$'000	2014/15 \$'000
Income Statement		
Total Income from Continuing Operations	241,435	219,596
Total Expenses from Continuing Operations	205,968	197,390
Operating Result from Continuing Operations	35,467	22,206
Net Operating Result for the Year	35,467	22,206
Net Operating Result before Grants & Contributions provided for Capital Purposes	18,247	7,032
Statement of Financial Position		
Total Current Assets	105,707	77,169
Total Current Liabilities	(59,336)	(57,707)
Total Non Current Assets	2,034,630	2,006,872
Total Non Current Liabilities	(11,775)	(13,555)
Total Equity	2,069,226	2,012,779
Other Financial Information		
Unrestricted Current Ratio	1.86 : 1	1.66 : 1
Operating Performance Ratio (%)	7.1%	2.33%
Building and Infrastructure Renewals Ratio	112.4%	198.2%
Debt Service Cover Ratio	10.65	6.48
Rates & Annual Charges Outstanding Ratio (%)	3.6%	4.2%

The net operating result in the Income Statement for the 2015/16 financial year is reported at \$35.467 million. It must be stressed that this is not a surplus of available cash; it reflects accruals and commitments as well as cash movements and non-cash movements for depreciation and land revaluation adjustments.

Comments on Major Items in the Financial Reports

The net operating result of \$35.467 million is up by \$13.261 million on the 2014/15 financial year of \$22.206 million. A number of one-off factors have contributed to this improvement which will not be repeated in future years. These include:

- Significant savings in the Domestic Waste Service, primarily as a result of the non-imposition of disposal levies which had been expected (\$6.3 million);
- Refund of carbon tax paid on disposal charges during 2012/13 and 2013/14 following cessation of the Carbon Tax legislation (\$1.3 million);
- Recovery of investment losses following successful legal proceedings (\$3.3 million);
- Investment property revaluations (\$1.1 million greater than 2014/15).

Adjusting for these factors, the 2015/16 result is an improvement of around \$1.2 million on the previous year.

The net operating result after capital grants and contributions is a surplus of \$18.247 million compared to a surplus of 7.032 million in 2014/15, again influenced by the factors above.

The Local Government Industry Performance Indicators (Note 13) are all better than industry benchmark standards.

The auditors, when addressing the Council concerning the audit, will make comment on matters such as the financial performance indicators (Note 13) and Council's overall financial position.

CONSULTATION

In preparation of the Financial Reports there was consultation with Council's external auditors.

Following this meeting, public notice will be given to advise the public of the presentation of Council's Financial Statements and Auditor's Report at the 24 October 2016 Ordinary Council meeting following which submissions will be received for seven days and forwarded to Council's auditor for consideration.

BUDGET

The results for 2015/16 have varied from the original budget; these variances have been reported on a quarterly basis, with the final material variations listed in Note 16 of the General Purpose Financial Statements.

POLICY

Council must prepare external financial reports under the Local Government Act and have them audited by 31 October each year. Statements as to the preparation of the accounts and the results contained therein must also be made by resolution of the Council.

CONCLUSION

The presentation of the 2015/16 Financial Statements and Auditor's Report to the public at the 24 October 2016 meeting will ensure that the requirements of the Local Government Act 1993 have been satisfied.

RESPONSIBLE OFFICER

The officer responsible for the preparation of this Report is the Manager Finance, Greg Hayes, who can be contacted on 9710 0334.

File Number: 2016/253676

CONSIDERATION OF BUSINESS IN CLOSED SESSION

In accordance with Section 10A(1) of Local Government Act 1993, the following matter will be considered in the Closed Session:

CCL004A-17 Request for Financial Assistance - Legal Assistance to Councillors and Staff Policy

Section 10A(2)(g) Advice Concerning Litigation, or Advice that would Otherwise be Privileged from Production in Legal Proceedings on the Grounds of Legal Professional Privilege.

This matter is being considered in Closed session as it relates to the receipt and consideration of legal advice concerning litigation; or which would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege. On balance, the public interest in preserving the confidentiality of information relating to legal privileged information outweighs the public interest in maintaining openness and transparency in council decision-making because the disclosure of this information may result in council waiving its right to claim legal professional privilege in any relevant legal action which may lead to loss or damage by council.

**REPRESENTATION ON STANDING COMMITTEES
SUB-COMMITTEES AND EXTERNAL COMMITTEES
OCTOBER 2016**

STANDING COMMITTEES

1. Corporate Governance Committee

The Committee shall have responsibility for issues related to the following:

Budget; Financial & Operating Reporting; Statutory Accounts and Reports; Cash Management; Integrated Planning and Reporting; Strategic Plan; Operational Plan Resourcing; Strategy; Long Term Financial Plan; Employment and Industrial Policies; Insurance; Risk Management; Information Management and Technology; Rating Policy; Electoral matters; Organisation Development; Public Relations and Communications Strategy, Corporate Branding, Image and Marketing; Establishment of Fees and Charges; Corporate Governance; Customer Service; and Councillor Support.

Membership: Seven Councillors

One Chairperson
One Deputy Chairperson
Five Councillors

Quorum: Four Councillors

2. Shire Planning Committee

The Committee shall have responsibility for issues related to the following:

Produce and monitor the implementation of policies and programs that will deliver a better environment for all who live, reside, work and visit the Sutherland Shire to achieve ecologically sustainable environmental outcomes. Exercise strategic planning functions as defined by the EP&A Act, particularly LEPs and DCPs.

Membership: Seven Councillors

One Chairperson
One Deputy Chairperson
Five Councillors

Quorum: Four Councillors

3. Shire Infrastructure Committee

The Committee shall have responsibility for issues related to the following:

Development of Engineering Standards; Traffic Management; Street Lighting; Infrastructure design standards; Construction and maintenance, civil infrastructure; Capital Projects implementation and monitoring; Lease/Purchase, roads, pathways and reserves; Construction, maintenance and management of buildings and recreational facilities; Tenders process (works relate); Emergency Services; Subdivision Standards.

Membership: Seven Councillors

One Chairperson
One Deputy Chairperson
Five Councillors

Quorum: Four Councillors

4. Shire Services Committee

The Committee shall have responsibility for issues related to the following:

Social planning (community and recreational needs and analysis), community development, community information, family day care, long day care, school vacation care, aged, disability, multicultural, youth services, community arts and entertainment, sport and recreation planning and development, review of access issues, youth policy, ensuring a high quality of life for older persons and the provision of advice and support in planning and development of facilities to meet the needs of an ageing population, disseminating information to encourage older people to take an increasingly active role in their area and to live an independent, full and healthy lifestyle. Commercial Management and assessment of commercial opportunities; Property Investment; Facilities Management; Beaches and Leisure Facilities, Regulation and Enforcement; Tourism and Economic Development.

Membership: Seven Councillors

One Chairperson
One Deputy Chairperson
Five Councillors

Quorum: Four Councillors

SUB COMMITTEES**5. Audit, Risk and Improvement Committee**

(Meet quarterly)

Purpose:

- (1) To keep under review the following aspects of the council's operations:
Compliance, risk management, fraud control, financial management, governance, implementation of the strategic plan, delivery program and strategies, service reviews, collection of performance measurement data by the council, and any other matters prescribed by the regulations.
- (2) To provide information to the Council for the purpose of improving the council's performance of its functions.

Members: Two Councillors

6. Aboriginal Advisory Sub-Committee

(Meet at least four meetings per year)

Purpose: To provide a forum for communication between the Aboriginal Community and Council to address and advance Aboriginal issues within the Sutherland Shire.

Chairperson: Aboriginal Community Representative as nominated by members

Deputy Chairperson: Aboriginal Community Representative as nominated by members.

Member: One Councillor

7. Hazelhurst Board

(Meet quarterly or as required)

Purpose: The Board is responsible for ensuring business plans, policies and programs fulfil all objectives in relation to the operations, promotion and ongoing growth of the centre.

Members: Three Councillors

8. Heritage and Shire History Committee

(Meet quarterly or as required)

Purpose: Promotion, community awareness and conservation of cultural heritage matters in the Shire and support the recording and promotion of the Shire's history.

Chairperson: One Councillor
Deputy Chairperson: One Councillor
Member: One Councillor

9. Floodplain Management Committee

(Meet quarterly)

Purpose:
Guide and oversee development of the Bundeena Creek Floodplain Risk Management Study & Plan; all matters related to development of Floodplain Risk Management Studies and Plans for the lower Georges River and Gwawley Bay Catchment and the Woollooware Bay Catchment.

Chairperson: One Councillor
Deputy Chairperson: One Councillor

10. Sutherland Shire Access Committee

(Meet quarterly)

Purpose: Development of strategies which reduce barriers and increase access to both the physical environment and to social vocational and personal development opportunities for residents.

Chairperson: One Councillor
Deputy Chairperson: One Councillor
Member: One Councillor

11. Sutherland Shire Bushfire Trust

(Meet minimum once per year)

Purpose: To administer funds raised from the public for the benefit of injured Volunteer Bushfire fighters.

President: Mayor

12. Sutherland Shire Bushfire and SES Facilities Equipment Fund

(Meet minimum once per year)

Purpose: Manage funds raised by the clubs to be used for the purchase of equipment and facilities from the Volunteer Bushfire Brigades and SES.

President: Mayor

13. Sutherland Shire Bushfire Advisory Committee

(Meet minimum three times per year or as required)

Purpose: To advise the Council on all matters related to bush fire prevention and the management of the Bushfire organisation within Sutherland Shire.

Chairperson: One Councillor

Deputy Chairperson: One Councillor

Members: Two Councillors

14. Sutherland Shire Economic Development and Tourism Committee

(Meet six times per year)

Purpose:

To identify and consider new opportunities for growth and development to enhance our local economy, ensure industry growth and the provision of continuous employment in the Sutherland Shire.

Conduct collaborative consultation and the development of strategic plans and outcomes as they relate to economic development and tourism.

Attract investment and seek project funding from the Federal and State Governments where appropriate.

Strengthen relationships with local stakeholders and collectively work towards a sustainable, vibrant, inclusive Shire community.

Chairperson: One Councillor

Deputy Chairperson: One Councillor

15. Sutherland Shire Youth Council

(Meet eight times per year)

Purpose:

- (1) To ensure that young people in the Sutherland Shire are able to express their views on issues affecting them and the local area.
- (2) To develop an appreciation within the community of young people, their contribution to the local area and the issues concerning them.
- (3) To provide advice to Council on the needs of and issues affecting young people in the Sutherland Shire.

Co-Chairpersons: One Councillor & youth delegate

Co-Deputy Chairpersons: One Councillor & youth delegate

16. Sutherland Traffic and Traffic Safety Committee and Consultative Traffic Forum

(Meet monthly)

Purpose: The Sutherland Traffic Committee is a technical review committee, which provides advice on matters referred to it by Council. The Council shall refer all traffic related matters to the Traffic Committee prior to exercising its delegated functions relating to:

- (a) authorisation of prescribed traffic control devices covered under Division 1 of Part 4 (Sections 50 to 55) of the Road Transport (Safety and Traffic Management) Act, 1999.
- (b) regulation of traffic under Division 2 of Part 8 (Sections 116 to 119) of the Roads Act, 1993.
- (c) authorisation of special event parking schemes under Division 2 of Part 5 (Clauses 122 and 123) of the Road Transport (Safety and Traffic Management) (Road Rules) Regulation, 1999.

Chairperson: One Councillor

Deputy Chairperson: One Councillor

EXTERNAL COMMITTEE DELEGATES

Georges River Combined Councils Committee

(Meets monthly in evening)

Two Councillors

Local Emergency Management Committee

(Meets quarterly)

Manager Fleet & Workshops

District Emergency Management Committee

(Meets quarterly)

Manager Fleet & Workshops

Lucas Heights Community Reference Group

(Meets quarterly)

One Councillor

Metropolitan Public Libraries Association (MPLA)

(Meets quarterly)

Two Councillors

Southern Sydney Regional Organisation of Councillors

(Meets quarterly in evening)

Voting Delegates: Two Councillors

Non-Voting Alternates: Two Councillors

Sutherland Shire Bushfire Management Committee

(Meets quarterly)

One Councillor

Sutherland Shire Crime Prevention Community Safety Precinct Committee

(Meets quarterly)

One Councillor

Sydney Airport Community Forum

(Meets minimum quarterly)

One Councillor

One Alternate Councillor

Draft Schedule of Meeting Dates

October 2016 to September 2017

2016

Tuesday 4 th October, 2016	-	Special Council Meeting followed by Standing Committees
Monday 10 th October, 2016	-	Councillor Briefings
Monday 17 th October, 2016	-	No Meeting
Monday 24 th October, 2016	-	Ordinary Council Meeting
Monday 31 st October, 2016	-	Code of Conduct training and Councillor Briefings
Monday 7 th November, 2016	-	Standing Committees
Monday 14 th November, 2016	-	Councillor Briefings
Monday 21 st November, 2016	-	Ordinary Council Meeting
Monday 28 th November, 2016	-	Councillor Briefings
Monday 5 th December, 2016	-	Standing Committees
Monday 12 th December, 2016	-	Councillor Briefings
Monday 19 th December, 2016	-	Ordinary Council Meeting

2017

Monday 6 th February, 2017	-	Standing Committees
Monday 13 th February, 2017	-	Councillor Briefings
Monday 20 th February, 2017	-	Ordinary Council Meeting
Monday 27 th February, 2017	-	Councillor Briefings
Monday 6 th March, 2017	-	Standing Committees
Monday 13 th March, 2017	-	Councillor Briefings
Monday 20 th March, 2017	-	Ordinary Council Meeting
Monday 27 th March, 2017	-	Councillor Briefings

Monday 3 rd April, 2017	-	Standing Committees
Monday 10 th April, 2017	-	Councillor Briefings
Tuesday 18 th April, 2017	-	Ordinary Council Meeting
Monday 24 th April, 2017	-	Councillor Briefings
Monday 1 st May, 2017	-	Standing Committees
Monday 8 th May, 2017	-	Councillor Briefings
Monday 15 th May, 2017	-	Ordinary Council Meeting
Monday 22 nd May, 2017	-	Councillor Briefings
Monday 29 th May, 2017	-	Strategic Planning Workshop
Monday 5 th June, 2017	-	Standing Committees
Tuesday 13 th June, 2017	-	Councillor Briefings
Monday 19 th June, 2017	-	Ordinary Council Meeting
Monday 26 th June, 2017	-	Councillor Briefings
Monday 3 rd July, 2017	-	Standing Committees
Monday 10 th July, 2017	-	Councillor Briefings
Monday 17 th July, 2017	-	Ordinary Council Meeting
Monday 24 th July, 2017	-	Councillor Briefings
Monday 31 st July, 2017	-	Strategic Planning Workshop
Monday 7 th August, 2017	-	Standing Committees
Monday 14 th August, 2017	-	Councillor Briefings
Monday 21 st August, 2017	-	Ordinary Council Meeting
Monday 28 th August, 2017	-	Councillor Briefings
Monday 4 th September, 2017	-	Standing Committees
Monday 11 th September, 2017	-	Councillor Briefings
Monday 18 th September, 2017	-	Ordinary Council Meeting
Monday 25 th September, 2017	-	Councillor Briefings

Sutherland Shire Council

Income Statement

for the year ended 30 June 2016

Budget ¹ 2016	\$ '000	Notes	Actual 2016	Actual 2015
Income from continuing operations				
<i>Revenue:</i>				
147,353	Rates and annual charges	3a	147,632	137,993
35,373	User charges and fees	3b	32,953	28,657
2,880	Interest and investment revenue	3c	6,024	3,260
17,268	Other revenues	3d	20,001	17,308
11,010	Grants and contributions provided for operating purposes	3e,f	17,605	17,204
20,987	Grants and contributions provided for capital purposes	3e,f	17,220	15,174
234,871	Total income from continuing operations		241,435	219,596
Expenses from continuing operations				
97,628	Employee benefits and on-costs	4a	98,472	94,521
549	Borrowing costs	4b	469	849
37,171	Materials and contracts	4c	42,497	40,199
27,265	Depreciation and amortisation	4d	30,105	27,208
48,487	Other expenses	4e	33,858	34,514
500	Net losses from the disposal of assets	5	567	99
211,600	Total expenses from continuing operations		205,968	197,390
23,271	Operating result from continuing operations		35,467	22,206
23,271	Net operating result for the year		35,467	22,206
23,271	Net operating result attributable to Council		35,467	22,206
2,284	Net operating result for the year before grants and contributions provided for capital purposes		18,247	7,032

¹ Original budget as approved by Council – refer Note 16

Sutherland Shire Council

Statement of Financial Position
as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
ASSETS			
Current assets			
Cash and cash equivalents	6a	36,341	25,357
Investments	6b	44,210	30,534
Receivables	7	16,229	12,408
Inventories	8	7,411	7,469
Other	8	1,516	1,401
Total current assets		105,707	77,169
Non-current assets			
Investments	6b	2,000	8,000
Receivables	7	917	882
Infrastructure, property, plant and equipment	9	1,980,268	1,949,803
Investment property	14	51,445	48,187
Total non-current assets		2,034,630	2,006,872
TOTAL ASSETS		2,140,337	2,084,041
LIABILITIES			
Current liabilities			
Payables	10	21,593	18,074
Borrowings	10	1,734	4,134
Provisions	10	36,009	35,499
Total current liabilities		59,336	57,707
Non-current liabilities			
Borrowings	10	7,869	9,276
Provisions	10	3,906	4,279
Total non-current liabilities		11,775	13,555
TOTAL LIABILITIES		71,111	71,262
Net assets		2,069,226	2,012,779
EQUITY			
Retained earnings	20	1,371,196	1,335,729
Revaluation reserves	20	698,030	677,050
Council equity interest		2,069,226	2,012,779
Total equity		2,069,226	2,012,779

Sutherland Shire Council

Statement of Changes in Equity

for the year ended 30 June 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total equity
2016						
Opening balance (as per last year's audited accounts)		1,335,729	677,050	2,012,779	–	2,012,779
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
Revised opening balance (as at 1/7/15)		1,335,729	677,050	2,012,779	–	2,012,779
c. Net operating result for the year		35,467	–	35,467	–	35,467
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	20,980	20,980	–	20,980
Other comprehensive income		–	20,980	20,980	–	20,980
Total comprehensive income (c&d)		35,467	20,980	56,447	–	56,447
Equity – balance at end of the reporting period		1,371,196	698,030	2,069,226	–	2,069,226

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening balance (as per last year's audited accounts)		1,134,570	369,289	1,503,859	–	1,503,859
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
Revised opening balance (as at 1/7/14)		1,134,570	369,289	1,503,859	–	1,503,859
c. Net operating result for the year		22,206	–	22,206	–	22,206
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	307,761	307,761	–	307,761
– Correction to error	20b (ii)	178,953	–	178,953	–	178,953
Other comprehensive income		178,953	307,761	486,714	–	486,714
Total comprehensive income (c&d)		201,159	307,761	508,920	–	508,920
Equity – balance at end of the reporting period		1,335,729	677,050	2,012,779	–	2,012,779

Sutherland Shire Council

Statement of Cash Flows

for the year ended 30 June 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
Cash flows from operating activities				
Receipts:				
145,879		Rates and annual charges	148,099	137,622
35,373		User charges and fees	33,230	28,628
2,815		Investment and interest revenue received	5,982	2,942
31,997		Grants and contributions	34,189	33,804
17,095		Other	13,170	16,255
Payments:				
(97,365)		Employee benefits and on-costs	(98,388)	(93,416)
(36,799)		Materials and contracts	(38,905)	(31,126)
(538)		Borrowing costs	(469)	(849)
(47,517)		Other	(34,218)	(45,034)
50,940		Net cash provided (or used in) operating activities	62,690	48,826
		11b		
Cash flows from investing activities				
Receipts:				
8,000		Sale of investment securities	70,500	67,425
1,000		Sale of infrastructure, property, plant and equipment	1,745	1,310
–		Deferred debtors receipts	13	23
12		Other investing activity receipts	–	–
Payments:				
(44,824)		Purchase of investment securities	(78,250)	(56,550)
–		Purchase of investment property	(57)	(2,150)
–		Purchase of infrastructure, property, plant and equipment	(41,856)	(53,070)
–		Purchase of real estate assets	6	5
(35,812)		Net cash provided (or used in) investing activities	(47,899)	(43,007)
Cash flows from financing activities				
Receipts:				
–		Proceeds from finance leases	390	734
Payments:				
(3,195)		Repayment of borrowings and advances	(3,376)	(3,747)
(400)		Repayment of finance lease liabilities	(500)	(458)
(3,595)		Net cash flow provided (used in) financing activities	(3,486)	(3,471)
11,533		Net increase/(decrease) in cash and cash equivalents	11,305	2,348
10,000		Plus: cash and cash equivalents – beginning of year	25,036	22,688
		11a		
21,533		Cash and cash equivalents – end of the year	36,341	25,036
		11a		
Additional Information:				
		plus: Investments on hand – end of year	46,210	38,534
		6b		
		Total cash, cash equivalents and investments	82,551	63,570

Please refer to Note 11 for additional cash flow information

Sutherland Shire Council

Notes to the Financial Statements
for the year ended 30 June 2016

Note 6a. – Cash assets and Note 6b. – investments

\$ '000	Notes	2016	2016	2015	2015
		Actual Current	Actual Non-current	Actual Current	Actual Non-current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		1,391	–	136	–
Cash-equivalent assets ¹					
– Deposits at call		34,950	–	25,221	–
Total cash and cash equivalents		36,341	–	25,357	–
Investments (Note 6b)					
– Long term deposits		28,250	2,000	14,500	8,000
– NCD's, FRN's (with maturities > 3 months)		15,960	–	7,026	–
– Listed equity securities		–	–	5,050	–
– Other long term financial assets		–	–	3,958	–
Total investments		44,210	2,000	30,534	8,000
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS		80,551	2,000	55,891	8,000

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

Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:

Cash and cash equivalents

a. 'At fair value through the profit and loss'		36,341	–	25,357	–
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Investments

a. 'At fair value through the profit and loss'

– 'Held for trading'	6(b-i)	15,960	–	16,034	–
b. 'Held to maturity'	6(b-ii)	28,250	2,000	14,500	8,000
Investments		44,210	2,000	30,534	8,000

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

Sutherland Shire Council

Notes to the Financial Statements
for the year ended 30 June 2016

Note 6b. investments (continued)

\$ '000	2016	2016	2015	2015
	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 and loss'				
Balance at the beginning of the year	16,034	–	20,750	–
Revaluations (through the Income Statement)	(74)	–	284	–
Additions	14,000	–	2,000	–
Disposals (sales and redemptions)	(14,000)	–	(7,000)	–
Balance at end of year	15,960	–	16,034	–
Comprising:				
– NCD's, FRN's (with maturities > 3 months)	15,960	–	7,026	–
– Listed equity securities	–	–	5,050	–
– Other long term financial assets	–	–	3,958	–
Total	15,960	–	16,034	–
Note 6(b-ii)				
Reconciliation of investments classified as 'held to maturity'				
Balance at the beginning of the year	14,500	8,000	17,375	11,000
Additions	64,250	–	54,550	–
Disposals (sales and redemptions)	(56,500)	–	(60,425)	–
Transfers between current/non-current	6,000	(6,000)	3,000	(3,000)
Balance at end of year	28,250	2,000	14,500	8,000
Comprising:				
– Long term deposits	28,250	2,000	14,500	8,000
Total	28,250	2,000	14,500	8,000

Sutherland Shire Council

Notes to the Financial Statements
for the year ended 30 June 2016

Note 9a. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2015				Asset movements during the reporting period						as at 30/6/2016				
	At cost	At fair value	Accumulated depreciation	Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Amalgamations transfers in/(out)	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated depreciation	Carrying value
Capital work in progress	4,140	-	-	4,140	634	724	-	-	(3,050)	-	-	2,448	-	-	2,448
Plant and equipment	-	31,929	19,789	12,140	2,321	50	(1,743)	(1,929)	2,520	-	-	-	34,257	20,897	13,360
Office equipment	-	3,919	2,912	1,007	40	-	-	(155)	-	-	-	-	3,959	3,065	894
Furniture and fittings	-	11,259	8,750	2,509	397	67	-	(404)	-	-	-	-	11,721	9,151	2,570
Plant and equipment (under finance lease)	-	2,009	1,001	1,008	391	-	-	(487)	-	-	-	-	1,947	1,035	912
Land:															
- Operational land	-	108,303	-	108,303	-	-	(525)	-	406	-	-	-	108,183	-	108,183
- Community land	-	198,143	-	198,143	1	2,296	-	(297)	-	-	21,092	-	221,235	-	221,235
- Land under roads (post 30/6/08)	-	96,255	-	96,255	-	-	-	-	-	-	-	-	96,255	-	96,255
Land improvements – non-depreciable	-	13,799	-	13,799	142	446	-	-	43	-	-	-	14,430	-	14,430
Land improvements – depreciable	-	160,337	81,127	79,210	4,907	1,264	(17)	(3,870)	281	-	-	-	166,658	84,885	81,773
Infrastructure:															
- Buildings	-	245,009	109,616	135,393	1,052	1,063	(3)	(2,614)	260	-	-	-	247,359	112,218	135,141
- Roads	-	835,926	225,399	610,527	16,816	-	-	(10,751)	-	-	-	-	852,742	236,151	616,591
- Bridges	-	14,279	6,387	7,892	190	-	-	(109)	-	-	-	-	14,468	6,496	7,972
- Footpaths	-	88,451	18,663	69,788	1,622	-	-	(1,006)	-	-	-	-	90,072	19,669	70,403
- Bulk earthworks (non-depreciable)	-	151,727	-	151,727	149	-	-	-	-	-	-	-	151,876	-	151,876
- Stormwater drainage	-	577,476	218,537	358,939	4,244	-	-	(6,195)	-	-	-	-	581,720	224,732	356,988
- Swimming pools (buildings)	-	33,480	15,306	18,174	273	-	-	(360)	269	86	-	-	34,021	15,752	18,269
- Swimming pools (land improvements)	-	4,159	2,016	2,143	43	-	-	(74)	(269)	(86)	-	-	3,933	2,005	1,928
- Other open space/recreational assets (buildings)	-	118,907	47,381	71,526	765	641	-	(1,321)	58	-	-	-	120,371	48,702	71,669
- Other open space/recreational assets (land improvements)	-	8,492	4,009	4,483	152	540	-	(216)	(221)	-	-	-	8,962	4,222	4,740
Other assets:															
- Heritage collections	-	296	-	296	-	13	-	-	-	-	-	-	310	-	310
- Library books	-	8,256	6,156	2,100	-	906	-	(860)	-	-	-	-	9,162	7,016	2,146
- Other	-	382	81	301	-	9	(24)	-	-	-	(112)	-	182	7	175
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	4,140	2,712,793	767,130	1,949,803	34,139	8,009	(2,312)	(30,349)	-	-	20,980	2,448	2,773,823	796,003	1,980,268

Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 13a(i). Statement of performance measurement – indicators (consolidated)

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Local government industry indicators – consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>15,687</u>	7.10%	2.33%	-3.30%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>221,088</u>			
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>203,483</u>	85.39%	85.09%	74.69%
Total continuing operating revenue ⁽¹⁾	<u>238,308</u>			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	<u>54,472</u>	1.86x	1.66x	2.10x
Current liabilities less specific purpose liabilities ^(3, 4)	<u>28,337</u>			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>46,261</u>	10.65x	6.48x	5.49x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>4,345</u>			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	<u>5,497</u>	3.56%	4.33%	4.14%
Rates, annual and extra charges collectible	<u>154,293</u>			
5a. Rates, annual charges, interest and extra charges outstanding percentage				
The Rates and Annual Charges outstanding includes an amount of \$1,928,000.00 due but not pursued under recovery due Council policies. This amount can be split between Eligible Pensioners and Arrangements under financial hardship. If Council policies were discounted from the outstanding then the Outstanding Percentage Ratio would be:				
Rates, annual and extra charges outstanding	<u>3,569</u>	2.31%	2.91%	2.96%
Rates, annual and extra charges collectible	<u>154,293</u>			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	<u>66,591</u>	4.54 mths	3.3 mths	3.5 mths
Payments from cash flow of operating and financing activities	<u>14,655</u>			

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 16. Material budget variations

\$ '000

Council's original financial budget for 15/16 was adopted by the Council on 29 June 2015. (Reference BDS158-15)

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Note that for variations* of budget to actual :

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

F = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000	2016 Budget	2016 Actual	2016 ----- Variance* -----		
REVENUES					
Rates and annual charges	147,353	147,632	279	0%	F
User charges and fees	35,373	32,953	(2,420)	(7%)	U
Interest and investment revenue	2,880	6,024	3,144	109%	F
The original budget did not include a gain on a previously written off investment received during the year. The recovery of the Section 94 investment was under legal proceedings and was settled with payment made to Council and recorded here as investment revenue (\$3.3 million).					
Other revenues	17,268	20,001	2,733	16%	F
In terms of the original budget, the estimate for the adjustment to fair values of investment properties are difficult to provide. The revaluation amount was \$1.15 million higher than the previous year. Council also received the Carbon Tax Refund that was unbudgeted for amounting to \$1.25 million. This refund had not been committed to by the Federal Government at the time of the budget process.					
Operating grants and contributions	11,010	17,605	6,595	60%	F
In many instances, the actual amount of grants received depends on decisions made by the State and Commonwealth Governments, after the original budget has been adopted. In the current year, Council has received grant funding from various additional sources.					
Capital grants and contributions	20,987	17,220	(3,767)	(18%)	U
In many instances, the actual amount of grants received depends on decisions made by the State and Commonwealth Governments, after the original budget has been adopted. In the current year, Council has not received the full amount if grants estimated in the original budget.					

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 16. Material budget variations (continued)

\$ '000	2016 Budget	2016 Actual	2016 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	97,628	98,472	(844)	(1%)	U
Borrowing costs	549	469	80	15%	F
In the reporting period, prevailing interest rates are at historical lows and this has had a positive impact on borrowing costs for Council. It is difficult to estimate the direction of interest rates in the current market during the budget process.					
Materials and contracts	37,171	42,497	(5,326)	(14%)	U
The categorisation of Materials and Contracts together with Other Expenses is sometimes difficult during the budget process. This unfavourable result is counteracted with favourable result in Other Expenses and when the two are combined, it is approximately \$9 million below original estimates.					
Depreciation and amortisation	27,265	30,105	(2,840)	(10%)	U
For the year ended 30 June 2016, Road infrastructure assets were included in the revaluation program and this increased the cost base of the entire asset class which had an unfavourable impact. These movements are difficult to estimate during the budget process as revised values are not obtainable until after budget adoption.					
Other expenses	48,487	33,858	14,629	30%	F
The categorisation of Materials and Contracts together with Other Expenses is sometimes difficult during the budget process. This favourable result is counteracted with an unfavourable result in Materials and Contracts and when the two are combined is approximately \$9 million below original estimates.					
Net losses from disposal of assets	500	567	(67)	(13%)	U
There is only a general allocation for the Net Loss from Disposal of Assets in the original budget every year as it is difficult to ascertain the level of sales and acquisitions of fixed assets during the financial year.					
Budget variations relating to Council's Cash Flow Statement include:					
Cash flows from operating activities	50,940	62,690	11,750	23.1%	F
The majority of the favourable result is attributable to the investment gain from legal proceedings of a previously written off Section 94 investment and less than estimated payments in Other Expenses, which both materially contributed to the position.					
Cash flows from investing activities	(35,812)	(48,290)	(12,478)	34.8%	U
The sale and purchase of investment securities is difficult to estimate and therefore only a notional amount is included in the original cash flow budget.					
Cash flows from financing activities	(3,595)	(3,095)	500	(13.9%)	F
The proceeds from finance leases were not included in the original adopted budget. These receipts combined with other smaller higher than budgeted payments from financing activities, contributed to the result.					

Sutherland Shire Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)
for the year ended 30 June 2016

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Financial institutions	3,376	8,745	12,121	–	3,376	–	–	435	1,387	7,358	
Total loans	3,376	8,745	12,121	–	3,376	–	–	435	1,387	7,358	
Other long term debt											
Finance leases	437	531	968	390	500	–	–	34	347	511	
Total long term debt	437	531	968	390	500	–	–	34	347	511	
Total debt	3,813	9,276	13,089	390	3,876	–	–	469	1,734	7,869	
										9,603	

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.
This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Sutherland Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
								1	2	3	4	5	
Buildings	Offices/Administration	661		248	248	13,041	33,069	0%	98%	2%	0%	0%	
	Council Works Depot	3,783	1,632	95	95	9,361	22,252	0%	82%	18%	0%	0%	
	Council Public Halls	-	355	279	279	15,816	56,455	7%	73%	20%	0%	0%	
	Libraries	-	98	171	171	7,774	12,497	0%	100%	0%	0%	0%	
	Cultural Facilities	-	665	98	98	5,792	27,603	0%	31%	69%	0%	0%	
	Other Buildings	-	1,890	390	390	83,357	157,107	6%	68%	26%	0%	0%	
	Specialised Buildings	-	930	358	358	-	92,606	11%	78%	11%	0%	0%	
	Other												
	Sub-total	4,444	5,570	1,639	1,639	135,141	401,589	5.9%	72.7%	21.4%	0.0%	0.0%	
	Roads	Sealed Roads Surfaces	5,774	5,774	3,092	3,020	133,336	154,130	28%	41%	19%	10%	2%
Sealed Roads Structures		5,744	10,696	4,638	4,530	291,043	396,321	28%	41%	19%	10%	2%	
Bridges		695	695	1,554	200	7,972	12,551	0%	58%	0%	40%	2%	
Footpaths		1,306	455	380	380	70,403	89,575	74%	18%	1%	3%	4%	
Cycleways		-	-	-	-	1,461	2,397	98%	1%	1%	0%	0%	
Kerb & Gutter		-	-	258	258	152,666	213,376	17%	82%	1%	0%	0%	
Carparking Paving		431	160	-	150	12,763	25,683	4%	27%	49%	19%	1%	
Other Roads Assets		5,027	431	380	-	25,323	55,858	4%	24%	35%	28%	9%	
Other						151,875							
Sub-total		18,977	18,211	10,302	8,538	846,842	949,891	27.6%	46.8%	14.7%	8.8%	2.1%	

Sutherland Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Stormwater Conduits	5,837	5,837	2,139	2,271	318,503	583,661	11%	76%	12%	1%	0%
	Inlet and Junction Pits	464	464	–	–	26,630	46,359	13%	74%	12%	1%	0%
	Head Walls	228	228	–	–	811	1,141	3%	60%	17%	14%	6%
	Outfall Structures	1,000	1,000	–	–	11,044	14,288	17%	31%	45%	7%	0%
	Other					–						
	Sub-total	7,529	7,529	2,139	2,271	356,988	645,449	11.3%	74.8%	12.7%	1.2%	0.0%
Open space/recreational assets	Swimming pools	–	451	303	303	18,269	30,434	0%	31%	69%	0%	0%
	Other	3,042	3,042	9,223	9,223	71,669	94,833	22%	51%	26%	1%	0%
	Sub-total	3,042	3,493	9,526	9,526	89,938	125,267	16.7%	46.1%	36.4%	0.8%	0.0%
	TOTAL – ALL ASSETS	33,992	34,803	23,606	21,974	1,428,909	2,122,196	17.9%	60.2%	16.7%	4.3%	1.0%

Notes:

a Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Sutherland Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	<u>25,229</u>	112.42%	198.20%	141.89%
Depreciation, amortisation and impairment	<u>22,442</u>			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	<u>33,992</u>	2.38%	3.14%	3.76%
Carrying value of infrastructure assets	<u>1,428,909</u>			
3. Asset maintenance ratio				
Actual asset maintenance	<u>21,974</u>	0.93	1.20	1.03
Required asset maintenance	<u>23,606</u>			
4. Capital expenditure ratio				
Annual capital expenditure	<u>39,836</u>	1.32	1.90	2.88
Annual depreciation	<u>30,105</u>			

Notes

* All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.