



ANNUAL REPORT 2015/16



HIGHLIGHTS

SOME OF OUR MAJOR PROJECTS COMPLETED, COMMENCED OR ONGOING IN 2015/16

The following is a brief overview of Council's achievements over 2015/16 and what Council will be working on over the next 12 months.

Highlights of Council's 2015/16 Infrastructure program:

- Hospital Bay Wharf and Lilli Pilli Bay Wharf upgrade
- Greenhills Skatepark completed
- \$8 million dollar upgrade to Captain Cook Drive completed
- Menai Bushfire Station opened
- 2016/17 Capital Works Program.

Looking ahead, Council has a comprehensive \$42.2 million capital works program for 2016/17, including:

- more than \$12 million for roads, kerb and guttering and traffic works
- \$5.4 million for sporting fields and facilities
- \$3.4 million to upgrade parks and playgrounds
- \$2 million for stormwater improvements
- more than \$1 million for footpath and shopping centre upgrades
- \$1 million for new library resources
- just under \$1 million for new cycleways.

Across the Shire this includes projects such as:

- A Ward:**
- the extension of the Cronulla Coast Walkway
 - works at Wanda Heritage Dune
 - masterplanning of the new Cronulla Plaza

- B Ward:**
- new playground at Dianella Street Early Education Centre
 - structural work at Gymea Bay Community Building
 - drainage upgrades at Grays Point Oval and Wonga Reserve

- C Ward:**
- stage 2 upgrade of Joseph Banks Native Plants Reserve
 - a new synthetic surface at Sylvania Waters Athletics track
 - stage 6 of the Woollooware Bay Cycleway

- D Ward:**
- develop a regional AFL facility at Waratah Sports Field
 - Rawson Avenue shared path and cycleway Stage 1
 - further planning and feasibility work on the new Sutherland Entertainment Centre

- E Ward:**
- construction of Barden Ridge Park
 - a boat ramp upgrade at Burnum Burnum Reserve
 - construction of a BMX track at The Ridge Sports Complex.



For more information about current and upcoming Council projects go to www.sutherlandshire.nsw.gov.au

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SCORECARD - from our performance reporting

Brief highlights for 2015/16 include:

Some achievements this year	
✓	Completion of Captain Cook Drive (between Woollooware Road and Elouera Road)
✓	Twenty new footpath projects completed, (5.7 km of newly constructed footpath)
✓	Opening of Greenhills Skate Park
✓	Integration of 'Scores on Doors' into the Shire's Food Safety Inspection Program
✓	I'm ALERT – Free online food safety training for Sutherland Shire food premises
✓	8% decrease in lost time injury frequency rate (22.15 to 20.28 per 1 million hrs worked)
✓	1,228,188 Council website visits, being a monthly average of 75,296
✓	Caringbah Mural – a project in our ongoing fight against graffiti
✓	MakerSpace launched, providing 3D printers and scanners for library users
✓	Establishment of a new Vacation Care service at Burraneer Bay Public School
✓	9.91% increase in revenue from Council managed community halls and open spaces
✓	Increased annual number of Hazelhurst visitors to 210,412
✓	Increased annual number of Sutherland Entertainment Centre patrons to 155,469
Some challenges ahead	
!	Building maintenance programs: 86% complete
!	Final Draft Transport Strategy on hold pending review of strategy framework and revision of the report
!	Median determination times for residential (simple applications)
!	Target participation for events/ promotions to encourage local economic activity
!	Redevelopment options for Sutherland Entertainment Centre
!	Slight increase in workers compensation claims, however claims cost has decreased significantly

Full list and legend: [Strategies and Civic Life: page 36](#)

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*Front cover: Anzac Day at Cronulla, 2015
Back cover: early morning, Cronulla*

VISION, GOAL AND COMMITMENT

THE SHIRE VISION

Sutherland Shire, in Sydney's south, shaped by bays, rivers, beaches and national parks:

'A connected and safe community that respects people and nature, enjoying active lives in a strong local economy.'

COUNCIL'S GOAL

To provide services and projects that deliver the Shire community vision.

COUNCIL'S COMMITMENT

In our dealings with residents, business, visitors and government we strive to achieve:

Strategic Delivery

Outstanding community outcomes that fulfil local needs and expectations.

Informed Decisions

Decisions and actions based on fact, community engagement and sound judgment.

Service Excellence

Contemporary, responsive and competitive quality service delivery.

Ethical Practice

Open, honourable and legal practice.





Early morning, Cronulla

HOW WE PLAN AND REPORT

COUNCIL'S INTEGRATED PLANNING AND REPORTING FRAMEWORK



STRATEGIC PLAN

In 1999 council adopted the first Our Shire, Our Future: Our Guide for Shaping the Shire to 2030 (the Guide) which was developed with the community as a long-term strategic plan for the Sutherland Shire. The Guide was reviewed in consultation with the community and updated in 2007. In

2011 it again underwent a review and was changed considerably in response to community aspirations.

The Guide is a community plan. It was prepared by council in collaboration with and on behalf of residents, other levels of government and agencies. It is used to steer planning for the Shire to achieve the long term outcomes that residents want for the Shire. Where council does not have control over outcomes, it works with other levels of government and key stakeholders to influence policy, planning, infrastructure and service delivery.



DELIVERY PROGRAM AND OPERATIONAL PLAN

Council is committed to environmental protection, community empowerment and strong local governance. Our activities work towards achieving the community's

2030 vision and desired outcomes for the Sutherland Shire. This Delivery Program outlines the action council will take to achieve its part in delivering the community's long term vision and desired local outcomes.

Council will do so by directly providing, partnering other levels of government or agencies, or lobbying them to:

1. provide effective and integrated infrastructure
2. deliver integrated transport options
3. conserve natural resources
4. protect our environment
5. strengthen our community
6. respect and value all culture and heritage.

Together, these strategies are at the core of achieving the community's long term goals. They cut across

all areas of Shire life, contributing in some way to achieving the community outcomes identified in the Community Strategic Plan.

The Delivery Program and Operational Plan detail the activities which fall under these six primary strategies. It also includes a Civic Life section, which focuses on council's own internal operations and encouraging community involvement in civic affairs.

In our actions, council aims to create positive social, economic, environmental and governance outcomes and address or minimise any undesirable impacts.

Council plays a range of roles in responding to and addressing local needs. It either:

- directly provides services, facilities or infrastructure
- partners other government, community or business agencies to do so, or
- advocates on behalf of the Shire community by lobbying other agencies where something falls outside its jurisdiction.

The Delivery Program and Operational Plan reflect council's scope and full range of responsibilities.

The Program also identifies targets and measures to enable us to monitor and evaluate our progress and performance.

Reviewed following the 2012 local government election the Delivery Program covers the four year period from 1 July 2013. This allows all newly elected councillors to outline the organisation's main activities throughout their term and commit to the Program's implementation.

Council's annual Operational Plan supports the Delivery Program. It details the activities which the organisation will undertake from 1 July 2015 to 30 June 2016. The Operational Plan is reported on every six months and reviewed annually.

RESOURCING STRATEGY

A comprehensive draft Resourcing Strategy supports both the Community Strategic Plan and Delivery Program. The Resourcing Strategy consists of an Asset Management Strategy and Plans and a Workforce Strategy. All plans will be linked to the other component, council's Long Term Financial Plan.

LINKS TO OTHER PLANS

Council's range of plans and strategies are integrated into our planning and reporting cycle through the Delivery Program and Operational Plan.

LINKS TO BUSINESS PLANS

The Delivery Program and Operational Plan also help council staff make more informed decisions about daily operations through business plans and provides tools to measure the effectiveness of what council does.

REPORTING ON OUR PERFORMANCE

Council has set four year targets for each Strategy and annual targets/measures to monitor progress towards achieving these longer term targets. Every six months, council reports on the key activities it

has undertaken which contribute to achieving our targets. Performance reports will be received by council and then placed on council's website to inform the community of our progress. We will also provide a comprehensive report of our activities and performance in our next Annual Report.

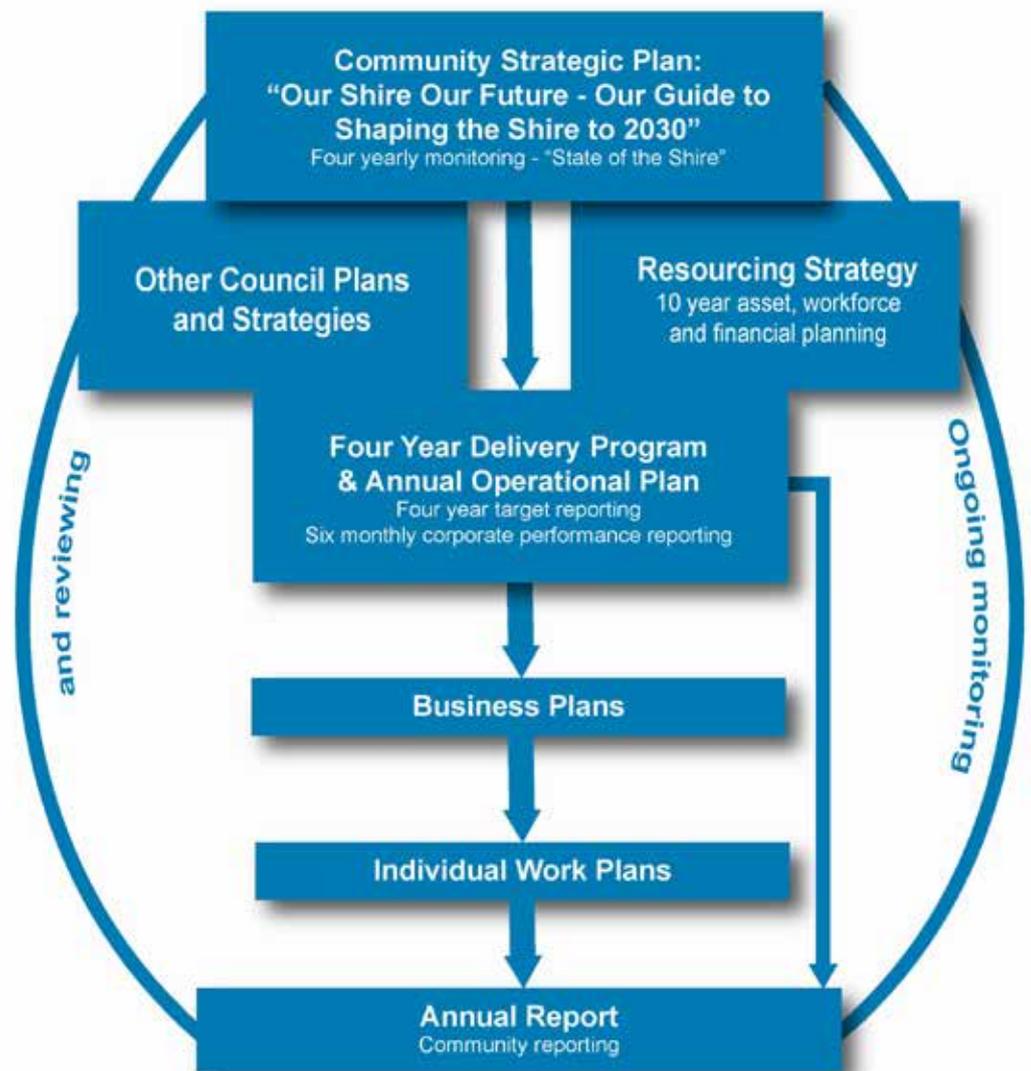
Every four years council formally evaluates the implementation of the Community Strategic Plan through the State of the Shire (SOS) research report. The SOS report evaluates whether the Shire community as a whole is moving towards meeting community aspirations. It also incorporates the State of the Environment report for the Shire.

WHO THIS REPORT IS FOR

Our annual report must be submitted to the NSW Minister for Local Government by 30 November, to meet legislation. But the report is part of a larger reporting process and for a much wider audience, including:

- Shire residents and ratepayers
- commercial organisations and businesses
- non-government and non-for-profit organisations
- special interest groups e.g. precinct committees
- schools and other educational institutes
- other government departments and local government bodies.

This diagram is from Council's 'Delivery Program 2013/14-2016/17 adopted June 2015'. It outlines the relationship between council's major planning and reporting tools. In our activities we aim to respond to the Community Strategic Plan for the Sutherland Shire and address local needs and issues as they arise.



MAYOR'S REPORT



I was pleased to be elected as Mayor in the final year of the 2012-16 Councillor term so that I could ensure we delivered on our promises.

It was a challenging year taking in to account the local government amalgamations affecting our industry as well as localised issues, namely the Kurnell Tornado and the 10 year 'anniversary' of the riots in Cronulla.

SERVICE PROVISION

Sutherland Shire Council remains at the forefront of high quality service provision and the delivery of our core responsibilities to the community. Guided by our Community Strategic Plan, this Council has made decisions through active citizenship and responsible leadership that have benefitted the way we live, work and enjoy the Shire.

We have planned for the future – for our increasing and ageing community, for the sustainability of our economic growth and to preserve and enhance our enviable lifestyle. It has been a delicate balancing act through which we have worked hard to achieve the best outcome for all parts of our community.

FIT FOR THE FUTURE

Like all New South Wales councils, we have been subjected to close scrutiny to determine the effectiveness in providing services to the community through the 'Fit for the Future' reform program.

Sutherland Shire Council was identified as 'Fit for the Future' financially while fulfilling the appropriate scale and capacity of services and support to the community, meaning this Council is not being required to amalgamate.

KURNELL TORNADO

As mentioned, the end of last year saw Kurnell devastated by a freak storm rivaling a tornado. In the wake of the destruction, the Sutherland Shire community came together to support the residents of Kurnell.

I am thankful for the generosity demonstrated in the hugely successful Mayoral Charity Appeal, and for the efforts of our emergency services and the council staff who were involved in the cleanup and recovery at Kurnell.

10 YEARS ON

December 2015 also signalled ten years since the Cronulla Riots, and once again outside influences attempted to descend upon Cronulla to promote their attitudes of intolerance and hate. Thanks to the vigilance of our local police, any acts to instigate violence were stopped before they had a chance to begin.

PLANNING FOR OUR COMMUNITY'S FUTURE NEEDS

A different sort of challenge for this Council has been accommodating future residential growth and demographic shifts in the Shire. We have to cater for an ageing population, as well as increased demand for affordable housing and higher density dwellings.

Through two strategies – the new Local Environmental Plan (LEP) and Development Control Plan (DCP) - we have planned for the changing needs of our community. We have been careful to strike a balance and have done so by listening to our community.

THANKS TO COUNCILLORS AND STAFF

I thank my fellow Councillors who have served the Sutherland Shire over the last four years, and in particular the last year during which I have been Mayor.

I appreciate the talented and dedicated staff team at Council who has worked with the elected Council to serve the community.

Councillor Carmelo Pesce
Mayor
(September 2015 - September 2016)



Launch of the Mayoral Charity Appeal following the Kurnell Tornado

At the handover of the new Skate Park at Greenhills



GENERAL MANAGER'S REPORT



I am pleased to present my first report as General Manager of Sutherland Shire Council. We are progressing well through a period of organisation-wide renewal and I feel privileged to be leading our team through it. We are focused on making considered change to ensure that we continue to demonstrate strong and effective local leadership. This desire to deliver extends into the more than 100 services that we provide to the community.

WE ARE FIT FOR THE FUTURE

I can assure you that this Council is financially viable into the future and continues to proudly represent our community and its values. We are focused on providing quality services, vital infrastructure, value for money and responsible leadership.

With a new Council term underway, we are working together to harness productivity and efficiency. Across Council a culture change program is in progress and we are focusing on our organisational values to reflect the positive direction we are taking.

A YEAR IN REVIEW

Some highlights of the last financial year include:

- Hospital Bay and Lilli Pilli Bay Wharfs upgraded
- Greenhills Skatepark was opened for use
- the launch of our Sutherland Library Makerspace
- a new rural fire station for Menai and Barden Ridge
- celebrating 30 years of our Beach Education program
- the completion of an \$8 million dollar upgrade of Captain Cook Drive
- unveiling the first in a suite of interpretive signs along Bate Bay explaining Cronulla's surfing history
- celebrating the 40th anniversary of Sutherland Entertainment Centre
- energy efficiency measure such as installing LED lighting at Sutherland Leisure Centre, Menai and Miranda Libraries and Sandy Point Community Centre resulting in significant environmental benefits and cost savings
- hosting community events, including Australia Day celebrations entertaining an estimated 25,000 people.

CHALLENGES FACED AND OVERCOME

In December 2015, Kurnell was hit by a tornado and severe storm. Although the Shire is well versed in dealing with emergencies including bushfires, flooding and storms, this emergency tested the community in new ways. In the immediate aftermath of the tornado, and over the ensuing months, Councillors and Council staff worked hand in hand and with other government agencies to assist the Kurnell community to recover and rebuild. Many lessons were learned and I was certainly proud of Council's response. This was the case again in June 2016 when we faced severe storms and flooding in many parts of the Shire.

Going forward we face a number of challenges including supporting local employment opportunities, planning for and accommodating population growth and delivering appropriate housing choice and affordability. We plan to meet these challenges through proper planning and by working with all levels of government, business and the community.

COMMUNITY STRATEGIC PLAN

One of our key priorities is to engage with the community in meaningful ways and find out what your priorities are. Looking ahead there will be opportunities to comment on the community you live in and the course you would like to set for Council.

Work on Sutherland Shire's Community Strategic Plan will be underway in early 2017. We want the community to provide guidance, suggestions and feedback so we can plan to achieve our collective goals. We are a busy and productive Council, but we also want to be a Council that listens and works for its community. I encourage you to take part in consultations, surveys and provide feedback to ensure your interests are represented.

ACHIEVING COUNCIL'S VISION

Across our organisation we have many committed personnel working to achieve Council's vision. We see it as our responsibility to provide community leadership and translate our Shire vision to improve lifestyles, community wellbeing and the natural environment.

Council continues to receive a large amount of positive feedback from community members on the service provided to them. I thank those people who have taken the time to express their gratitude and feedback.

Scott Phillips
General Manager



ANNUAL FINANCIAL REPORTS

Council's audited financial statements show how council performed financially during the past 12 months. Highlights include:

- Operating result from continuing operations was a surplus of \$35.467m
- Total equity has increased by \$56.447m since last financial year
- Cash flow is \$82.551m.

For an introduction to the financial reports, and the full statements, see page 102.



Citizenship ceremony at Cronulla on Australia Day 2016

AWARD-WINNING COUNCIL

OFFICIAL RECOGNITION FOR SOME OF COUNCIL'S ACTIVITIES IN THE PAST YEAR



The Esplanade at Cronulla

2015 NSW LANDSCAPE ARCHITECTURE AWARDS

These awards were announced by the Australian Institute of Landscape Architects on 11 September 2015. Council's entry was 'Where the Shire meets the Sea: the Cronulla Esplanade and Seawall upgrade – Sutherland Shire Council – Design Services', was successful in two categories:

- Award for NSW Public Practice in Landscape Architecture
- People's Choice Award.

The judges said 'This project demonstrates what can be achieved when a public practice landscape design team performs to a high quality and delivers great public spaces for their local community... Demonstrating best practice in the delivery of a project for their local community through good collaboration, strong design intent and continued involvement of the design team in quality control.'

NATIONAL RESILIENCE AUSTRALIA AWARDS

Council's Sutherland Shire Disaster Resilience Project received a highly commended award in the National Resilience Australia Awards, an initiative sponsored by the Commonwealth Attorney-General's Department in partnership with States and Territories.

The project, funded by a \$55,000 grant from the NSW Ministry for Police and Emergency Services, aimed to increase awareness and community preparedness for emergencies. In particular, it focused on extreme weather events and natural disasters.

The Mayor, Cr Carmelo Pesce congratulated council, local emergency services and other organisations for the collaborative approach to the project which received a highly commended award from the Department of Justice which stated 'this award acknowledges the significant contribution this project has made in building a more resilient community.'

The project was strongly supported by local emergency services organisations such as the Rural Fire Service, State Emergency Services, Fire & Rescue and Police, the Department of Education, Australian Red Cross and local community organisations.

LEGAL INFORMATION ACCESS CENTRE OF EXCELLENCE AWARD

Sutherland Shire Libraries was awarded the 2015 Legal Information Access Centre (LIAC) Centre of Excellence Award for their work with the Sutherland Local Court. Sutherland Library provided workshops for court staff to learn about the Find Legal Answers service resulted in increased referrals from court staff to the library.

HVTC'S EXCELLENCE AWARDS

A Sutherland Shire Council apprentice, Kirsten Eden, was named 2016 HVTC Woman in Non-traditional Trade Apprentice/Trainee of the Year in April 2016.

Placed with council in 2013, Kirsten completed a three-year Production Nursery apprenticeship facilitated through HVTC, a state-wide group training organisation studies at TAFE. The award recognised Kirsten's outstanding performance in developing her career in what is generally considered a non-traditional industry for women.

AWARDING OUR COMMUNITY

2016 CITIZEN, YOUNG CITIZEN AND COMMUNITY GROUP OF THE YEAR

These awards recognise the unsung heroes and organisations in our community who give generously of their time and expertise to assist and support others. In choosing a winner, the judges consider:

- the amount of time contributed by the nominee over and above normal duties or in a voluntary capacity
- the benefit to the community from the nominee's service or contribution
- outstanding achievements by the nominee
- whether the nominee has had to overcome any particular difficulties or hurdles.

The successful awardees for the 2016 Citizen, Young Citizen, and Community Group of the year were announced on 1 December 2015.

SUTHERLAND SHIRE CITIZEN OF THE YEAR

Deanna Schreiber has worked for over 50 years in the field of health, education and community services, and is a dedicated Aboriginal Elder and accomplished artist. She is a member of the Aboriginal Advisory Committee within Sutherland Shire Council and was instrumental in contributing the setup of Kurranulla Aboriginal Corporation.

Deanna has for many years volunteered to advocate for Aboriginal people and in particular has assisted to build stronger ties throughout the different communities within the Shire. She is a mentor to many young Aboriginal people in not only the Shire but the wider community and continually shares her unique cultural heritage with many people.

SUTHERLAND SHIRE YOUNG CITIZEN OF THE YEAR

Salina Alvaro has been an inspirational role model for other young people experiencing difficulties. She has received awards for vocational education training excellence, has been a peer support leader, and worked as a volunteer and advocate in the fields of aged care, children and youth, and donation drives.

SUTHERLAND SHIRE COMMUNITY GROUP OF THE YEAR

Project Youth has been operating in the Sutherland Shire for 23 years and has assisted thousands of local youth navigate their way through some tough times. Their programs include health, music, education, employment and social enterprise, homelessness services, street-based outreach and drop-in centres.

The 2016 Citizens, Young Citizen, and representative of Community Group, with Shire Mayor, Cr Carmelo Pesce



ABOUT SUTHERLAND SHIRE

Sutherland Shire is located on the southern coastal border of the Sydney metropolitan region. It covers 370km², about half of which is national parks and bushland, and its geographic features include beaches, wetlands, bays, rivers and Hawkesbury sandstone tablelands dissected by deep river valleys and gorges covered in vegetation.

The population is approximately 226,000; despite recent council amalgamations in NSW, this still makes Sutherland Shire one of the largest local government areas, in terms of population, in the state.

Compared to greater Sydney's population, in recent years there has been a slight increase in the numbers of people aged 11 or younger, and 50 or older, living in the Shire. 11, 17.3% of the Shire's population was born overseas, slightly more than half of whom were from non-English speaking backgrounds.

Whilst the urban area is predominantly residential, Sutherland Shire is home to a small but highly significant commercial and industrial presence. This includes Australia's only nuclear reactor, Sydney's desalination plant, a regional waste facility and a major regional shopping centre.

Socio-economically Sutherland Shire ranks highly, with 3.5% low unemployment compared to 5.7% for greater Sydney. Similarly, there were a greater number of volunteers in the Shire. Council plays an important role in economic development and promotion of the tourist attractions and facilities in the Shire.



Bate Bay, early morning

226,220 estimated resident population
10%..... have non-English speaking backgrounds
34% medium and high density housing
\$1,674 median weekly household income
20%..... hold a Bachelor or higher degree
6.14 persons ... population density per hectare
15%..... take public transport (to work)
10% older couples without children
38%households with a mortgage
22%vocational qualification
38%couples with children
\$370 median weekly rent
20% households renting
4% attending university
3.6% unemployment
39 yearsmedian age

Statistics sourced
 from Sutherland Shire
 Community Profile:
[http://profile.id.com.au/
 sutherland/home](http://profile.id.com.au/sutherland/home).
 All figures are from the
 2011 Census, except
 estimated residential
 population and
 population density which
 are at 2015.

CALENDAR OF EVENTS

Some of the community activities held by, or assisted by, Council in 2015/16.

JULY 2015

Family Day Care info session	Hazelhurst at Night
Cronulla Market	Sutherland to Surf Fun Run
Naidoc celebrations	National Tree Day



AUGUST 2015

School Readiness Seminars	Engadine Street Festival
Parents of Learner Drivers Workshop	Bonnet Bay Wildflower Walk
	Recycling tour



SEPTEMBER 2015

Cronulla Spring Festival	Bushcare's Major Day Out
Big Air School	Chemical Cleanout
Sutherland Historical Walk	Annual Bike to the Beach

OCTOBER 2015

Reclaim the Night	Breakfast Torque motorcycle event
Garage Sale Trail	Tiny Tours and Little Looks at Hazelhurst
Hazelhurst Spring Holiday Program	

NOVEMBER 2015

Engadine Leisure Centre Open Day	Australian Music Week
Art Fest + Wild Ones Art and Design Market	Giant Car Boot Sale
	Seniors Christmas Concert



DECEMBER 2015

Sutherland Shire Symphony Orchestra: An Australian Christmas	John Franklin Christmas Lunch
Art Rules exhibition	

THROUGHOUT THE YEAR

Environmental short courses and workshops	Hazelhurst Regional Gallery & Arts Centre short courses	Library events for all ages
Events at Sutherland Entertainment Centre	Leisure Centre activities	Shire student exchange programs with Japan and USA



JANUARY 2016

Australia Day events at Cronulla and Illawong
Australian Boardriders Battle Final

Science of the Surf

FEBRUARY 2016

Chemical Cleanout
ArtExpress
Makerspace Meetup
Chook-keeping workshop

Collectibles Fair
Australia's Silent Film Festival

MARCH 2016

Seniors Week
Clean Up Australia Day
Cronulla Easter Show
E-Waste Drop-off

Shire International Short Film Festival
Cronulla Vintage Car and Bike Show



APRIL 2016

Anzac Day Dawn Services
Youth Week
Meeting of Two Cultures ceremony at Kurnell

Aged Care Expo
Friends of Hazelhurst Show



MAY 2016

Mayoral Debutante Charity Ball
Hazelhurst Art Library
Annual Library Book Sale

Sutherland Shire: A History in Maps

JUNE 2016

Sutherland Entertainment Centre's 40th anniversary celebrations
HSC Lectures and Tours

Doug Moran National Portrait Prize
Cape Bailey Coast Walk

School holiday activities and vacation care
Bushcare groups meetings and events

Parenting talks
HSC lectures
Australian Citizenship ceremonies

'Community Conversations'
Recycling tours

THROUGHOUT THE YEAR

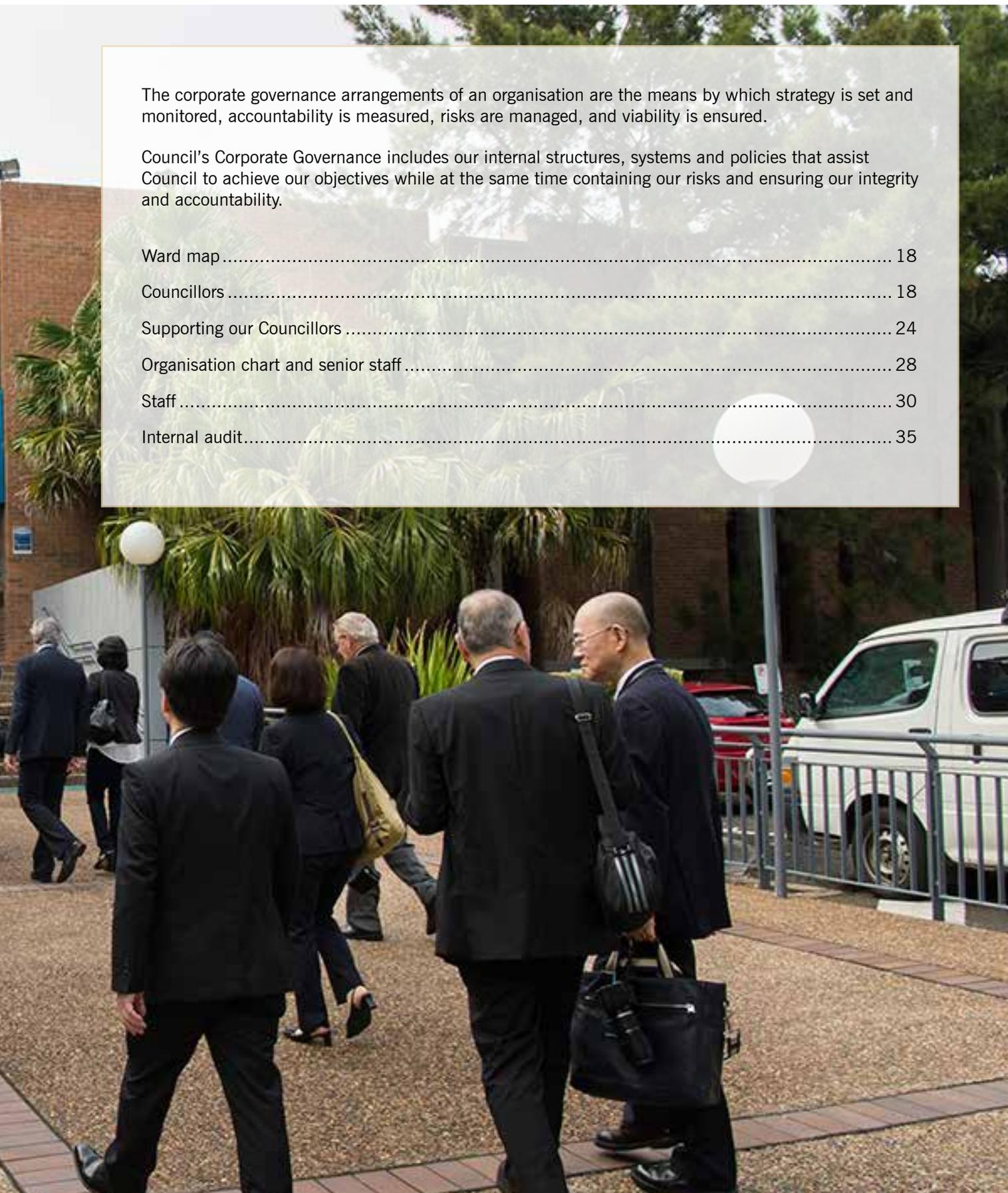
CORPORATE GOVERNANCE



The corporate governance arrangements of an organisation are the means by which strategy is set and monitored, accountability is measured, risks are managed, and viability is ensured.

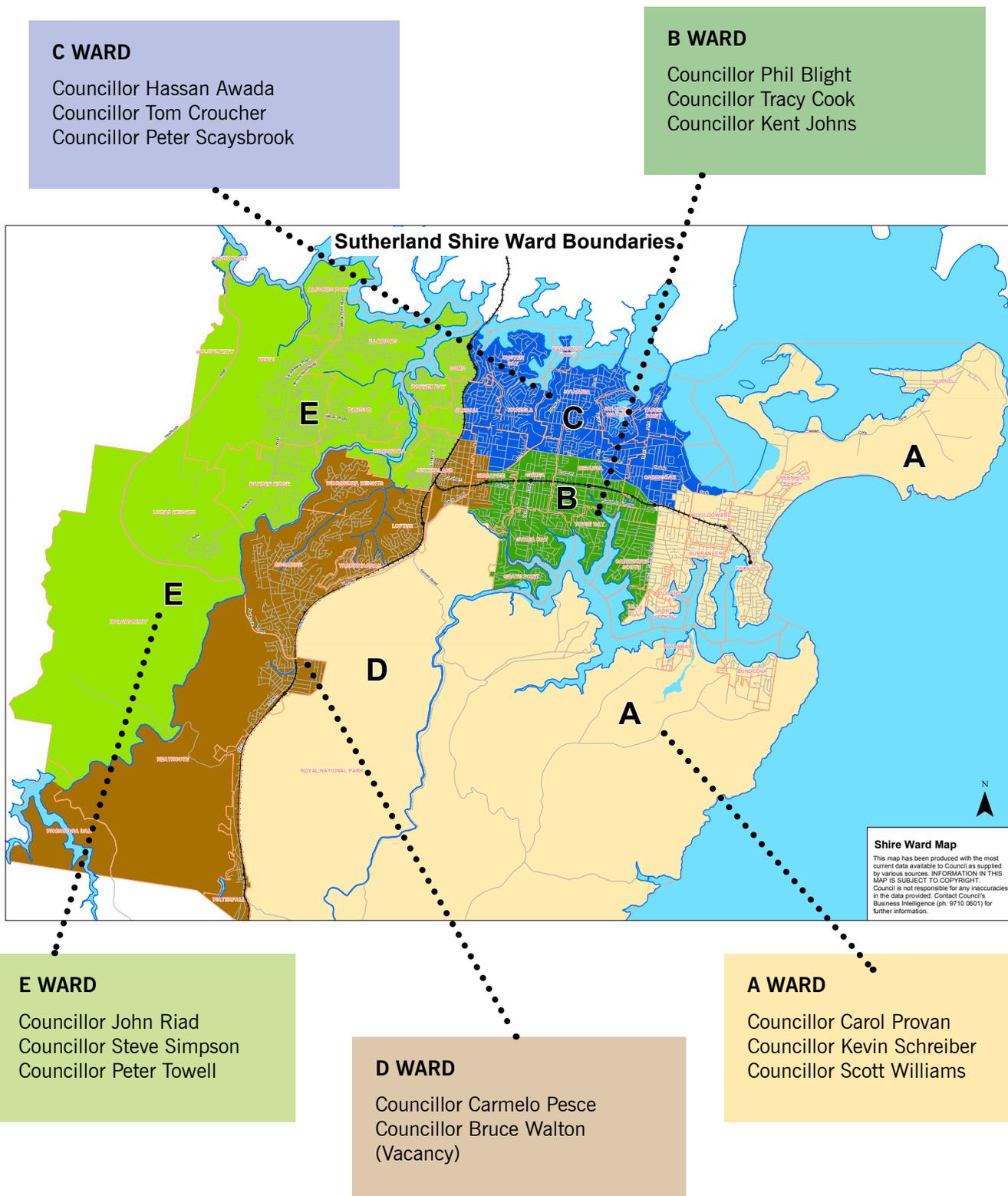
Council's Corporate Governance includes our internal structures, systems and policies that assist Council to achieve our objectives while at the same time containing our risks and ensuring our integrity and accountability.

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COUNCILLORS AND WARDS

This section is correct as at 30 June 2016. A Council election was subsequently held in September 2016, and the Councillors, Mayor and Deputy changed at that time as well as membership of committees. For current information, see www.sutherlandshire.nsw.gov.au or phone us on 9710 0333.



A WARD



CR CAROL PROVAN JP CMC

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M: 0418 246 524
Locked Bag 17, Sutherland 1499

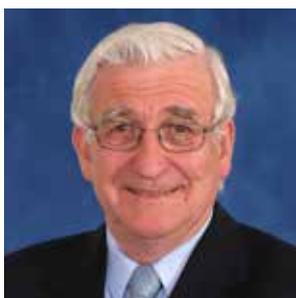
Liberal Party. Elected to Council in September 2008, having previously served two elected terms as a Councillor (1983-1991) and as Mayor (1987/1988 and 2011/12). Cr Provan has lived in the shire for over 40 years, has two children and is the grandmother of three boys. Cr Provan also runs her own company and is a registered Marriage Celebrant.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Infrastructure and Projects Committee (Deputy Chairperson).

Currently a member of the following Subcommittees:

- Commercial Property Projects Steering Committee
- Hazelhurst Retreat Board
- Port Hacking Management Panel (Chairperson)
- Tourism Services Committee (Deputy Chairperson)
- Surf Life Saving Clubs Working Party (Deputy Chairperson).



CR KEVIN SCHREIBER

E: kschreiber@ssc.nsw.gov.au
M: 0414 193 711
Locked Bag 17, Sutherland 1499

Liberal Party. First elected to Council in 1995. Deputy Mayor 2012/13. Cr Schreiber M.A.I.C.D. - Emeritus Mayor*, has resided in the Shire for 30 years. He has been a member of Local Government NSW for 14 years. Cr Schreiber is a local small business owner.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Environmental Health and Regulation Committee.

Currently a member of the following Subcommittees:

- Sutherland Shire Economic Development Committee (Chairperson)
- Tourism Services Committee (Chairperson)
- Australia Day and Citizenship Committee (Chairperson)
- Surf Life Saving Clubs Working Party (Chairperson).

(* Emeritus Mayor is an honorary title bestowed by Local Government NSW - it does not necessarily denote the current mayor of the council.)



CR SCOTT WILLIAMS

E: swilliams@ssc.nsw.gov.au
M: 0448 777 300
Locked Bag 17, Sutherland 1499

Party: Liberal Party. Elected to Council in September 2012.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Community and Lifestyles Committee (Deputy Chairperson).

Currently a member of the following Subcommittees:

- Commercial Property Projects Steering Committee (Chairperson)
- Tourism Services Committee
- Surf Life Saving Clubs Working Party.

B WARD



CR KENT JOHNS

E: kjohns@ssc.nsw.gov.au
M: 0467 660 110
Locked Bag 17, Sutherland 1499

Liberal Party. First elected to Council in 2004. Previously served as Mayor in 2012/13 and 2014/15. Cr Johns is the General Manager of a

Manufacturing Organisation within the Australian Water Industry. He wants to ensure that the Shire's enviable lifestyle is maintained and that small business is supported in our area.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee (Chairperson)
- Infrastructure and Projects Committee.

Currently a member of the following Subcommittees:

- Commercial Property Projects Steering Committee
- Hazelhurst Retreat Board.



CR PHIL BLIGHT

E: pblight@ssc.nsw.gov.au
M: 0414 193 644
Postal Address: Locked Bag 17,
Sutherland 1499

Party: Australian Labor Party. First elected to Council in 1991. Previously Mayor for 2010/11. A long-term Shire resident, Cr Blight has been a teacher and administrator at local public schools. He has spent most of his life as a participant or other involvement in various sports. He is a university graduate in economics and an elected representative on the Teachers Credit Union Members Committee.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Environmental Health and Regulation Committee.

Currently a member of the following Subcommittees:

- Commercial Property Projects Steering Committee
- Hazelhurst Retreat Board
- Heritage and Shire History Committee (Chairperson)
- Sports and Active Communities Subcommittee
- Port Hacking Management Panel
- Sutherland Shire Economic Development Committee (Deputy Chairperson)
- Surf Life Saving Club Working Party.



CR TRACY COOK

E: tlcook@ssc.nsw.gov.au
P: 8539 3049
M: 0409 761 781
Locked Bag 17, Sutherland 1499

Party: Liberal Party. First elected 2012. Tracy is a high school head teacher and has completed a Masters in Educational Management and Leadership from Sydney University. She strives to represent the community, particularly families, youth and the elderly, in order to ensure our shire continues to provide the required services and facilities.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Community and Lifestyles Committee (Chairperson).

Currently a member of the following Subcommittees:

- Hazelhurst Retreat Board
- Sutherland Shire Youth Council (Co-Deputy Chairperson).



CR HASSAN AWADA

Deputy Mayor 2015/16

E: hawada@ssc.nsw.gov.au
M: 0417 286 315
Locked Bag 17, Sutherland 1499

Elected Deputy Mayor on 28 September 2015. Party: Liberal Party. Elected in September 2012. Cr Awada is currently the Managing Director of a family company that owns and operates early learning centres. In the past 22 years he has lived and worked in the shire, owned and operated a small business in Cronulla for 17 years. Cr Awada is the recipient of a

commendation for brave conduct from her Majesty Queen Elizabeth II.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Infrastructure and Projects Committee.

Currently a member of the following Subcommittees:

- Commercial Property Projects Steering Committee (Deputy Chairperson)
- Sports and Active Communities Subcommittee
- Sutherland Shire Bushfire Truse (Deputy Chairperson)
- Sutherland Shire Bushfire and SES Facilities Equipment Fund (Deputy Chairperson)
- Sutherland Shire Bushfire Advisory Committee (Deputy Chairperson).



CR PETER SCAYSBROOK

E: pscaysbrook@ssc.nsw.gov.au
P: 9528 2946
M: 0408 982 972
Locked Bag 17, Sutherland 1499

Party: Australian Labor Party. Elected September 2012.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee

- Infrastructure and Projects Committee
- Community and Lifestyles Committee.

Currently a member of the following Subcommittees:

- Hazelhurst Retreat Board
- Floodplain Management Committee (Chairperson)
- Heritage and Shire History Committee (Deputy Chairperson)
- Sutherland Shire Access Committee
- Sutherland Shire Bushfire Trust
- Sutherland Shire Bushfire and SES Facilities Equipment Fund
- Sutherland Shire Bushfire Advisory Committee
- Sutherland Traffic and Traffic Safety Committee - Consultative Traffic Forum
- Surf Life Saving Clubs Working Party.



CR TOM CROUCHER

E: tcroucher@ssc.nsw.gov.au
M: 0408 862 765
Locked Bag 17, Sutherland 1499

Liberal party. Elected in September 2012. Deputy Mayor 2013/14. Cr Croucher has been a resident of Sutherland Shire since birth. He is married and has 3 grown-up children. He has worked as a High School mathematics teacher and as a software developer in a variety of organisations. He has been active in junior cricket and his local church for many years.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Environmental Health and Regulation Committee (Chairperson).

Currently a member of the following Subcommittees:

- Aboriginal Advisory Subcommittee
- Significant Park and Shire Landmarks Committee (Chairperson)
- Floodplain Management Committee (Deputy Chairperson)
- Sutherland Shire Access Committee (Chairperson)
- Sutherland Traffic and Traffic Safety Committee - Consultative Traffic Forum (Chairperson).

D WARD



CR BRUCE WALTON

E: bwalton@ssc.nsw.gov.au
M: 0434 327 753
Locked Bag 17, Sutherland 1499

Liberal Party. First elected to Council in 2010. Cr Walton previously owned and operated the Engadine Book Centre and is a member of the Management Committee of the Sutherland Shire Football Referees Association.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee (Deputy Chairperson)
- Environmental Health and Regulation Committee.

Currently a member of the following Subcommittees:

- Sports and Active Communities Subcommittee.



CR CARMELO PESCE

Mayor 2015/16

E: mayor@ssc.nsw.gov.au
M: 0411 171 114
Locked Bag 17, Sutherland 1499

Elected Mayor on 28 September 2015. Previously served as Deputy Mayor 2014/15. Liberal Party. Elected in September 2012. Cr Pesce is a lifelong resident of the shire and is a self-employed local business owner. Cr Pesce is passionate about the shire and keen to see improvements to businesses, environment and lifestyle in the area.

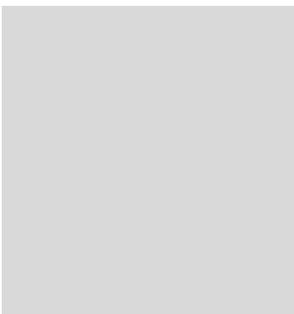
Currently a member of the following Standing Committees:

- Councillor Pesce is a member of all Standing Committees.

Currently a member of the following Subcommittees:

- Anzac Youth and Recreation Centre Advisory Committee (Chairperson)
- Commercial Property Projects Steering Committee
- Sports and Active Communities Subcommittee
- Port Hacking Management Panel (Deputy Chairperson).

VACANCY



As at 30 June there were only 2 Councillors representing D Ward. Cr Diedree Steinwall resigned from her position as a Councillor effective Monday 30 May 2016. The position remains vacant until the local government elections in September 2016.



CR JOHN RIAD

E: jriad@ssc.nsw.gov.au
M: 0408 919 760
Locked Bag 17, Sutherland 1499

Liberal Party. First elected to Council in September 2012. Cr John Riad serves as Councillor of E Ward that includes the suburbs of Sandy Point, Illawong, Alfords Point, Menai, Barden Ridge, Bangor, Woronora Valley, Como (West), Jannali (West) and North-West Sutherland. John has lived within E

Ward since 1998. He attended Tharawal Public and Aquinas College prior to completing a Bachelor of Engineering (Civil) with Honours at the University of Technology, Sydney. He works as a Project Manager in the Remediation space.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Infrastructure and Projects Committee (Chairperson).

Currently a member of the following Subcommittees:

- Sutherland Shire Youth Council (Co-Chairperson)
- The Ridge Working Party (Deputy Chairperson).



CR PETER TOWELL

E: ptowell@ssc.nsw.gov.au
P: 9543 9685
M: 0434 327 756
Locked Bag 17, Sutherland 1499

Shire Watch Independents. Elected September 2008. Cr Towell is a head teacher of plumbing at TAFE. He is a licensed plumber, drainer and gasfitter, has had extensive experience in small business and has owned a local plumbing business for more than 20 years. He has also studied health and building surveying and has a Bachelor of Adult Education.

Prior to his election Cr Towell was President of the Menai West Barden Ridge Precinct Residents Association. He has lived in the Menai area for more than 18 years.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Community and Lifestyles Committee.

Currently a member of the following Subcommittees:

- Aboriginal Advisory Subcommittee
- Sports and Active Communities Subcommittee
- Port Hacking Management Panel
- Sutherland Shire Bushfire Advisory Committee
- Sutherland Shire Youth Council
- The Ridge Working Party.



CR STEVE SIMPSON

E: stevesimpson@ssc.nsw.gov.au
P: 9541 1681
M: 0414 193 699
Locked Bag 17, Sutherland 1499

Liberal Party. First elected to Council in 1995. Previously Mayor 2013/14. Cr Simpson is a Work Health and Safety Manager with an engineering background. He has been a resident of Sutherland Shire for over 25 years.

Currently a member of the following Standing Committees:

- Finance and Strategy Committee
- Environmental Health and Regulation Committee (Deputy Chairperson).

Currently a member of the following Subcommittees:

- Heritage and Shire History Committee
- Sports and Active Communities Subcommittee (Chairperson)
- Sutherland Shire Bushfire Trust (Chairperson)
- Sutherland Shire Bushfire and SES Facilities Equipment Fund (Chairperson)
- Sutherland Shire Bushfire Advisory Committee (Chairperson)
- The Ridge Working Party (Chairperson).

SUPPORTING OUR COUNCILLORS

HOW AND WHEN COUNCILLORS ARE ELECTED

Sutherland Shire Council comprises 15 Councillors who are elected by the residents of the Shire for a four-year term. The most recent election was in September 2016. The next general election is in September 2020. Every two years the Councillors elect a Mayor and Deputy Mayor from among their numbers.

Council's policies and direction are determined by the Councillors. While three Councillors are elected from each of the five wards in the Shire, all Councillors take part in the review of issues and decision-making across the Shire. The General Manager is responsible for the efficient and effective operation of the organisation. Day-to-day administration of Council's responsibilities and services is undertaken by Council's staff members who are responsible to the General Manager.

The organisation chart (see page 28) details Council's structure for its accountability to residents. Sutherland Shire Council encourages and supports the participation of residents and the community in its activities.

HOW COUNCIL WORKS

The Mayor, Deputy Mayor and Councillors are paid an annual fee that is within the limit set by the Local Government Remuneration Tribunal. All Councillors are paid for expenses incurred in discharging their functions and responsibilities to the Sutherland Shire community. These payments are in accordance with the Council's policy 'Payment of Expenses and Provision of Facilities to the Mayor and Councillors'.

WHEN DO COUNCIL AND COMMITTEES MEET?

During 2015/16 Councillors convened for 15 ordinary and 10 extraordinary/special Council meetings.

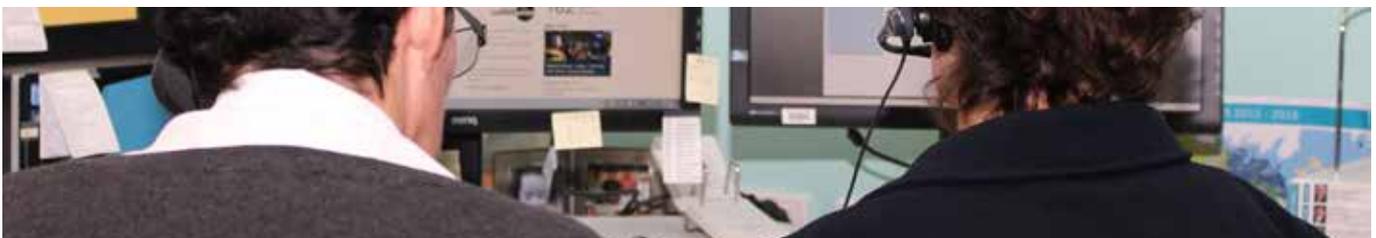
Generally, Council and standing committee meetings operate on a monthly cycle, with standing committees on the first Monday of the month and Council on the third. Meetings are held in the administration building at Sutherland and members of the public are welcome to attend. The business papers (the reports that go to Council) are available from Council's libraries and the internet from 12 noon on the Friday prior to a committee or Council meeting, and at the meeting.

Anyone wanting to know the outcome of a matter that went to a meeting can phone Council on 02 9710 0333 on the working day following the meeting or obtain the minutes after they have been adopted.

COUNCIL

Once a matter has been considered at the standing committee level, all 15 Councillors meet under the chairmanship of the Mayor to decide on the matter. In addition to items from the standing committees, Mayoral Minutes and matters of an urgent nature may be dealt with at this time. All Council and standing committee meetings are open to the public, however Council or a committee may decide to close the meeting for a limited range of issues including commercial information, contracts, some matters relating to staff, or legal obligations of confidence as specified in the Local Government Act. Council ensures the number of items dealt with confidentially is kept to a minimum.

Councillors are required by law to disclose any conflict or pecuniary interest they or their relatives or associates may have in relation to a matter before the Council or a standing committee. When a pecuniary interest disclosure is made, the Councillor cannot take part in the debate or vote on the matter and must leave the meeting during discussion of that item.



STANDING COMMITTEES

As at the end of 2015/16, Council had four standing committees that relate to specific Council functions:

- Finance and Strategy;
- Community and Lifestyles;
- Environmental Health and Regulation; and
- Infrastructure and Projects.

The standing committees allow detailed consideration of each matter before it is referred to a Council meeting. All Councillors are members of the Finance and Strategy Committee. The Community and Lifestyles, Environmental Health and Regulation and Infrastructure and Projects Committees each have five Councillors assigned. Staff members attend these meetings to assist and provide advice but do not take part in decisions.

There are also subcommittees and working parties for specific issues.

At the end of June 2016, the subcommittees were:

- Aboriginal Advisory Sub-Committee
- Anzac Youth and Recreation Centre Advisory Committee
- Architectural Review Advisory Panel
- Australia Day and Citizenship Committee
- Commercial Property Projects Steering Committee
- Consultative Traffic Forum
- Floodplain Management Committee
- Hazelhurst Retreat Board
- Heritage and Shire History Committee
- Independent Hearing and Assessment Panel
- Port Hacking Management Panel
- Significant Parks and Shire Landmarks Committee
- Sports and Active Communities Sub Committee
- Surf Life Saving Clubs Working Party
- Sutherland Local Emergency Management Committee
- Sutherland Shire Access Committee
- Sutherland Shire Bushfire Advisory Committee
- Sutherland Shire Bushfire and SES Facilities Equipment Fund
- Sutherland Shire Bushfire Trust
- Sutherland Shire Economic Development Committee
- Sutherland Shire Youth Council
- Sutherland Traffic and Traffic Safety Committee
- The Ridge Working Party
- Tourism Services Committee.

For Councillor membership on individual committees, see page 18.

COUNCILLORS' EXPENSES AND PROVISION OF FACILITIES 2015/16

	\$	\$
Allowances		
Mayoral allowance (excluding councillor allowance)	52,777.00	
Deputy Mayoral allowance (excluding councillor allowance)	9,313.00	
Councillor allowance (per councillor) - \$22,800 ea per annum (x15)	350,550.00	
Total allowances for all councillors		412,640.00
Additional expenses (total for all councillors):		
Telephone call expenses*	4,949.87	
Child care	-	
Postage allowance	-	
Printing	1,267.00	
JRPP	7,200.00	
Travel expenses	37,416.85	
Dedicated home office equipment, computer and fax machine (including consumables)	1,567.14	
Internet	675.00	
Attendance at conferences/seminars	12,751.33	
Overseas visits	-	
Total expenses for councillors		65,827.19
Total cost (allowances + expenditure) for all councillors		478,467.19

* Total mobile & land line phone/fax usage is \$5,489.59 less reimbursements to council of \$539.72 for private calls made by councillors.



COUNCILLORS - COMMITTEE MEMBERSHIPS AND MEETING ATTENDANCES 1 JULY 2015 - 30 JUNE 2016

	Council		Development Assessment & Planning Committee		Finance & Strategy Committee		Community & Lifestyles Committee		Environmental Health & Regulation Committee		Infrastructure & Projects Committee		Attendance at Various Subcommittees
	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held	Meetings attended	Meetings held whilst a member	Meetings attended	Meetings held whilst a member	Meetings attended	Meetings held whilst a member	Meetings attended	Meetings attended
Awada	17	15	6	4	12	10	4	4	***	4	8	8	1
Blight	17	16	6	6	12	12	***	1	8	9	4	4	3
Cook	17	17	6	6	12	12	7	8	4	6		0	1
Croucher	17	17	6	5	12	12	4	5	8	9	***	1	20
Johns*	17	16	6	4	12	11	***	3	***	4	8	8	1
Pesce**	17	16	6	5	12	12	***	2	4	8	8	7	3
Provan	17	12	6	5	12	8		0	4	4	8	4	3
Riad	17	12	6	2	12	9	***	1	***	2	12	8	5
Scaysbrook	17	16	6	4	12	12	11	4	***	4	8	7	5
Schreiber	17	15	6	5	12	11	***	1	12	10	***	1	7
Simpson	17	17	6	6	12	11	***	1	8	7	4	4	6
Steinwall	17	15	6	6	12	11	7	6	4	6		0	2
Towell	17	16	6	5	12	10	7	6	***	2	4	3	2
Walton	17	15	6	6	12	11	4	5	8	8		0	0
Williams	17	15	6	6	12	12	7	7	***	3	4	4	0

* Councillor Johns was Mayor until 28 September 2015; during this period as Mayor, Councillor Johns also had membership rights to every Standing Committee. As Mayor, Councillor Johns attended a total of 12 Standing Committee meetings.

** Councillor Pesce was elected Mayor on 28 September 2015 and had membership rights to every Standing Committee. As Mayor, Councillor Pesce attended a total of 21 Standing Committee meetings.

*** Councillor was not a formal committee member but attended the meeting.

NB: The total number of committee meetings held varies from councillor to councillor due to the committee memberships changing in September each year in line with Mayoral elections.

SENIOR STAFF AND ORGANISATION CHART

GENERAL MANAGER

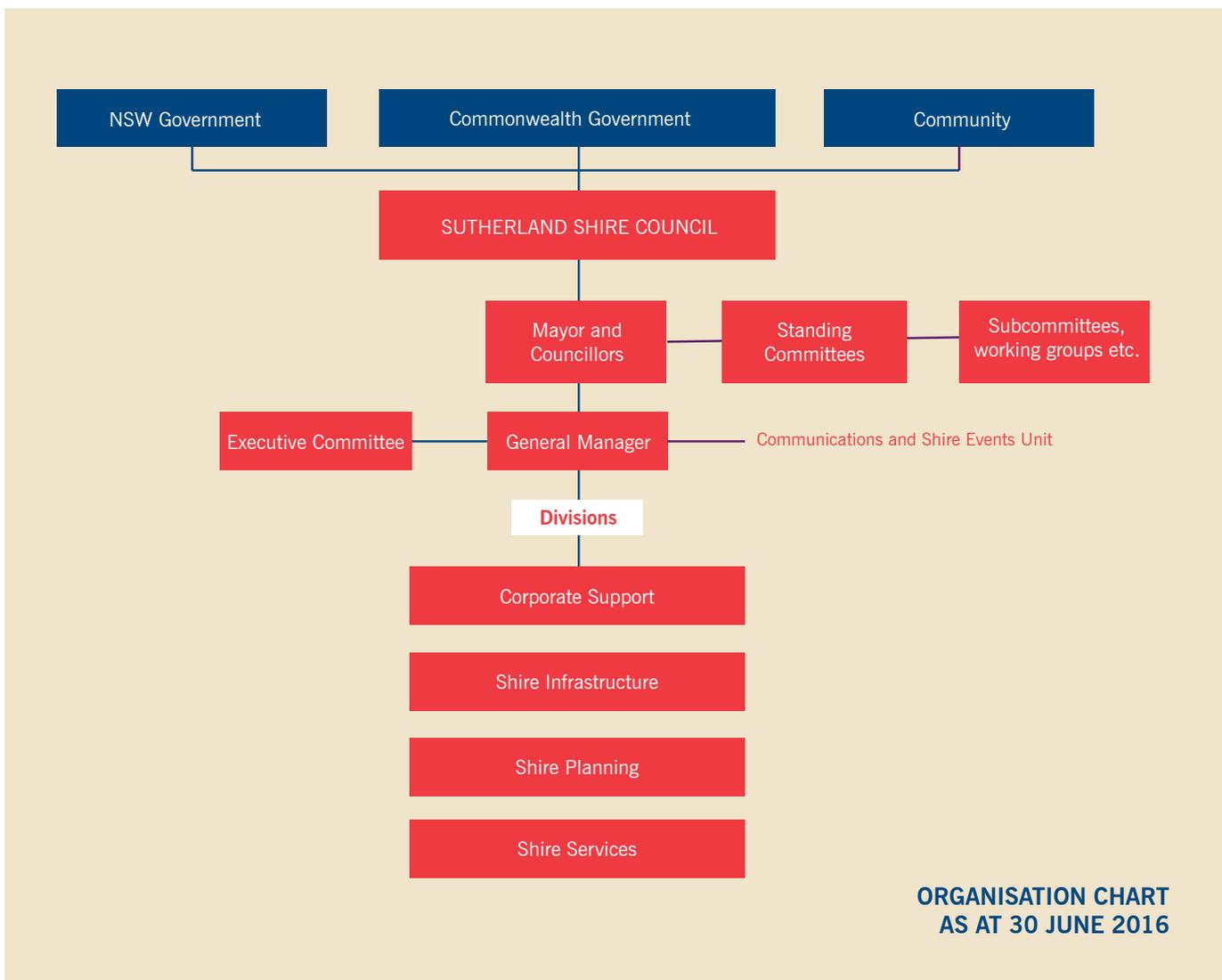


SCOTT PHILLIPS

Appointed in September 2015 as General Manager of Sutherland Shire Council, Scott has spent more than 20 years working within local and state government agencies, with most of that time spent in senior management roles across a diverse range of corporate and technical responsibilities.

With a degree in town planning and post-graduate qualifications in building surveying, Scott has made a considerable contribution to the sustainable growth and development within many parts of Sydney and regional areas of NSW. Scott continues to be at the forefront of local government reform to improve community capacity and sustainability.

Responsibilities: Major issues, policy development, organisation leadership and direction and day-to-day management.



**ORGANISATION CHART
AS AT 30 JUNE 2016**

DIRECTORS



THERESE MANNIS

DIRECTOR - CORPORATE SUPPORT

Therese is a respected leader in local government, having worked as a General Manager in regional NSW for the past five years. Therese is passionate about local government and the important inter generational outcomes that can be achieved through strong corporate and strategic resource planning. Recently awarded a NSW Local Government Minister's Award for Women - Senior Management, she is a Chartered Accountant with a degree in Financial Administration and significant experience and success in organisational change and strategic financial planning. With a combination of public and private sector experience, Therese has a focus on performance and the provision of valued service to the community and has proactively been involved on a number of steering groups and working parties throughout the local government reform process.

Responsibilities: Support for Council/Councillors, governance, people and culture, fair workplace, corporate records and archives, customer service centre, customer call centre, legal services/public officer, information management and technology, risk and internal audit management, financial services.



PETER HAZELDINE

DIRECTOR - CORPORATE SERVICES

Joined Council in 2012 to establish the Project Delivery Division. Previously Director Asset Management Services at Sydney Harbour Foreshore Authority.

Responsibilities: Infrastructure planning services, energy sustainability, property and building assets, property security, emergency services, civil operations, parks operations, waste services, building works, fleet and workshops, business development, projects services, program support, design services, survey services.

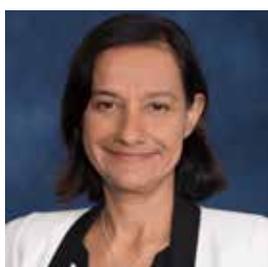


PETER BARBER

DIRECTOR - SHIRE PLANNING

Joined Council in 2005 as Assessment Team Manager. Appointed Director, Planning and Environment in 2013. Previously Development Assessment Manager at an inner Sydney council, and worked in senior planning roles with two other Sydney councils and the NSW Department of Planning.

Responsibilities: Land use planning and policy, environmental policy and advice, development and subdivision assessment, public health issues and inspections, environmental and building compliance, pool safety, tree management, fire safety, regulation enforcement, parking enforcement, animal shelter.



MANJEET GREWAL

ACTING DIRECTOR - SHIRE SERVICES

Manjeet was appointed to the role of Acting Director Shire Services on 9 May 2016.

Responsibilities: Leisure centres, golf and tennis courts, commercial property, Hazelhurst Regional Gallery & Arts Centre, children's services, certification services, economic development, tourism and the SSHED business incubator, Sutherland Entertainment Centre

STAFF

OUR WORKFORCE

Sutherland Shire is one of the largest local governments in Australia with over 220,000 residents and covering an area of 370 square kilometres. Council is one of the biggest employers in the Shire with around 70% of our employees living within the local government area.

We employ people in a variety of occupations – accountants, early childhood educators, engineers, horticulturalists, information technology specialists, librarians, lifeguards, trades people, town planners, civil works staff, event organisers, and many more. This offers a variety of employment opportunities with council and provides options for staff interested in changing careers at different stages throughout their working lives.

Council welcomed a new General Manager and Corporate Support Director during 2015/16. This resulted in some realignment of units and renaming and rebranding of the divisions. As at 30 June 2016 council employed 1145 people, including all full-time, part-time and temporary staff. This is equal to 1029.75 full-time equivalent (FTE), which is an increase from 1017.9 in 2014/15.

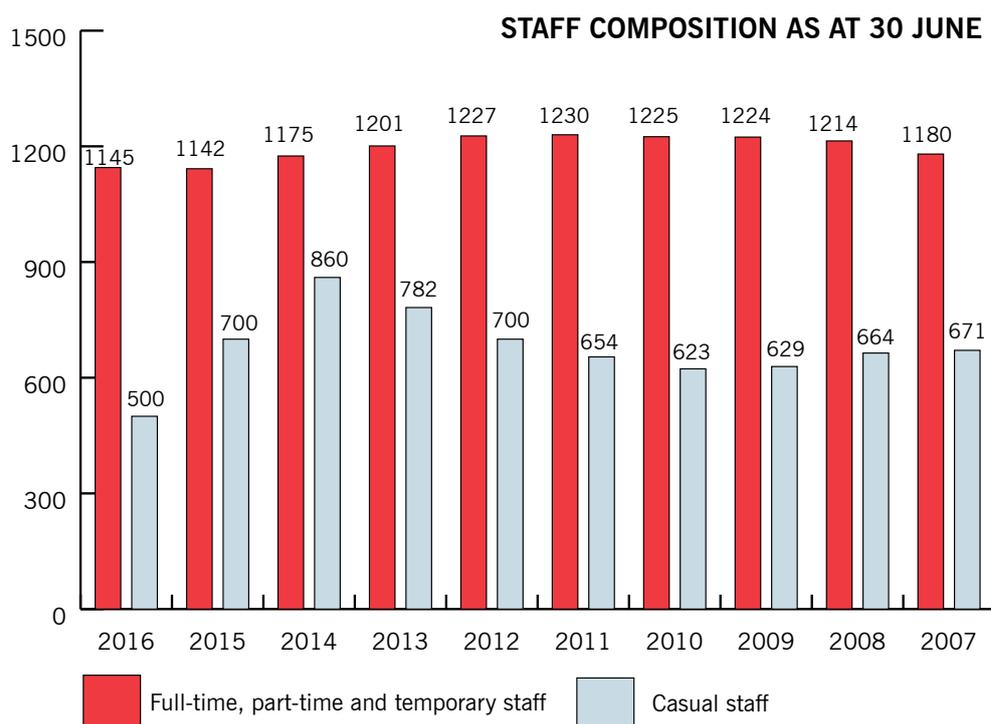
The Shire Infrastructure Division employed the greatest number of staff with 417 staff in 2015/16.

These staff are responsible for the maintenance of our parks and gardens, waste collection, and the designing, building and maintenance of critical Infrastructure such as roads and footpaths.

The second largest division was Shire Services with 399 staff. These staff are responsible for providing libraries, child care centres, leisure centres, Hazelhurst Regional Gallery and the Sutherland Entertainment Centre.

Division	Number of full-time, part-time and temporary staff as at 30 June				
	2016	2015	2014	2013	2012
Shire Services	399	248	280	352	351
Corporate Support	181	262	258	178	183
Shire Infrastructure	417	439	439	420	441
Shire Planning	131	164	175	134	136
Executive	17	29	23	70*	26
Total	1,145	1,142	1175	1,201	1,227

Of the 1145 staff members, 580 are male and 565 are female. Council employed approximately 500 casual staff as at 30 June 2016.

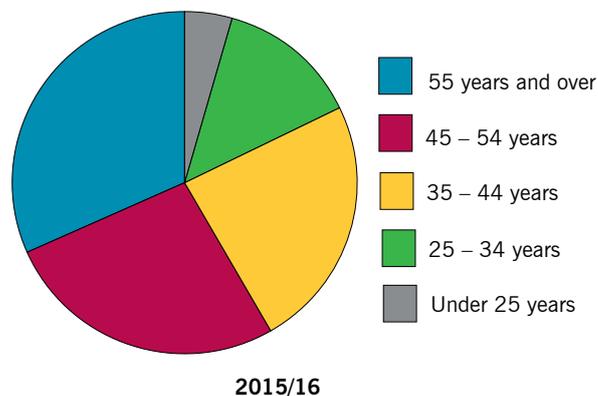


ATTRACTION, RETENTION AND TRAINING STRATEGIES

Council has adopted a proactive approach to attracting, retaining and training skilled staff to refresh and renew our workforce. We have adopted inclusive and family friendly policies to make it possible for our staff to obtain a work-life balance while we still achieve productivity gains throughout the organisation.

Through a targeted marketing campaign we actively encourage young people and people from diverse backgrounds to consider the career opportunities that we offer. As an outcome of this recruitment strategy we hope to refresh our workforce and develop skilled professionals and experienced future supervisors.

For the past seven years we have had an ongoing relationship with The Hunter Valley Training Company to provide trainees and apprentices for a variety of different occupations.



No. full-time, part-time and temporary employees		
	2015/16	2014/15
Under 25 years	51 (4.445%)	42 (3.68%)
25 – 34 years	153 (13.36%)	155 (13.57%)
35 – 44 years	274 (23.93%)	277 (24.26%)
45 – 54 years	305 (26.64%)	313 (27.41%)
55 years and over	362 (31.62%)	355 (31.09%)

TEAM OF THE YEAR (AWARDED NOVEMBER 2015)

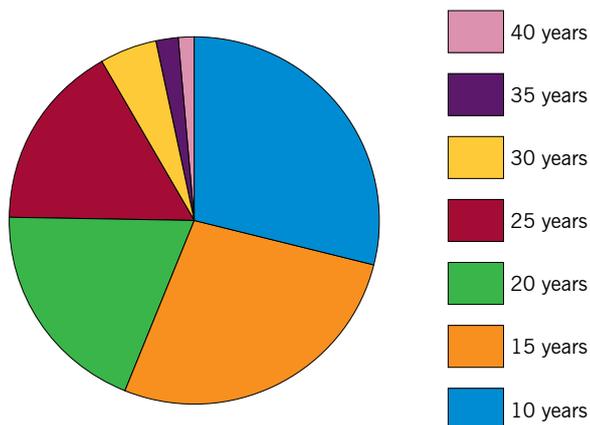
KAREELA FLYING FOX DISPERSAL TEAM

This project team met the challenge of an emotionally charged and highly contentious issue - dispersing the bats from an area that adjoins Sylvanvale and their child care centre. Being a protected species this required ongoing liaison with other levels of government together with parents of very young vulnerable children, some with disabilities, and local residents. This costly and high risk project was effectively managed with a diverse team of staff working obscure and highly anti social hours.

The staff were always professional in working with frustrated property owners, child care centre staff and emotional parents who were extremely worried about the welfare of their children. Staff from across Council stepped up to assist in the implementation of the project requiring patience and persistence - delivering the outcome required by Council, children's parents and residents. Great team work, flexibility, creativity, motivation, to budget in a highly charged, sensitive situation.



LONG SERVICING STAFF YEARS OF SERVICE



STAFF RECOGNITION

We have a significant numbers of staff with 10, 15, 20, 25, 30, 35, 40 or even more years of service with council. The contribution made by Council's long serving employees and the experience and knowledge that they offer the organisation is acknowledged in November each year at the Staff Recognition Dinner.

Long Serving staff years of service as at October 2015	
Years of Service	Number of employees
10	46
15	43
20	30
25	26
30	8
35	3
40	2

At the same event the Team of the Year award is also presented. This award recognises exceptional service by a particular unit or group of staff.

We also identify each month employees who have delivered excellent service and recognise them with an Employee of the Month Award. The award is presented to the employee at a small ceremony in front of their peers and Supervisors. These outstanding employees can be nominated by their supervisor, their peers or members of the community.

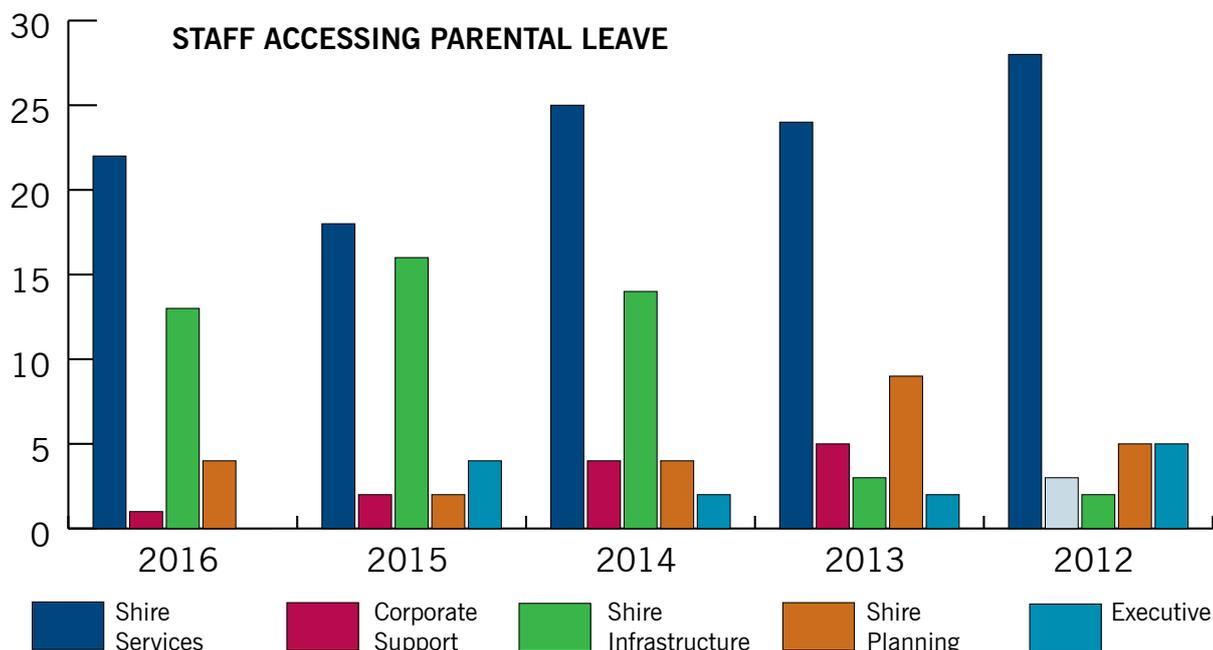
Length of service	No. full-time, part-time and temporary employees	
	2015/16	2014/15
Under 1 year	122 (10.66%)	164 (14.36%)
1 to 5 years	296 (25.85%)	228 (19.96%)
6 to 10 years	237 (20.70%)	274 (23.99%)
11 to 20 years	275 (24.02%)	284 (24.87%)
21 years and over	215 (18.78%)	192 (16.81%)

FLEXIBLE WORK CONDITIONS

A number of flexible, family-friendly work policies have been adopted by Council. Depending on the job, benefits may include

- a nine-day fortnight for outdoor staff members
- a 19-day month with limited flexible start and finish times for salaried staff
- working from remote locations including working from home
- job rotation, job share, part-time and casual work.

We also provide carers' leave to staff and a sick leave safety net for employees who are seriously ill. Up to 18 weeks paid parental leave is available,

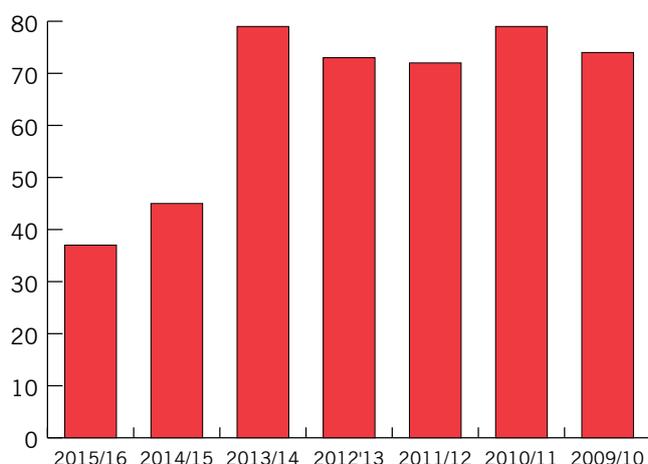


with the possible option of returning to part-time work. Personal leave, study assistance and up to 12 months' leave without pay under special circumstances is also available.

Forty staff took parental leave in 2015/16, compared to 42 staff in 2014/15, with many staff returning to work during this period in a part-time capacity. This ensures we retain their skills and knowledge while catering for their family responsibilities.

Division	Number of staff accessing parental leave as at 30 June				
	2016	2015	2014	2013	2012
Shire Services	22	18	25	24	28
Corporate Support	1	2	4	5	3
Shire Infrastructure	13	16	14	3	2
Shire Planning	4	2	4	9	5
Executive	0	4	2	2	5
Total	40	42	49	44	43

NO. OF STAFF ACCESSING STUDY LEAVE



STUDY, TRAINING AND PROMOTION OPPORTUNITIES

The Study Assistance Policy is available to support staff developing skills and competencies relevant to Council and to enhance their career development.

Study assistance is available to all permanent part-time and full-time employees; either as time off work (to attend lectures, examinations or for private study), or financial assistance (to assist with the payment of costs associated with studying), or a combination of both.

It is important that Council's policy is relative to market trends to allow Council to retain skilled staff. By allowing a combination of choices by way of trading time for monetary assistance we believe it does this. Thirty-seven staff received study assistance in 2015/16, compared to 45 staff accessing study assistance in 2014/15.

Our ongoing in-house learning and development program provides learning opportunities for all employees to ensure they are kept up-to-date with the skills required to do their jobs safely and effectively. This program also offers opportunities for staff to expand on their existing skills by offering professional development opportunities.

In 2015/16 there were 13,370 hours of attendance by staff at various courses including operational, safety, communication and computer training.

	2015/16	2014/15	2013/14	2012/13	2011/12
Hours of attendance by staff	13,370	15,289	18,203	15,438.20	13,614.20

COMPLIANCE WITH THE NSW CARERS (RECOGNITION) ACT 2010

The Carers (Recognition) Act 2010 was promoted on our intranet to staff and information on the Act was distributed through our online Managers Portal. The information explains the definition of a carer and the Council policies and employment benefits that exist to support carers.

Council has many flexible working options already existing in policies and procedures to assist staff with carers responsibilities. These include:

- the use of flexi time
- the ability to alter start and finish times
- access to personal, annual, long service leave and leave without pay
- the ability to work part time or a compact week
- the ability to work from home.

WORK HEALTH AND SAFETY (WH&S)

Council assesses work health and safety concerns by monitoring trends in occupational work-related incidents and workers' compensation claims. This assists us in developing and implementing targeted WH&S risk management initiatives which aim to prevent personal suffering and drive down the frequency, and severity of incidents over time, including:

- staff and management awareness training on WH&S systems and reporting of incidents
- continued monitoring by the WH&S Committee
- providing information and safety standards/ procedures on Council's WHS intranet site.

Indicator	1/7/15-30/6/16	1/7/14-30/6/15	Movement
Incidents & Near Misses			
Recorded workplace health and safety incidents	435	266	+64% *
Near Misses	36	42	-14%
Average days delay in recording workplace health and safety incidents with personnel services	8.21	11.12	-26%
Workers Compensation			
Claims Lodged	70	67	+4
Average days off work	5.3	15.8	-67%
Frequency rate-per million hours worked (LTIFR)	20.3	22.2	-8%

* Significant increase (64%) in reported incidents: This increase is due to the effects of a historic issue. It is not influencing claims and lost time statistics.

Comparative data covering the previous years, showing how Council strives to continue improving its occupational health, safety and welfare performance, is provided in the following table:

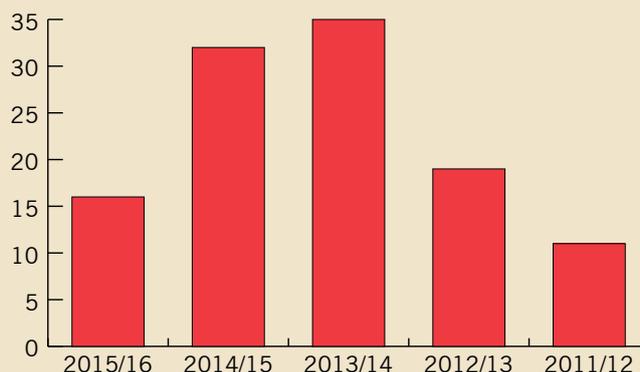
OHS incidents and workers compensation claims	2015/16	2014/15	2013/14	2012/13	2011/12
WHS Incidents – total recorded	435	266	246	303	316
Workers' compensation claims – total made	70	67	83	78	97
Frequency rate of claims (per 1,000,000 hours worked)	20.3	22.22	43.88	39.22	32.24
Average time lost per claim (days)	5.3	15.8	17.16	13.22	11.52

FAIR WORKPLACE (FWP) AND EQUAL EMPLOYMENT OPPORTUNITY (EEO)

During 2015/16:

- a total of 27 employees, over 78 sessions, accessed the Employee Assistance Program:service
- 16 residents utilised the free Translating Interpreting Service and Language Aides, requiring help in Arabic (3), Cantonese (5) and Mandarin (8).
- Council maintained one language aide position during the year.
- staff attended 13, 370 hours of study and training, with 37 staff receiving study assistance
- four female staff completed the Springboard Women's development program with 4 mentors supporting them; feedback from all mentors was excellent
- one female staff member attended the Local Government Women's Summit
- one female staff member attended the 5th Public Sector Woman in Leadership NSW Summit
- Council's Executive Committee became more diverse with the appointment of a female Director
- three Aboriginal trainees were supported in completing their studies.
- two trainees continued their studies and were supported through their disability support traineeships.

CUSTOMERS ACCESSING TRANSLATING AND INTERPRETING SERVICES WHEN MAKING ENQUIRIES



INTERNAL AUDIT

The 2015/16 financial year has been a transitional period for internal audit.

As forecast in 2014/15, internal audit has now been incorporated into a new Risk & Audit Unit comprising risk management (including work health & safety), insurance and claims. This has enabled the further development of an enterprise risk management framework from which a risk-based audit program is to be implemented.

Development of an enterprise risk management framework commenced during 2015/16 and is expected to be materially implemented by June 2017. This will enable development of a new Risk Based Internal Audit Program that we expect to commence in 2017.

New legislative changes known as the Local Government Amendment (Governance & Planning) Bill 2016 were adopted by the NSW Parliament in August 2016. These changes relate to the mandatory requirement for Council to establish an Audit, Risk and Improvement Committee with expanded responsibilities from those outlined in the prior Internal Audit Committee Guidelines issued by the Office of Local Government. In anticipation of these changes, the Audit Committee has met less frequently than usual over the year having met three times in the financial year to deal with their responsibilities under the Office of Local Government Internal Audit Committee Guidelines (2010).

During 2015/16, the adopted Internal Audit Program, covering the three (3) year period 2014-16, was completed with the finalisation of the Major Infrastructure Projects internal audit in June 2016.

Development of a new Internal Audit Program has been deferred to enable:

- establishment of a new Risk and Audit Unit (which commenced in February 2016)
- development of an enterprise risk management framework (which also commenced in February 2016), and
- accommodation of legislative changes affecting the internal audit function.

In addition to completing the 2014-2016 Internal Audit Program, internal audit performed other activities which resulted in improved accountability, efficiency and effectiveness of Council operations. These activities included:

- reviewing Independent Commission Against Corruption (ICAC), Office of Local Government reports and other relevant information for improvement considerations within Council
- developing and implementing an improved and corporate system for the recording, follow up and reporting of internal audit recommendations
- provision of ethical, corruption prevention and probity advice
- acting as a conduit between departments to improve efficiency and understanding of operations and customer service
- assisting with the development & implementation of an enterprise risk management framework
- representing Council at the NSW Local Government Internal Auditors Network with respect to internal audit issues and current concerns within NSW Local Government including presenting submissions to the Office of Local Government, and
- preparation for the legislative changes affecting internal audit and anticipated further guidelines.

It is anticipated that the 2016/17 year will result in the following changes to internal audit within Council:

- capacity to construct a risk-based Internal Audit Program
- consultation with the Auditor General in relation to liaison between their new role performing the external audit and performance audits of Council and internal audit
- establishment of a new Audit, Risk and Improvement Committee based on the legislative requirements and upcoming Office of Local Government Guidelines
- provision of induction and ongoing support to the Audit, Risk and Improvement Committee to ensure that all their responsibilities are completed.

STRATEGIES AND CIVIC LIFE

Our primary strategies form the central part of our Community Strategic Report. These strategies are at the core of achieving our community vision and desired futures, and are integral to achieving all outcomes. The relationship between the Community Strategic Report, the Delivery Program (which incorporates the Operational Plan) and the Annual Report is detailed on page 4.

This section is the 12-month report on achievements on the 2015/16 Operational Plan under the Integrated Planning and Reporting requirement of the Local Government Act 1993 and the Local Government (General) Regulation 2005. It is an update on progress towards objectives between 1 July 2015 to 30 June 2016 (the third year of the four-year Delivery Program):

- progress towards objectives is measured through a series of performance indicators/targets contained within the program document.
- the majority of objectives are being met, with 125 targets measuring >90% progress, 25 measuring 50%-89% progress, none less than 50%, and 23 not commenced or cancelled.

Performance on key activities, programs, projects and works is colour coded:

Performance Status	Progress to Annual Target	Key
Achieved / Acceptable	>90%	✓
Alert / Review conditions	50% - 89%	!
Alarm / Unacceptable	<50%	✘
Not commenced / Cancelled	0%	-

The selection of the current status is based on a pro-rata assessment of project/program completion and the level of budget expended.

A glossary of many of the terms used in this section is available on page 228.

■ Strategy 1. Provide effective and integrated infrastructure.....	38
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At the 2016 Australia Day Citizenship Ceremony



STRATEGY 1:

PROVIDE EFFECTIVE AND CRITICAL INFRASTRUCTURE

Infrastructure which supports our neighbourhoods, our economy, our leisure pursuits and future communities. This includes the provision of appropriate and well maintained building for community use, and construction and maintenance of critical infrastructure such as roads, footpaths and drains. Infrastructure which protects our environment and connects and strengthens our communities.



Captain Cook Drive at Woollooware

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016: activities, programs, projects and works	Performance measures 2015/16	Status	Achieved at 30 June 2016	Commentary
1.1 Roads	\$16.5 m to undertake construction and annual maintenance programs on: <ul style="list-style-type: none"> roads bridges footpaths traffic management and pedestrian safety cycleways presentation of public spaces shopping and business centres. 	Annual project schedules:	✓	Roads: 76% complete 30 June 2016.	202 total works. 184 complete. 3 deferred. 2 pending.
		<ul style="list-style-type: none"> 80% complete by 30 June 2016 100% complete by 31 August 2016 	✓	Bridges: 91% complete 31 August 2016	
		Planned maintenance 100% complete	✓	99% planned maintenance complete	On target
		85% reactive maintenance complete within service standard	✓	99 % reactive maintenance completed	
1.8 Buildings	\$5.53 m to undertake construction and annual maintenance programs on: <ul style="list-style-type: none"> leisure centres community buildings public toilets emergency services facilities. 	Annual project schedules:	✓	Leisure Centres: 84% complete at 30 June 2016.	69 total works. 63 complete. 4 pending. 2 deferred.
		Leisure Centres: 80% complete by 30 June 2016 Community buildings: 100% complete by 31 August 2016		Community buildings: 91% Complete at 31 August 2016.	
		Planned maintenance 100% complete	!	87% of planned maintenance completed	
		85% reactive maintenance complete within service standard	✓	79% of reactive maintenance completed within acceptable service standard.	
1.9.1 Open Space, Sporting and Recreational facility	\$13.6 m to undertake construction and annual maintenance programs on: <ul style="list-style-type: none"> parks playgrounds passive reserves sporting fields wharves and jetties. 	Annual project schedules:	!	Parks: 60% complete by 30 June 2016	85 total works. 51 complete. 17 pending - significant value projects subject to approvals. 5 External. 1 deferred.
		Parks: 80% complete by 30 June 2016, and Playgrounds: 100% complete by 31 August 2016		Playgrounds: 60% Complete by 31 August 2016	
		Planned maintenance 100% complete	✓	100% planned maintenance complete	
		85% reactive maintenance complete within service standard	✓	96% reactive maintenance complete within service standard	

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016: activities, programs, projects and works	Performance measures 2015/16	Status	Achieved at 30 June 2016	Commentary
1.11 Sustainable Stormwater Management and Drainage and Estuary Management	\$1.96m to undertake stormwater quality improvement measures and annual maintenance programs on: <ul style="list-style-type: none"> stormwater management and drainage estuary management. 	Annual project schedules: Stormwater management and drainage: 80% complete by 30 June 2016 Estuary management: 100% complete by 31 August 2016	✓	Stormwater management and drainage: 90% complete by 30 June 2016. Estuary management: 90% complete by 31 August 20	67 total works 60 completed
	Planned maintenance	1% increase in the area of the Shire serviced by stormwater quality improvement measures from 2014/15 baseline 1% increase in watercourses rehabilitated under the Watercourse Rehabilitation programs from 2014/15 baseline	- ✓	0% increase 0.6% increase	No projects identified for 15/16 5 Water courses totalling 1km
	Adoption of Floodplain Risk Management Studies and Plans including: <ul style="list-style-type: none"> Gwawley Bay Lower Georges River Kurnell Township Sea Level Rise Benchmarks and Policy. 	7.5% increase in area of Shire where floodplain risk management studies and plans have been adopted	-	0% increase	As resolved by Council, the draft Sea Level Rise Benchmarks and Policy was on exhibition in May-June 2016. A report will be submitted to Council to provide outcome of the exhibition and to adopt the Policy. The Floodplain Risk Management Studies will be revised considering new Sea Level Risk Policy & benchmarks and adoption by Council expected in early 2017.

*Indicates a multi-year project
Achieved/acceptable (> 90%)
Not commenced/cancelled (0%)

Alert/review conditions (50-89%)
Not commenced/cancelled (0%)

STRATEGY 2:

DELIVER INTEGRATED TRANSPORT OPTIONS

Providing effective and safe transport service options that enable us to get to, from and around the Shire. Options that provide flexible and responsive services, integrated modes and opportunities to get around on foot and by bike. Transport modes that connect the Shire to the rest of Sydney and the Illawarra, will provide for our residents and people travelling through the area.



Bike rack at Sutherland

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
2.1 Develop a Transport Strategy which aligns with the NSW State Plan and facilitates broader integrated transport in conjunction with land use planning	Commission, produce and finalise the Integrated Transport Strategy	Transport Strategy produced and adopted by March 2016	!	The preliminary draft report received from the consultants is being reviewed and revised	Timing of public exhibition of final draft report on hold pending review of Councils strategy framework and the revision of the report.
2.2 Lobby Federal and State for key infrastructure funding to support all transport options	Lobby State Government on identified issues: <ol style="list-style-type: none"> Road Corridor Strategy for Heathcote Rd (traffic safety) Gannons Road rail bridge widening Direct bus services to and from Sydney Airport Sutherland to Cronulla Bicycle/Shared Pathway Additional commuter car parking at railway stations. 	Lobbying undertaken on at least four key issues	✓	<ol style="list-style-type: none"> Minister announced major improvements for Heathcote Road between Princes Highway and New Illawarra Road. Ongoing representations to Sydney Airport Corporation Limited. Including in forward planning subject to completion of new bus interchange at the airport. Sutherland to Cronulla Active Transport Link (SCATL) strategic design placed on Public exhibition by Transport for NSW (TfNSW). Ongoing liaison with TfNSW for investigation of prospective locations for community car parking. Lobbied for new bus service for Taren Point. Lobbied for grant funding and remediation works to Woolooware Bay Foreshore shared pathway. Lobbied for ferry service La Perouse to Kurnell. 	<ol style="list-style-type: none"> As noted. TfNSW announced commitment to direct bus service from Shire to airport. Council's preferred route for SCATL adopted by TfNSW with business case prepared to Minister for determination. New community car parking in the rail corridors at Engadine and Heathcote has been announced. TfNSW announced new bus service linking Taren Point and Woolooware Bay to Caringbah and Miranda. RMS undertook remediation and provided \$1.8 million grant funding towards project the Woolooware Bay Foreshore shared pathway. Preliminary feasibility and community consultation completed by TfNSW towards a ferry service La Perouse to Kurnell.

STRATEGY 3:

CONSERVE NATURAL RESOURCES

Our natural resources are both precious and finite. Their wise use now will not only ensure their availability for our use but also for generations to come. Finding solutions that achieve emergency conservation in our activities is critical. A holistic approach – individual, business and agency – is critical to achieving this.

Wastewater recycling

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
3.1 Implement Energy and Water Efficiency Strategy	Consumption of energy and water usage across Council sites tracked on ongoing basis and reported annually	Report consumption and tracking of improvements annually	✓	Completed.	Consumption and improvements reported to Council via Councillor Bulletin
3.2 Energy and water efficiency projects funded by Council and grants (where available)	Energy efficiency upgrades	% of scheduled projects completed	✓	75% of scheduled projects completed	6/8 projects complete

*indicates a multi-year project

Achieved/acceptable (> 90%)
 Alert/review conditions (50-89%)
 Not commenced/cancelled (0%)



STRATEGY 4:

PROTECT OUR ENVIRONMENT

The natural environment of the Sutherland Shire is treasured by residents and visitors alike. It adds to the amenity of the Shire and for many people is the key factor which makes living here so enjoyable. Mitigating the effects of our activities in each domain of Shire life is critical to ensuring its ongoing viability and protection.

New tree-planting

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
4.1 Timely, effective domestic waste collection services	Provide timely and effective household waste service within service standard time	≥ 90% of customer requests relating to waste services are actioned within service standard	✓	96% of CRMSs completed within service standard	
	Conduct annual program of household chemical and e-waste collection services	2% increase in volume of e-waste diverted from landfill compared to 2014/15 baseline	✓	E-waste programs conducted, 68% increase in e-waste retrieved	E-waste Collection - 4,100 cars visited and 130 tonnes retrieved. 8% increase in cars and 68% increase in e-waste retrieved.
		2% increase in volume of chemical waste diverted from landfill compared to 2014/15 baseline	✓	Chemical collection programs conducted - 12% increase in chemicals retrieved	Chemical Collection - 5,310 cars visited and 207 tonnes retrieved. 4% increase in cars and 12% increase in chemicals retrieved.
4.2 Responsible, ethical waste management that promotes practices which minimise waste	Waste collection service which encourages waste diversion from landfill	Increase landfill diversion rate from the 2012/13 rate (51%) toward Environment Protection Authority's 2021 target of 70%	✓	53% landfill diversion achieved	Currently no Alternate Waste Treatment (AWT) plants operating within vicinity of Sutherland Shire Council. This is expected to change in 2019/20 when Suez (Lucas Heights RRP) plans to implement a new AWT plant.
	Conduct Waste Wise Living workshops	Annual customer (participant) satisfaction rating ≥ 7	✓	96% participant satisfaction rate ≥ 7.	19 workshops conducted.
4.3 Introduce and administer strategies and programs to replace lost trees	Implement major tree-planting programs on Council land	100% of major tree-planting programs implemented	✓	17 planned projects completed (100%)	Approximately 3,000 trees planted.
	Maintain resident tree issue program	Change from previous year in no. of trees issued to residents (total number issued in 2015/16)	✓	2015 Issue: 7,413. 2016 Issue: 9,709. Increase of 2,296	
	Regulate tree-planting program on private property	Median determination time of: ≤30 for tree removal applications	✓	27 days median determination time	

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
4.4 Enforce compliance with laws and regulations to ensure quality of noise, air, water and land pollution	Investigate incidents of air pollution	no. of investigations conducted compared to 2013/14	✓	111 Air pollution complaints, 188% increase on 2013/14 benchmark (59 complaints in 2013/14)	235 noise pollution complaints, 132 water pollution complaints.
	Conduct audits of commercial and industrial premises	% of total inspections for commercial and industrial premises with a Satisfactory or Minor issue (non critical) inspection results	✓	A total of 42 industrial premises audited.	
	Registered businesses inspected in accordance with their respective annual inspection programs	100% completion rate for all registered premises inspection programs	✓	100% completion rate for all registered business premises in accordance with NSW Food Partnership Agreement.	
4.5 Local community groups, business, industry and residents in initiatives which protect and/or enhance the environment	Manage ongoing Bushcare Program	Change from previous year in no. of active volunteers (total number of volunteers in 2015/16)	✓	91 additional volunteers compared to 2014/15	3 new Bushcare volunteer groups commenced.
		Change from previous year in annual total hours of Bushcare regeneration (total hours of regeneration work 2015/16)	✓	Total of 17,243 volunteer hours in 2015/16	Hours stated reflect volunteer hours only.
	Continue Greenweb Program and Greenweb Schools	Annual % increase of participating properties and schools (baseline 2002)	✓	Increase of 18 participating properties since 2014/15. Same number of schools participating as last financial year. Annual % increase in participating properties and schools in Greenweb Program for the 2015/2106 financial year is 10.9% (baseline 2002).	10 properties exited the program during 2015/16 while 28 new properties joined. 16 schools participated in 'Schools in Greenweb' (same no. as last year, but there were several different schools). 602 properties participating in 2015/16 financial year. 2002 baseline no. of properties was 165. 16 schools participating in Greenweb activities.
	Maintain or improve quality of Shire waterways through the Stormwater Improvement Program	At least 70% of Shire waterway sites rated in excellent to fair condition	✓	A total of 25 sites were monitored monthly for a range of parameters. 21 out of the 25 sites were rated in excellent to fair condition. Overall percentage (%) of sites in excellent to fair condition 84%.	



Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
4.6 A local planning framework that upholds the Shire's character	Provide an effective development assessment process	No. of development assessment determinations % of development applications approved	✓	2,133 applications finalised. 98.6% of applications were approved, 21 development and 10 modification applications (that is 1.4% of total Applications) were refused.	The total applications finalised (2,133) comprised of 1,705 development applications and 428 modification applications. Construction value of developments approved was \$1.7 billion.
		Median determination time of: 50 days for residential (simple) applications 90 days for project (complex) applications	!	Median determination times: Residential (simple) applications was 55 days Projects (complex) applications was 98 days	
		Maintain a weighted customer response score of ≥ 90 in customer surveys	-	N/A	Due to a review of survey usage across Council this key performance indicator (KPI) is currently on hold.
4.7 Building Certification Services	Provide a service that meets the needs and expectations of its customers	Maintain an average turnaround time not exceeding 20 days for complying development certificate applications	✓	The average turnaround time for complying development certificates was 18 days	

STRATEGY 5:

STRENGTHENING OUR COMMUNITY

Facilitating community connections and providing the social services to support the people who make up the Sutherland Shire community is fundamental to our quality of life and success in all domains of Shire Life. Making sure people feel safe to live, work and enjoy the Shire and their life is part of strengthening our social fabric.



Port Hacking Community Centre

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
5.1 Quality and responsive Early Childhood Education and Care	Operate and manage 11 Early Education and Care Centres; OOSH; Vacation Care; and a Family Day Care scheme Manage Family Day Care Scheme	% of staff that reported that they would recommend working in children's services (baseline)	✓	81.11% satisfaction rating recorded 95.83% of staff surveyed, reported that they would recommend working in Council's children's services.	A formal survey was conducted in December 2015 which provided the results. A further survey will be undertaken later this year.
		% of parents who reported an increase in their wellbeing from their involvement in Council's quality responsive Early Education and Care services (EEC) (baseline)	✓	89.77% satisfaction rating recorded. 66.36% of families surveyed reported an improvement in their own wellbeing or parenting skills	As above
		% of parents who reported that their children benefit from being enrolled in children's services quality responsive Early Education & Care programs (baseline)	✓	90.9% of families surveyed reported they found an increase in child's wellbeing and development	As above
5.1 Quality and responsive Early Childhood Education and Care (cont)		Achieve a rating of meeting or above under the National Quality Standards (NQS) for all services	✓	All 11 Early Education Centres have been assessed under the NQS. 10 centres have received a rating exceeding the NQS and 1 meeting the NQS. Family Day Care is rated as meeting the NQS. From the three vacation care services, two are rated as meeting & one is yet to be assessed. Before and After School Care (MOOSH) has recently been assessed, we are awaiting the results.	
		% of identified groups (NESB, ATSI, Disability, Vulnerable) accessing the services provided by children's services in comparison to population data.	✓	NESB - 1.46% in services, compared to 1.20% in population ATSI - 0.33% in services compared to 0.83% in population Disability - 1.74% in services compared to 3.50% in population Vulnerable - 0.51% in services	Stats compared to 2011 Profile ID data, no population data available to compare to disability or vulnerable families.

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
5.2 Training to build the capacity of Early Childhood professionals and parents	Provision of professional learning for early childhood educators and training for families	% of families who reported an increase in their parenting skills and knowledge as a result of their involvement in training offered by children’s services (baseline)	✓	Overall satisfaction rating 9+ Numerous programs/activities with number of participants ranging from 5-350+. Workshops include: asset based community development, child protection, grant writing skills, and social media. 200 participants ‘Unlocking the Genius Within’ (youth mental health) High satisfaction levels	
5.3 Community initiatives which respond to local social issues	Plan and develop capacity building programs with residents	% of customers (community) surveyed who reported an increase in wellbeing as a result of the programs delivered (baseline)	✓	Overall satisfaction rating 8+ Numerous programs/activities with number of participants ranging from 5 - 200+	\$50k Department Justice Grant to address graffiti in Caringbah Laneway high satisfaction with local business \$55k disaster resilience project completed on time and to budget. High satisfaction levels from Kurnell residents involved in social support programs following December tornado.
		Annual customer (community organisation) survey satisfaction rating ≥ 7	✓	9+ satisfaction rating with Seniors’ Directory 9+ satisfaction rating with Know Your Options Workshop NSW FACS Survey – 100% Agree or Strongly Agree satisfaction criteria High satisfaction with Liveability Workshops	Demand for Seniors Directory greater than supply (5,000). Additional 5,000 ordered New approach building strong partnerships to address homelessness Highly responsive and effective approach to graffiti problems.

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
5.4 Community events held both locally and Shire wide that encourage local economic activity	Conduct community-based events and promotions, including Spring festival, Easter show, Christmas, Mothers' day, and three school holiday programs	At least 7 key events and promotions conducted within budget	✓	13 events held between July 2015 and June 2016 all within budget.	
		100% of key events and promotions at or above target participation levels	!	11 out of the 13 events achieved at or above target participation levels	
	Support and facilitate the staging of industry led initiatives and events aimed at increasing engagement with and between local businesses	Annual client (business network) Satisfaction rating of ≥ 7	✓	Satisfaction rating of 7.8 achieved	Community Satisfaction: We're Listening Survey November 2015.
	Develop capacity of community and business organisations to deliver economic development focussed activities and events	Increase in % of events delivered by community and business organisations	✓	3 events conducted by external community and or business groups	
	Monitor and respond to trends and changes in the local economy support and encourage growth in Shire's economic sectors	Tailored programs and responses provided to all key economic sectors	✓	Two major events held that included network and promotional opportunities for the six key economic sectors	Business Networking Events held November 2015 and May 2016
	Utilise revised Visitor Accommodation Report to inform council decision making on development opportunities	Identified priority sites for visitor accommodation reported to Council	✓	The Visitor Accommodation Report was endorsed by Council in February 2016	
	Deliver an Economic Development Strategy to maximise opportunities to promote business growth	Economic development Strategy actions developed and implemented in accordance with approved timeframes		Not completed	Pending outcome of current Economic Development Review.

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
5.5 Initiatives which support the local economy and tourism (cont)	Facilitate the development of small business in the Shire	Number of SSHED (business incubator) graduates in past five years and percentage who are still in active business operation	✓	21 SSHED businesses have graduated from the SSHED Program since July 2010. 13 are still in operation.	Council resolved to exit the SSHED 20 June 2016; as such, this performance measure is no longer relevant.
5.6 Community facilities and spaces for neighbourhood and Shire wide community and small business activity	Facilitate economic development opportunities at a variety of locations throughout the Shire	% small businesses who report that that are satisfied with the variety of locations where economic development activities are conducted	✓	Satisfaction rating of 7.8 achieved	
	Manage community halls and spaces for local groups to meet and or operate within	% increase in booked hours in Council managed community halls and open spaces from 2014/15 baseline	✓	Increase of 5.98%	
		5% increase in revenue from Council managed community halls and open spaces	✓	Increase of 9.91%	
	Commercial property - maximise return from Council's Property Fund	At least 6% rate return on the value of commercial property	✓	Return on commercial property of 8.56% achieved for 2015/16 financial year	Value of Council's commercial property portfolio increased by 6.98% over the year.
5.7 Quality and responsive library services and spaces	Library services that match community use demands	Annual customer (participant) satisfaction rating >7	✓	Satisfaction rating of 9.8	Customer Service: We're Listening Survey November 2015
		Significance assessment of local studies collection 100% completed	✓	Outcomes from Assessment achieved: MOU between Library and Sutherland Shire Historical Society (SSHS) implemented; Library's custodianship of SSHS records completed and records returned to the Society; Shire Pictorial digitisation project commenced.	Significance Assessment internal document - Public Performance Measures not relevant.
	Library spaces and facilities that encourage participation by diverse groups	% of customers surveyed who reported an increase in wellbeing from their involvement in Council's library services	✓	80% customers reported an increase in their wellbeing	Customer Service: We're Listening Survey, November 2015

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
5.9 Local emergency services to prepare for, respond and manage natural disasters	Meeting the obligations in accordance with Endorsed Council Report (FIN30-14 dated 19/08/2013) as required by the State Emergency and Rescue Management Act 1989	100% compliance with the Sutherland Shire Disaster Plan (DISPLAN) and responsibilities as the Local Emergency Management Officer (LEMO)	✓	100% compliance achieved	Council received funding for the Disaster Resilience Project during 2014/15. This project achieved a number of important outcomes, including: development of partnerships with local emergency services and service providers, extensive communications and marketing and educational initiatives. Council is also progressing as planned for the development and implementation of the EM Plan.

*indicates a multi-year project

Achieved/acceptable (> 90%)



Alert/review conditions (50-89%)



Not commenced/cancelled (0%)



STRATEGY 6:

RESPECT AND VALUE ALL HERITAGE AND CULTURE

Natural, manmade, historical and diverse people's culture and heritage – it is all part of what enriches the Sutherland Shire and makes it unique. Valuing it in our individual and corporate actions is essential to its appreciation and celebration now and well into the future.



Hazelhurst
REGIONAL GALLERY & ARTS CENTRE

Council's regional gallery and arts centre at Gymea

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
6.1 Local cultural, art and entertainment opportunities	Provide exhibitions, events, classes and venue hire at Hazelhurst Regional Gallery & Arts Centre	Minimum of 150,000 visitors to Hazelhurst per annum	✓	Annual number of visitors; 210,412	Considerable growth with some high profile exhibitions, well attended programs and increased enrolments
		A minimum of 550 enrolments on art classes per term	✓	An average of 638 students per term	Total student enrolments was 2554 (6186 incl. school holidays & master classes)
		A minimum of 85% of customers surveyed that are satisfied with the variety and quality of Hazelhurst's programs and activities	✓	95% of customers surveyed that are satisfied with the variety and quality of Hazelhurst Regional Gallery & Arts Centre programs and activities	
	Provide opportunities for the community to enjoy the performing arts as participants and audiences at the Sutherland Entertainment Centre	Redevelopment options of Sutherland Entertainment Centre are reported	!	Business case consultants selected to undertake work in second half of 2015	Council approved a lengthier business case development approach in February 2016
		Minimum 150,000 patrons of Sutherland Entertainment Centre per annum	✓	155,469 attended	It was an extremely busy 40th anniversary year for the Centre
		Maximum net cost per patron to Council of \$3.95	!	Net cost per patron to Council of \$4.40	Net operating subsidy per patron was not achieved primarily due to cost overruns in casual event staffing.
6.2 Grants programs that: * Facilitate a range of arts and cultural activities * Protect & promote heritage	Provision of useful, accessible and timely information to guide funding decisions	Total grant and subsidies funds allocated to community organisations for community development, arts and cultural activities	✓	24 projects in Community Services and Arts Grants total value \$184,279 8 projects Sutherland Shire Council and Toyota Strengthening Local Communities Grants - \$40,000 47 Projects in Club Grants - \$408,140	All grants assessed and awarded in line with budgets and on time.
	Administer heritage building and heritage publication grants	No. Heritage Buildings grants No. Heritage Publications grants	✓	Twelve building grants awarded this year: total value of \$36,162. Two publication grants awarded this year: total value of \$5,757	Heritage grant programs to be conducted January – June 2016. Grants to be fully expended by End of Financial Year.
6.3 Support for community based arts and cultural activities	Assist community groups/ organisations conducting community cultural events	No. of community groups and organisations assisted to conduct community cultural events	✓	41 community events supported through event facilitation (community based arts, cultural and charity events)	

CIVIC LIFE

Essential to carrying out this Delivery Program and Operational Plan is having efficient and effective Council operations that are underpinned by good corporate governance. Sutherland Shire Council has made a number of commitments to the community its staff. These commitments are translated into our everyday work in a number of ways, whether it is through ensuring ethical and transparent decision-making, engaging in meaningful dialogue with our community or managing Council's finances in a sustainable way to ensure the long term viability of the organisation.

Customer service - online animal registrations

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary	
7.1 Strategic Delivery: Outstanding community outcomes that fulfil local needs and expectations	Determine baseline customer Service indicators for face-to-face service points	Baseline customer service indicators developed and implemented across Council's service points	✓	Development of the Customer Service Strategy has been delayed until March 2017; indicators will be developed as part of that process.		
	Manage Integrated, Planning & Reporting (IP&R) program	100% compliance with IP&R planning, monitoring & reporting requirements	✓	100% compliance with IP&R requirements. Engagement Policy review is ongoing. The Performance Management Framework has yet to be developed.		
	The provision of useful and accessible information to guide decision making delivered in a professional and timely manner	Annual customer (Councillor & Executive) satisfaction rating ≥7 (baseline measure set at 2014/15)	-		Due to a review of survey usage across Council this key performance indicator (KPI) is currently on hold.	
	Produce six 'Our Shire' Council newsletters annually	At least 90% annual readership amongst newsletter recipients (as measured by Community Satisfaction Survey)	!	No survey conducted in 2015/16	Six Our Shires produced.	
	Solutions that deliver online and technology services to the community and the organisation	Number of online community interactions		✓	1,228,188 SSC website visits. Monthly average 75,296	
		Online interactions are greater than 30% of total community interactions		✓	Online interactions more than 35% of total community interactions	
Increasing the Value-Add to our Customers - Reducing Financial Expenditure – providing services at a lower price point than the local Government average of 3.6%)			✓	Price point of 3.4%		

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
7.2 Informed Decisions: Decisions and actions based on fact, community engagement and sound judgement	Increase organisational capability to engage with the community	% of customers (staff) reporting professional support increased skills and knowledge to engage with the community	✓	90% of staff undertaking professional training in facilitation and engagement skills reported an increase in skills and knowledge	
7.3 Service Excellence Contemporary, responsive and competitive quality service delivery (cont'd...)	Undertake service delivery review of Council's internal and external service provision	% of scheduled actions completed as outlined within the Fit for the Future Improvement Action Plan	✓	8 completed (15%), 29 in progress (54%), 12 not commenced (22%)	
	Implement Business Process Improvement actions as outlined within the Fit for the Future Improvement Action Plan			The development of the Business Improvement Plan is ongoing.	
	Maintain a financially sustainable organisation	Equal or exceed industry financial benchmarks – unrestricted current ratio & debt service ratio	✓	As at 30 June 2016: Unrestricted Current Ratio: 1.92:1 (benchmark 1.50:1) Debt Service Cover Ratio: 10.65 times benchmark 2.0 times)	Both ratios exceed industry benchmarks demonstrating Council is in a sound financial position and can adequately service debt
	Cash Expense Cover Ratio	✓	As at 30 June 2016: Ratio: 4.54 months (benchmark greater than 3 months)	Ratio exceeds benchmark indicating Council has the ability to meet immediate commitments without additional cash flows.	
	% Ratio of rates, annual interest & extra charges outstanding	✓	As at 30 June 2016: Ratio: 3.56% (benchmark less than 5.0%)	Ratio well below industry benchmark. Council does not pursue eligible pensioners and arrangements under hardship. Excluding these debts from the calculation reduces the ratio even further below the benchmark.	

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
(...cont'd) 7.3 Service Excellence Contemporary, responsive and competitive quality service delivery (cont'd...)	Provide customer service at Council's front counter and over the telephone in a timely manner	Customer service by telephone Average telephone waiting time ≤ 15 secs % answered within 15 secs is ≥ 70% Abandonment rate < 2%	✓	Average waiting time Call Centre: 88.5% answered within 10 seconds. Abandonment rate 0.8%.	
		% Customers who report satisfaction rating of ≥ 7 at Customer Service counter (baseline measure set at 2014/15)	✓	% rating service at 8/10 or above was 95%.	
		Multi-occupancy cleanups (within 2 days ≥ 95% complete) Online animal registration applications (within 2 days ≥ 95%) Email (within 5 days ≥ 95% complete) (baseline measure set at 2014/15)	✓	The majority of applications for clean ups and animal registration are completed on day of receipt, with all completed within 48 hours. All general email enquiries are responded to within 48 hours.	
	Respond to formal access requests for information, in accordance with Government Information (Public Access) Act 2009	100% of GIPA requests processed within the statutory timeframe	!	62.5% of applications processed within required timeframes	
	Continue to provide reliable and efficient recruitment and payroll services	Elapsed weeks to fill open positions compared to sector average (2013 baseline)	✓	5.4 weeks to fill positions compared to the metro median of 14.5 weeks to fill (NSW LG Operational and Management Effectiveness Report FY13)	
		% of pays that are redrawn as total of all payroll runs	✓	0.06% - 47,948 pays drawn – 31 payroll errors	
	Undertake Employee Climate survey	Score of ≥ 7 on "overall satisfaction" on employee climate survey	-	Not applicable	To be undertaken as a component of cultural change program.

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
(...cont'd) 7.3 Service Excellence Contemporary, responsive and competitive quality service delivery (cont'd...)	Ensure a safe workplace	WH&S incidents per 1 million hours worked decreasing	!	From 2014/15 to 2015/16 Injury Frequency Rate (IFR) has increased 65%	There was an increase in IFR from 140.29 to 232.17 per 1 million hours worked. This may be due to an initiative to increase WH&S reporting as the number of workers compensation claims only increased by 6%.
		Workers compensation claims incident rate per 100 workers is decreasing	!	From 2014/15 to 2015/16 Workers compensation claims incident rate increased 9% per 100 workers	There was a slight decrease in workers compensation claims from 3.78 to 3.15 per 100 workers. However claims cost have decreased by 66%
		Lost time injury rate (LTIFR) is decreasing	✓	From 2014/15 to 2015/16 LTIFR decreased by 8%	There was a decrease in the LTIFR from 22.15 to 20.28 per 1 million hours worked. There was an overall decrease in the number of lost time injuries by 10% and the average time lost per claim decreased by 67%.
	Implement Equal Employment Opportunity (EEO) Management Plan	% of staff who agree that they understand Council's EEO and FWP (Fair Workplace) policies and practices (measured by the 2016 Employee Climate Survey)	-	Not completed	2016 Employee Climate Survey is not being conducted.
		% of staff who reported an increase in knowledge and skills following completion/participation in a specific EEO / FWP Program	✓	3 of 4 trainees reported 100% increase in their knowledge. 1 of 4 reported 90% increase in their knowledge. No staff programs conducted.	

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
7.3 Service Excellence Contemporary, responsive and competitive quality service delivery (cont.)	Provide programs which promote equal employment opportunity for women, youth under 25, people with disability, and Aboriginal and Torres Strait Islander people	% of staff who reported an increase in knowledge and skills following completion/participation in a specific EEO / FWP Program	✓	SPRINGBOARD Satisfaction levels of an increase in knowledge and skills of 80% and higher	5 out of 6 mentees rated 10 out of 10 to recommending Springboard to other council employees and the 6th gave 9/10. 100% of mentees felt supported by their mentor. 100% of employees felt they had experienced a change in their personal behaviours. 5 out of 6 mentees rated 10 out of 10 to their satisfaction levels in participating in Springboard and the 6th gave 8/10.
		% of identified position trainees who reported an increase in knowledge and skills at specific stages through their traineeship	✓	3 of 4 trainees reported 100% increase in their knowledge. 1 of 4 reported 90% increase in their knowledge	
		Completion rate of identified position traineeships	✓	4 of 4 continuing their traineeship within this timeframe	
		% of identified position trainees that secure permanent employment with council following completion of traineeship	✓	4 of 4 continuing within this timeframe 0 have finished their 2-year traineeship period	
	Assist management and employees adhere to the Fair Workplace (FWP) Policy and Resolution Procedures through education and support	% of contacts received relative to number of employees	✓	19 people contacted FWP Coordinator. 0.01% relative to number of employees.	Of the 19 contacts the majority were for support in the workplace versus a FWP formal complaint.
		% of Fair Workplace grievances substantiated relative to number of employees	✓	1 of the 19 required formal investigation 0% not substantiated	
	Undertake Internal Audit program in accordance with Internal Audit Committee's requirements	100% of program completed	✓	100% of Audit Program completed.	Audit program complete. New audit program to be developed in conjunction with the introduction of a new Internal Audit Committee.

Four Year Delivery Program 2013/14 – 2016/17	Annual Operational Plan actions 2015/2016 - Activities, programs, projects and works:	Performance Measures 2015/16	Status	Achieved at 30 June 2016	Commentary
7.3 Service Excellence Contemporary, responsive and competitive quality service delivery (cont.)	Uphold and enforce our local planning laws and regulations through legal action where required	<no.> of legal actions <%> of successful prosecutions	✓	140 legal actions. 89 successful prosecutions	Legal actions includes all court litigation including LEC Class 1 appeals. Prosecutions are Local Court only (with the exception of a current undetermined LEC Class 5 prosecution)
		<no.> of investigations, notices and orders	✓	Investigations 2120 Notices 96 Orders 116	
	Undertake to provide legal advice in an efficient manner	<no.> of matters completed <no.> of matters received <no.> of matters current	✓	394 matters completed. 424 matters received. 339 matters outstanding.	1 Planning laws and regulations Local Court total 115 PLUS Land and Environment Court total 25 (16 new + 9 existing) Local Court successful prosecutions 89 2 legal advice New matters received: 317 Matters finalised: 310 Current 206 Real property: New matters received: 107 Matters finalised: 84 Current matters 133

END OF TERM REPORT

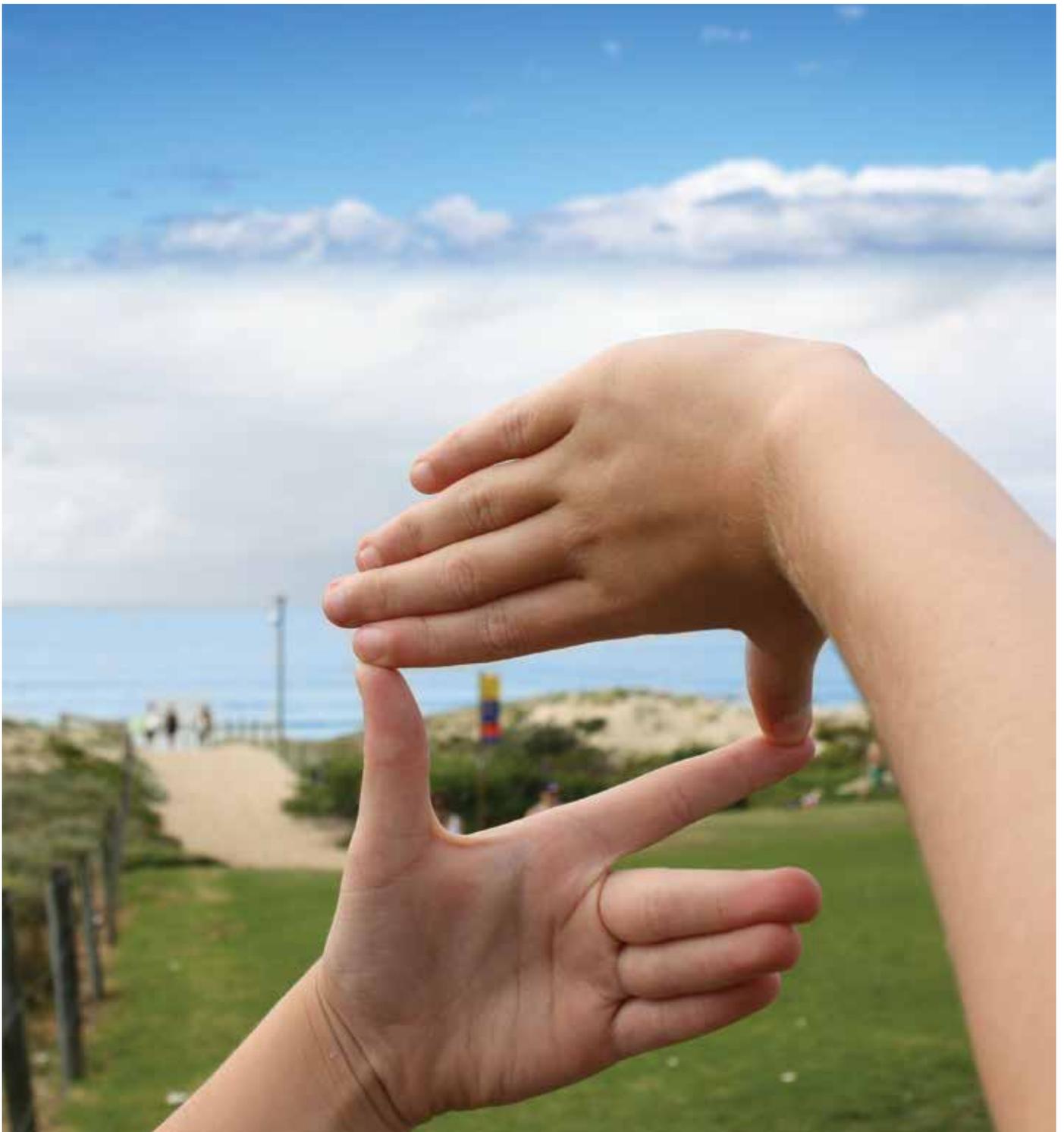
Under the Local Government Act 1993, the annual report in the year in which an ordinary election of Councillors is to be held must also report as to the Council's achievements in implementing the community strategic plan over the previous four years.

As the next local government election for Sutherland Shire Council was scheduled for September 2016, this year's annual report contains the End of Term Report.

Stage 2 works on Captain Cook Drive, Woollooware

2012-2016 END OF TERM REPORT

Sutherland Shire
COUNCIL



OUR SHIRE OUR FUTURE

Sutherland Shire, in Sydney's south, shaped by bays, rivers, beaches and national parks. A connected and safe community that respects people and nature, enjoying active lives in a strong local economy.



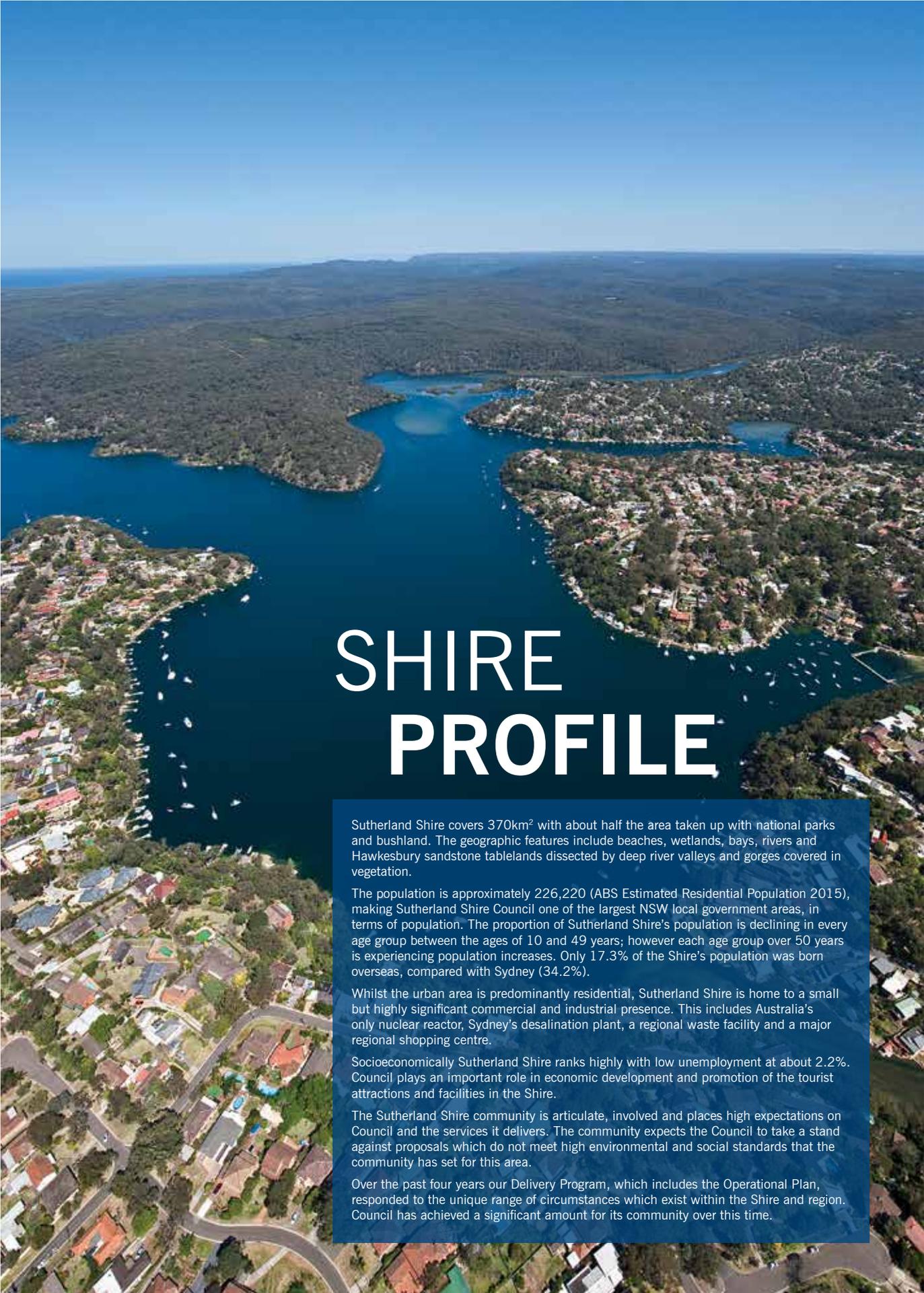
INTRODUCTION

This End of Term Report explains the long-term progress on achieving the community objectives of 'Our Shire, Our Future, Our Guide for Shaping the Shire to 2030' specifically over the last four years from 2012 to 2016. The first community strategic plan was adopted by Council in 1999 and subsequently reviewed in 2007 and then in 2011. It is based on the aspirations, knowledge and ideals that were expressed by those who participated in an engagement process.

Council has taken a lead role in its implementation; however the guide is beyond the scope of local government and achieving the aspirations of the plan requires a partnership. The results displayed in this report can be attributed to all levels of government, community groups, businesses and individual citizen involvement.

Both our individual and organisational decisions and actions have affected or impacted on aspects of Shire life and ultimately the results contained in the End of Term Report.

The community outcomes contained in this report record the achievements of everyone across the Shire in helping to achieve our community vision of 'being shaped by bays, rivers, beaches and national parks and to be a connected and safe community that respects people and nature, enjoying active lives in a strong economy'. In some results the last data recorded was in 2012 as part of Council's Neighbourhood Interaction and Participation Survey. A new version of this survey will be developed as part of the next Community Strategic Plan that will be started in late 2016 under a new Council. The broader community will have many opportunities over the next 18 months to provide input and feedback into the new Strategic Plan for Sutherland Shire that will be adopted by Council in mid 2017.



SHIRE PROFILE

Sutherland Shire covers 370km² with about half the area taken up with national parks and bushland. The geographic features include beaches, wetlands, bays, rivers and Hawkesbury sandstone tablelands dissected by deep river valleys and gorges covered in vegetation.

The population is approximately 226,220 (ABS Estimated Residential Population 2015), making Sutherland Shire Council one of the largest NSW local government areas, in terms of population. The proportion of Sutherland Shire's population is declining in every age group between the ages of 10 and 49 years; however each age group over 50 years is experiencing population increases. Only 17.3% of the Shire's population was born overseas, compared with Sydney (34.2%).

Whilst the urban area is predominantly residential, Sutherland Shire is home to a small but highly significant commercial and industrial presence. This includes Australia's only nuclear reactor, Sydney's desalination plant, a regional waste facility and a major regional shopping centre.

Socioeconomically Sutherland Shire ranks highly with low unemployment at about 2.2%. Council plays an important role in economic development and promotion of the tourist attractions and facilities in the Shire.

The Sutherland Shire community is articulate, involved and places high expectations on Council and the services it delivers. The community expects the Council to take a stand against proposals which do not meet high environmental and social standards that the community has set for this area.

Over the past four years our Delivery Program, which includes the Operational Plan, responded to the unique range of circumstances which exist within the Shire and region. Council has achieved a significant amount for its community over this time.



Cr Carmelo Pesce - Mayor

MAYOR'S MESSAGE

I am pleased to introduce this End of Term Report, which summarises the achievements of the four-year term of Sutherland Shire Council. This has been a successful term for Council and I am pleased that Council was identified as 'Fit for the Future' financially and is not being required to amalgamate.

Guided by our Community Strategic Plan, we made decisions through active citizenship and responsible leadership that have benefitted the way we live, work and enjoy the Shire. We have planned sustainably for the future – which will grow our economy and preserve and enhance our lifestyle.

The completion of the multi-million dollar synthetic playing surface at Kareela has provided the community with a first-class facility, as has The Ridge Golf Course. Council has completed significant improvements to Anzac Oval at Engadine; Albert Delardes Reserve, Illawong; and Prince Edward Park, Woronora. Council has begun a \$4.6 million boating and waterways infrastructure program that will see many of the Shire's wharves and boat ramps improved or rebuilt.

The Greenhills Skate Park has already become incredibly popular with our community's youth and families.

Council has built and upgraded Woronora, Kurnell, Bundeena and Menai Rural Fire Service stations as well as surf life saving club buildings at the four Bate Bay beaches, and has overhauled our animal shelter at Taren Point.

In the wake of the December 2015 tornado destruction at Kurnell, the community came together with Council to support residents. I am thankful for the generosity demonstrated in the hugely successful Mayoral Charity Appeal and the efforts of our emergency services and Council staff involved.

December 2015 also signalled 10 years since the Cronulla Riots. Thanks to the vigilance of our local police, any acts to instigate violence were stopped before they had a chance to begin.

Through two strategies – the new Local Environmental Plan (LEP) and Development Control Plan (DCP) - we have planned for the changing needs of our community including housing density changes.

I thank the Mayors and Councillors who have served the Sutherland Shire over the last four years and the talented and dedicated staff at Council who have worked with the elected Council to serve the community.





Scott Phillips

GENERAL MANAGER

Over the past four years this Council has seen structural change and widespread efficiencies. These have resulted in cost savings for Council and enabled improved levels of service for the community. Each new Council brings with it new strategies and priorities, and I am pleased to say that our staff have responded well to the direction set by the 2012–2016 Council.

A key direction for this Council was to focus on its core responsibilities and the need to change the approach and service level in parts of the organisation. During this term we have met this challenge while achieving the goals set out in our Community Strategic Plan.

In parallel, the NSW Government has changed its direction relating to the way Councils operate. Part of the process has been identifying Councils that should amalgamate through the 'Fit for the Future' reform program. Sutherland Shire Council has been declared 'Fit for the Future' and therefore will remain as a stand alone Council.

I thank Councillors and staff for their ongoing commitment to strengthen our organisation and deliver projects and services for our community.

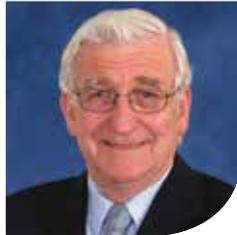


COUNCILLORS HIGHLIGHTS



A – Cr Carol Provan

Council has been able to deliver a financial performance which allowed us to be rated as 'Fit for the Future'. We have delivered an Local Environmental Plan which has taken in the competing views of the State Government requirements and community expectations. I have taken a particular interest in the development of the plan to rejuvenate Cronulla mall and progress the redevelopment of some of the older buildings in A Ward.



A – Cr Kevin Schreiber

Cronulla is the tourist centre of the Shire; Council has achieved many goals for residents and visitors by upgrading the Esplanade and new lifeguard facilities along the Bate Bay beaches, as well as improvements and community involvement in the Cronulla precinct. We have worked closely with the communities of Maianbar and Bundeena to ensure they receive Council support. I am proud of our work with the residents of Kurnell and the support showed by the Shire community.



A – Cr Scott Williams

It has been an honour and a privilege to be part of this Council, representing A Ward and the broader Shire. I have especially enjoyed working with the Bate Bay surf clubs, the Cronulla Chamber of Commerce and the Shire's business community. I am proud of this Council's responsible fiscal management and the abilities of the committees I have led to deliver infrastructure projects. To be classed as 'Fit for the Future' was a significant achievement and a positive outcome for all Shire residents.



B – Cr Kent Johns

The review of Council's operations saw significant savings. Record spending on street beautification works included additional street trees over the past three years. Council provided a new FIFA grade Kareela soccer facility. New voluntary planning agreements delivered over \$15M in community parks, community facilities and road upgrades. Greenhills skate park was completed. Additional storm water and pollution control measures were put in place across the Shire.



B – Cr Phil Blight

B Ward borders the Port Hacking waterway, I worked with the Port Hacking Management Panel to improve the Hacking area. Keeping an eye on expenditure on roads has been a major focus of my term, as has fighting the loss of car parking across the Shire. Local Environmental Plan 2015 allows development with increased height and density at levels not seen before. We need to support the State Government's housing targets without allowing over development across the Shire.



B – Cr Tracy Cook

I have been privileged to participate in a range of community events as well as interacting with our Shire not-for-profit organisations and community members in a number of events. Coordination of Community Grant programs has been a busy time working with local groups. It was a pleasure to launch the Greenhills skate park youth program. I worked with Council's Environmental Science staff who lead and implemented the dispersal of the Grey-headed flying-foxes at Kareela.



C – Cr Peter Scaysbrook

Highlights include election to Council and being part of the Heritage Committee. Conservation continues to struggle for recognition as a valued part of the planning process and I am proud of our successes. Also, my involvement in the Executive group of the Georges River Combined Councils Committee has placed me at the forefront of Council's efforts to maintain and improve the environmental credentials of this significant waterway.



C – Cr Hassan Awada Deputy Mayor

- 1 Council restructuring.
- 2 Kareela synthetic fields.
- 3 Dispersal of flying-foxes at Kareela.
- 4 Sylvania Shopping Centre master plan and upgrade.
- 5 I introduced to Council the first Community Recycling Centre.
- 6 First Australian Lebanese and Muslim to be elected to Council and to the position of Deputy Mayor.



C – Cr Tom Croucher

Council supported the Sutherland Shire Family Services by direct funding and raising corporate support for programs to reduce domestic abuse. Removal of flying-foxes from the Kareela camp was a major achievement that is now the model other councils seek to copy. We have worked with the community to develop the master plan to improve the appearance of and access to Sylvania Shopping Centre.



D – Cr Bruce Walton

It is fantastic to see the new synthetic fields and football pitches at Kareela being well used especially, when the Shire's fields are washed out by rain. Over the last four years it has been an honour and a pleasure to be able to assist individual residents and ratepayers with issues that impact them personally. To be able to achieve a positive result for people is as good as any new facility or financial stability.



Note: Cr Diedree Steinwall resigned from her position as a Councillor effective Monday 30 May 2016.

D – Cr Diedree Steinwall

I am very proud to have represented D Ward on Council. I supported residents by opposing inappropriate developments; made sure parks, playgrounds, footpaths and other essential infrastructure were provided and well maintained; and assisted community groups in my Ward like the Bushfire and Anzac Youth and Recreation Centre Advisory Committees. Further, I fought for and achieved an increase in the opening hours for Sutherland Library on Sundays.



E – Cr John Riad

As a Councillor of E Ward, I am pleased that I have directly contributed to the following projects:

- St George Crescent, Sandy Point road safety upgrades
- Old Ferry Road roundabout safety upgrades
- New Rural Fire Service station in Menai
- Barden Ridge's first park at Old Illawarra Road
- A new BMX track and off-leash dog park at The Ridge Complex



E – Cr Peter Towell

As an E Ward Councillor I have seen a strong Council that has dedicated staff who support a wonderful active community with a robust volunteer base. I have been a strong advocate for the needs of our youth by being part of the Youth Council. My involvement as Treasurer on the Sydney Coastal Council Group has seen me take a proactive part in protecting our waterways. I am proud to have seen and been part of the upgrade of our local parks and playgrounds.



E – Cr Steve Simpson

Working with and for the many volunteers who give their time has certainly been a high point, including the Rural Fire Service and the State Emergency Services, especially at Menai; the Men's Shed at their new shed in The Ridge Sporting Complex; and at Sir Thomas Mitchell Aged Care, Illawong. Another highlight was completion of the Anzac memorial wall and the first Anzac dawn service in Parc Menai.

OUR DESIRED FUTURE

LIVE

- > HOUSING FOR ALL
- > ACTIVE NEIGHBOURHOODS
- > BALANCED DEVELOPMENT

ENJOY

- > CONNECTED AND INVOLVED
COMMUNITY
- > HEALTHY AND WELL PEOPLE
- > DIVERSE LEISURE OPPORTUNITIES

WORK

- > DIVERSE, LOCAL JOBS
- > LOCAL EDUCATION AND TRAINING
FOR JOBS
- > LOCAL ECONOMIC OPPORTUNITIES

CIVIC

- > RESPONSIBLE LEADERSHIP
- > ACTIVE CITIZENSHIP



PROVIDE EFFECTIVE AND CRITICAL INFRASTRUCTURE

Infrastructure supports our neighbourhoods, our economy, our leisure pursuits and future communities. This includes the provision of appropriate and well maintained buildings for community use, and construction and maintenance of critical infrastructure such as roads, footpaths and drains. Infrastructure protects our environment and connects and strengthens our communities.

PROTECT OUR ENVIRONMENT

The natural environment of the Sutherland Shire is treasured by residents and visitors alike. It adds to the amenity of the Shire and for many people is the key factor which makes living here so enjoyable. Mitigating the effects of our activities in each domain of Shire life is critical to ensuring its ongoing viability and protection.

DELIVER INTEGRATED TRANSPORT OPTIONS

Providing effective and safe transport service options that enable us to get to, from and around the Shire. Options that provide flexible and responsive services, integrated modes and opportunities to get around on foot and by bike. Transport modes that connect the Shire to the rest of Sydney and the Illawarra, will provide both for our residents and people travelling through the area.

STRENGTHEN OUR COMMUNITY

Facilitating community connections and providing the social services to support the people who make up the Sutherland Shire community is fundamental to our quality of life and success in all domains of Shire life. Making sure people feel safe to live, work and enjoy the Shire and their life is part of strengthening our social fabric.

CONSERVE NATURAL RESOURCES

Our natural resources are both precious and finite. Their wise use now will not only ensure their availability for our use now but also for generations to come. Finding solutions that achieve energy conservation in our activities is critical. A holistic approach - individual, business and agency - is critical to achieving this.

RESPECT AND VALUE ALL HERITAGE AND CULTURE

Natural, man-made, historical and diverse people's culture and heritage – it is all part of what enriches the Sutherland Shire and makes it unique. Valuing it in our individual and corporate actions is essential to its appreciation and celebration now and well into the future.



LIVE

We want people to live in neighbourhoods and communities in which they feel safe and connected, and where they have opportunities to interact with their neighbours and look after their local area. We want their homes to meet their aspirations and individual requirements and for them to have options to stay locally should their housing needs change. The natural environment is an important part of where we live and we want to keep enjoying it.



HOUSING FOR ALL

Housing accommodates Shire household structures and demographic changes

Council's Housing Strategy was implemented through Sutherland Shire Local Environmental Plan 2015 (SSLEP2015). The plan increases densities and rezones some areas around town centres in order to provide greater housing choice, as well as providing dual occupancy housing and multi dwelling housing options.

Between 2010 and 2015, median housing values have increased 34.14% in the local government area compared to 43.34% in Greater Sydney. Units have increased 32.88% compared to 32.80% in Greater Sydney.

Between 2010 and 2015, rental prices for houses have increased 8.33% compared with 2% for Greater Sydney. Rental prices for units have increased by 7.14%, compared to greater Sydney at 8.89%.

Residential building approvals have increased from 345 in 2012 to 835 in 2015.

ACTIVE NEIGHBOURHOODS

People are easily able to meet with and support their neighbours

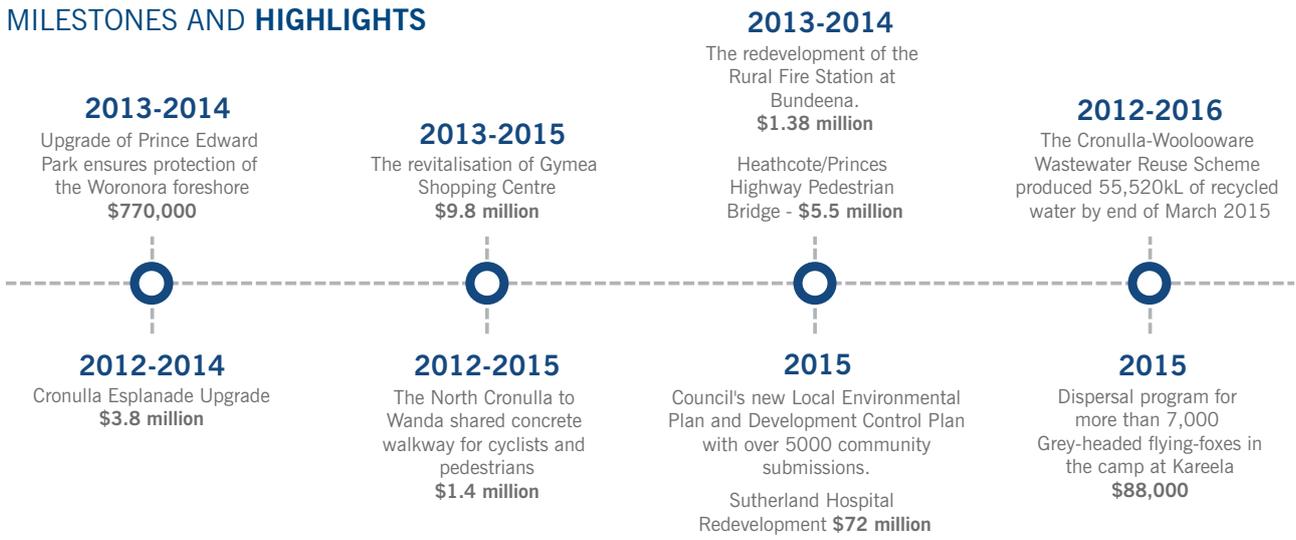
Council provides support to the local community which has a large volunteer base. Council assets are used by community organisations to provide adaptable services. Sutherland Shire Family Services are leaders in initiatives to combat domestic violence. Project Youth provides innovative services for young people.

BALANCED DEVELOPMENT

The negative impacts of development on the environment, people and economy are minimised

SSLEP2015 limits development close to the foreshores and encourages increased density of development along the central spine of the municipality as well as the commercial centres with rail access. Rezoning to meet the existing housing targets for Sutherland is appropriate given population projections for Sydney. The plan aims to retain significant tree canopy and green space. The plan supports business and industrial zones.

MILESTONES AND HIGHLIGHTS



RESULTS OF 2012 SURVEY



TARGET: PEOPLE'S PERCEPTIONS OF SAFETY IN THEIR HOME AND NEIGHBORHOOD REMAIN THE SAME OR INCREASE⁴
The Shire ranks 127 out of the 152 NSW LGAs in break and enter, down 20.6% in the last two years.

TARGET: OVERALL RATES OF CRIME ARE LOWER THAN THE SYDNEY STATISTICAL DIVISION⁷
The Bureau of Crime Statistics and Research (BOCSaR) clearly indicates a low crime risk within the Shire compared to the Sydney area.

TARGET: AT LEAST 66% OF DOMESTIC WASTE & 76% OF CONSTRUCTION AND DEMOLITION WASTE IS DIVERTED FROM LANDFILL¹³
The diversion rate for domestic waste is currently up to 62% in 2016 from 38% in 2011.

TARGET: A 5% REDUCTION IN GREENHOUSE GAS EMISSIONS BY 2020¹⁴
With emissions associated with Council's operations on a downward trend, and only 158 tonnes above the target line, the outcome of a 5% reduction in emissions by 2020 looks achievable.

TARGET: THE PERCENTAGE OF TRIPS MADE BY CAR ON AN AVERAGE WEEKDAY IN THE SHIRE IS DECREASING¹⁰  **0.8%**



WORK

We aspire to be part of an educated, skilled community and a strong local economy that supports how we live and enjoy ourselves in the Shire. We want to be able to work and shop with ease and minimal travel. We would like to see local skills, knowledge and resources optimised to the benefit of the Shire.



DIVERSE, LOCAL JOBS

Infrastructure, technology and support for local economic and employment opportunities enable residents to achieve a work/life balance.

Local Jobs total 71,627 (2015 NEIR)

Full time equivalent jobs have grown from 53,052 to 57,303 between 2010 and 2015, with retail trade experiencing a growth of 22.67%; construction - 24.37% growth; and health care and social assistance - 28.22% growth.

Sutherland Shire local labour force has a higher proportion of people with high incomes (\$1500 or more per week) than NSW.

LOCAL EDUCATION & TRAINING FOR JOBS

- > An expanded university presence in the Shire.
- > Training which leads to employment, particularly local.
- > An educated and skilled community.

Planning is in place to expand the University presence in the Shire by the end of 2016 (Report to Council 20 June 2016 recommends expansion of UOW into other half of SSHEd).

63.5% of the local labour force in the Sutherland Shire have qualifications, compared to 60.7% for NSW. Of the 57,000 jobs in the Shire recorded in Census 2011, 73% were filled by Sutherland Shire residents.

The unemployment rate in Sutherland Shire is lower than that of Greater Sydney. Council contributes to this by working with schools and business to provide career expos and effectively link students to employers. Council actively seeks to employ young apprentices, and provide opportunities for Aboriginal trainees. Council has participated in the 'Green Army' program providing opportunities for unemployed people under 23.

LOCAL ECONOMIC OPPORTUNITIES

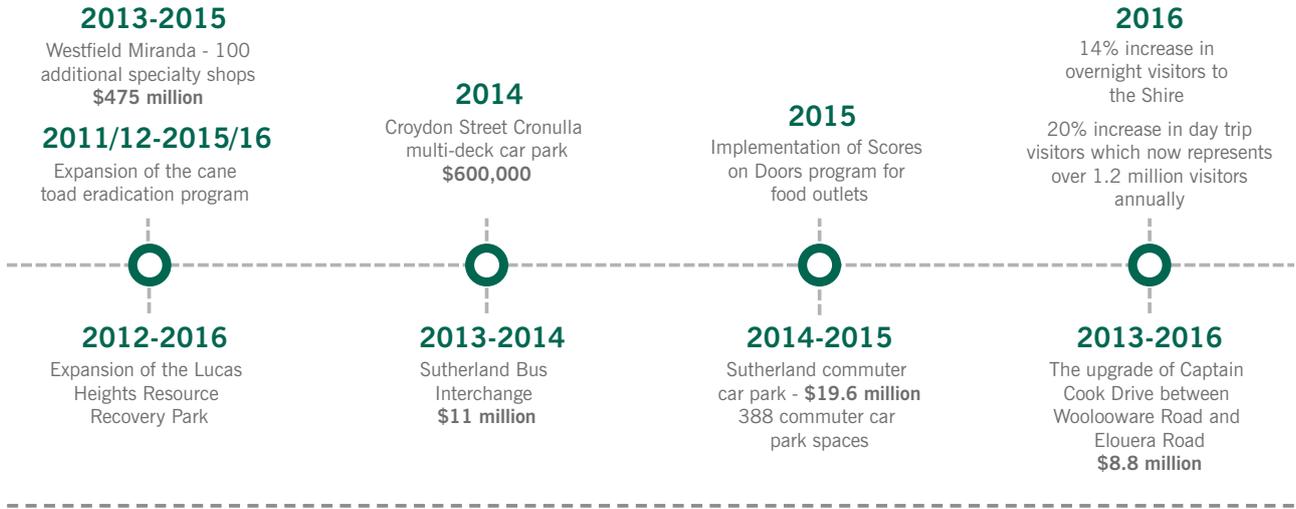
A strong and local economy that responds to local and visitor needs and interests.

Between 2012/13 and 2014/15 there has been a 64.7% increase in the value of tourism and hospitality sales in the Sutherland Shire.

Retail trade has experienced 30% increase in turnover during the period between 2010 and 2015, construction turnover has increased 24.55%.

Construction is expected to continue to have a positive impact on the local economy with building approvals totaling \$2,034,255,000 assessed from 2012 to 2015, with a further \$501,789,000 in the nine months to 31 March 2016.

MILESTONES AND HIGHLIGHTS



RESULTS OF 2012 SURVEY



TARGET: THE UNEMPLOYMENT RATE IS COMPARABLE TO THE SYDNEY REGION¹⁹

■ Sutherland Shire
■ Greater Sydney



TARGET: PERCENTAGE OF SHIRE-BASED JOBS THAT ARE OCCUPIED BY SHIRE RESIDENTS IS INCREASING²²



TARGET: AT LEAST 70% OF PEOPLE BELIEVE THAT THERE ARE ENOUGH EDUCATION AND TRAINING OPPORTUNITIES AVAILABLE IN THE SHIRE²³

TARGET: THE LEVEL OF SOCIO-ECONOMIC DISADVANTAGE IS NOT INCREASING²⁰

SEIFA (Social Economic Indexes for Areas) places Sutherland Shire well inside the bottom 20 (ie least disadvantaged) local government areas in NSW (n = 152)

TARGET: THE PROPORTION OF INCOME SPENT ON MORTGAGE REPAYMENT/RENT DOES NOT EXCEED 30%⁶

Average rental and mortgage payments slightly exceed the 30% of household income target.

TARGET: COMPOSITION OF BUSINESS BASE IS COMPARABLE TO THE SYDNEY STATISTICAL DIVISION²¹

The composition of business base for every industry has been comparable to that of NSW with the exception of agriculture, forestry, fishing, and construction.

TARGET: THE PROPORTION OF RESIDENTS WHO TRAVEL TO WORK OUT OF THE SHIRE SOLELY BY CAR IS DECREASING⁹

No significant change

TARGET: TRIPS UNDER 2KM MADE BY CAR (AS DRIVER) IN THE SHIRE DO NOT EXCEED 30%⁸

↑ 34%



ENJOY

We want to belong to a community where all people feel valued and able to be involved in community life, and where they can participate in the kinds of leisure pursuits they like and contribute to their wellbeing. We want to keep enjoying the Shire's abundant natural areas and preserve them for communities to come.

CONNECTED AND INVOLVED COMMUNITY

- > People feel valued, respected, safe and part of the Shire community.
- > Local hubs and networks support community connection.
- > Physical and social links between the Shire and other areas.

Council engages in a range of crime prevention networks involving the Police, Liquor Accords and youth services. Staff respond quickly to crime hot spots working in partnership with local residents. Rapid removal of graffiti remains a high priority.

Council provides support to the community sector, which has a large volunteer involvement. Council assets are used by community organisations to provide adaptable services. Sutherland Shire Family Services are leaders on initiatives to combat domestic violence. Project Youth provides innovative services for young people.

Council staff participate in a range of regional planning forums that seek to maximise transport links across the region, replicate best practice and build on the skills of staff across all areas of Council. The Shire's beaches, the Hazelhurst Gallery and our National Parks provided regional attractions.

HEALTHY AND WELL PEOPLE

- > Shire residents are physically and emotionally well.
- > Adequate, appropriate and accessible health services.

The SEIfA (Social Economic Indexes for Areas) places Sutherland Shire well inside the bottom 20 (least disadvantaged) local government areas in NSW. Orana Community Services provides a community based women's health service at Caringbah, and Sutherland Shire Family Services deliver a range of innovative support services to women. Council's network of recreational land and water based opportunities supports some of the largest sports clubs in NSW.

The Shire has a large public hospital and a network of private hospitals located along the railway spine. Activus (community) Transport plays a critical role in enabling frail seniors to access medical specialists across Sydney. The provision of residential aged care beds has grown from around 2,000 in 2012 to 2,727 in 2016.

DIVERSE LEISURE OPPORTUNITIES

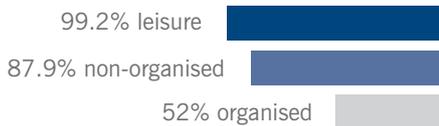
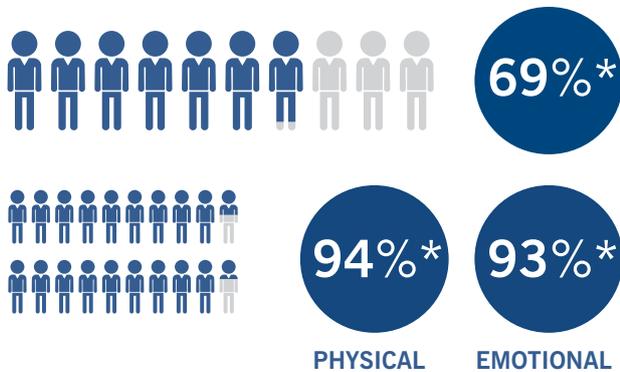
- > Abundant, healthy and well maintained natural environments for people to enjoy
- > Leisure infrastructure, services and programs which support people's interests

Council provides 995 parks (over 331 Ha), 135 playgrounds, 18 boat ramps, 15 wharves, 9 tidal pools, 13.3 kms of beaches, 119 sports fields (over 139 Ha) and 640 Ha of natural areas. Over four years Council has invested in upgrades and renewals at a cost of approximately \$21m per annum. Council has developed an Open Space Asset Management Plan. We have approximately 59,000 registered players across 16 sporting codes.

MILESTONES AND HIGHLIGHTS



RESULTS OF 2012 SURVEY



TARGET: PEOPLE ARE INVOLVED IN SPORT AND LEISURE ACTIVITIES¹⁷
 99.2% leisure, 87.9% non-organised sport, 52% organised sport, 66.5% vigorous exercise, 93.9% walking continuously.

TARGET: THE PROPORTION OF PEOPLE WHO ARE VOLUNTEERING IS INCREASING¹⁸

↑ **8%***
 FROM 2007

TARGET: AN INCREASE IN THE ESTIMATE OF \$\$\$ SPENT BY TOURISTS IN THE SHIRE²⁴

\$1.714 Million

2014/15 TOTAL TOURISM AND HOSPITALITY SALES

\$603.7 Million

2012/13 TOTAL TOURISM AND HOSPITALITY SALES

TARGET: AT LEAST 60% OF SHIRE WATERWAY SITES ARE IN EXCELLENT TO FAIR CONDITION¹²



2015/16 **88%**

OF THE SHIRE'S WATERWAYS WERE WITHIN THE EXCELLENT TO FAIR RANGE

TARGET: NO NET LOSS OF TREE CANOPY¹¹

In the financial year 2014/2015 a total of 4,949 trees were approved for removal: 1,654 from Council property and 3,295 from private property. In the same period 2,930 were planted by Council through its Green Street program. A loss of 2,019 trees.



CIVIC

Every action undertaken in aiming to secure these outcomes – whether it is taken by the individual, an organisation or a government agency – needs to be based on citizen participation, accountable decisionmaking and strong leadership.



RESPONSIBLE LEADERSHIP

Responsible leadership is characterised by accountable and transparent decision-making. To this end Council has adopted a commitment of consulting with the community using facts. Community members are invited to 'Join the Conversation' by providing comments through telephone and surveys, letterbox drops, signage at sites and letters to stakeholders. Council's website visits have increased by 25% from 2012 to 2015. In the same period Council has received over 42,000 customer requests for action or information.

Through sound financial management and leadership the State Government has deemed Sutherland Shire Council to be 'Fit for the Future' and to have the scale and capacity to continue within its current boundaries.

Councillors and Council staff participate in a number of regional planning forums that seek to maximise transport links across the region including the extension of the regional cycleway network.

Council prides itself on providing excellent service and facilities to the community as highlighted by the many awards won each year. Council was awarded a 'Highly Commended' in the Leadership and Innovation at LGMA Management Excellence Awards and a Bronze Award in Australasian Reporting Awards in both public and private sectors.

ACTIVE CITIZENSHIP

Council holds various civic events on an annual basis including the Cook Commemoration: The Meeting of Two Cultures; the Mayoral Debutante Charity Ball; and the Sutherland Shire Citizen, Young Citizen and Community Group Awards. From 2012 to 2016, a total of 2,548 residents participated in citizenship ceremonies in the Sutherland Shire as they became new Australian citizens.

Each year the number of committees and subcommittees run by Council is reviewed. In addition to a number of committees on specific issues, Council currently has four Standing Committees and 22 Subcommittees that provide community representatives with an opportunity to engage.

The preparation and adoption of Sutherland Shire Local Environmental Plan 2015 was both comprehensive and protracted with Council receiving over 5,000 submissions on the plan. In preparation for the 2014-15 budget Council asked the community to set out their priorities and received over 3,000 submissions.

MILESTONES & HIGHLIGHTS

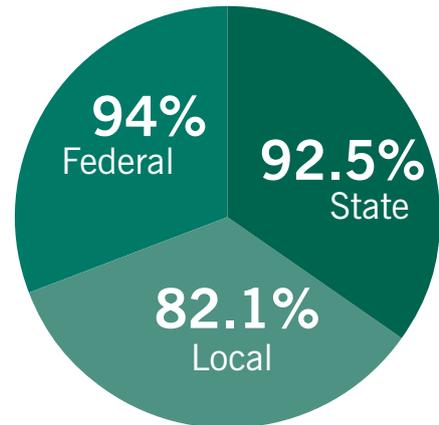


RESULTS OF 2012 SURVEY

TARGET:

THE PERCENTAGE OF ENROLLED PERSONS WHO VOTE IN OUR **LOCAL** ELECTION IS **COMPARABLE** TO FEDERAL AND STATE ELECTIONS²⁷

OVER **700** ACTIVE VOLUNTEERS CONTRIBUTING OVER **12,000** HOURS OF SERVICE EACH YEAR



NOTES:

1. Base figure: New question; Source: Council's Neighbourhood Interaction and Participation Survey – NIPS 2012
2. Base figure: 55%; Source: NIPS 2007
3. Base figure: 67%; Source: NIPS 2007
4. Base figure: 'At home in day – 3.8' 'At home at night – 3.6' 'Walking in day – 3.8' 'Walking at night – 2.9'; Source: NIPS 2007
5. Base figure: 'Type of housing – 86%' 'Affordability – 73%'; Source: NIPS 2007
6. Base figure: Mortgage repayment: 36% and Rent: 19%; Source: ABS 2007
7. Base figures: Sutherland Shire recorded lower rates for 8 of the 10 categories; Source: Bureau of Crime Statistics; Research 2007
8. Base figure: 27%; Source: RTA 2006
9. Base figure: 60%; Source: Bureau of Transport Statistics
10. Base figure: 75%; Source: Transport Data Centre 2010
11. Base figure: T.B.D for 2011/12; Source: Council requests for removal and replanting of trees
12. Base figure: 55% for 'overall score'; Source: Strategic Water Monitoring Program 2009/10
13. Base figure: DW – 52%; D – 66%; Source: Council waste data
14. Base year: T.B.D, figure to be calculated; Source: Council's Environmental Science and Policy Unit
15. Base figure: 67%; Source: NIPS 2007
16. Base figure: physically – 91% and emotionally – 91%; Source: NIPS 2007
17. Base figures: 91% leisure; 80% non-organised sport and 42% organised sport; Source: NIPS
18. Base figure: 37% Source: NIPS 2007
19. Source: ABS
20. Base figure: 1083.8, rank 31st; Source: ABS Index of Socio-Economic Disadvantage 2006
21. Base figure: The only major difference between the jobs in Sutherland Shire and the Sydney Statistical Division was a larger percentage persons employed in Transport, Postal and Warehousing (7.3% compared to 5.4%; Source: ABS)
22. Base figure: 75%; Source: ABS
23. Base figure: 72%; Source: NIPS 2007
24. Base figure: \$174m; Source: Shire Tourism 2011
25. Base figure: New question; Source: NIPS 2012
26. Base figure: New question; Source: NIPS 2012
27. Base figures: Sutherland Shire - 80%; NSW – 93%; Aus – 93%; Source: Australian Electoral Commission 2010 and NSW Electoral Commission 2011

* Council's Neighbourhood Interaction and Participation Survey – NIPS 2012



PREPARED BY SUTHERLAND SHIRE COUNCIL

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August 2016

OTHER STATUTORY INFORMATION

This section contains information required under various legislation and which is not covered elsewhere. A complete index for all statutory information in this report is on page 227.

SECTION 356 GRANTS

	2015/16	2014/15	2013/14	2012/13	2011/12
General subsidies program	\$46,684.85	\$40,947.18	\$45,300.37	\$28,323.76	\$27,622.38
Sutherland Entertainment Centre hire subsidies	91,928.00	113,321.50	65,495.00	86,218.43	92,724.50
Community services, seniors, and cultural planning and events grants	600,913.90	527,204.26	593,902.58	653,598.00	539,513.26
Property management	83,840.68	92,751.50	67,017.95	64,943.27	67,978.49
Heritage grants	18,390.50	28,011.72	21,842.19	-	45,128.00
TOTAL	\$841,757.93	\$802,236.16	\$793,558.09	\$833,083.46	\$772,966.63

RATES AND CHARGES WRITTEN OFF

Rates and charges written off (2015/16 year)	\$
Pensioner Rebates – mandatory (Section 575 of the Local Government Act)	-\$3,425,400.52
Pensioner Rebates – voluntary (Section 582 of the Local Government Act)	-\$1,403,322.44
Rates – other	-\$30,237.39
Interest	-\$6,989.95
Legal costs	-\$19,034.20
Domestic waste charges	-\$315.87
TOTAL	-\$4,885,300.37

STORMWATER MANAGEMENT

Council levies an annual charge for its storm water management services. Under the Local Government Regulation 2005, the annual report must include statement detailing the storm water management services provided by the Council during that year.

Stormwater Management 2015/16	Total budget estimate \$	Actual expenditure \$
Drainage construction	318,593	232,156.51
Drainage studies	267,059	99,300.45
Stormwater maintenance	1,642,432	1,518,548.91
Stormwater reuse		
Water quality	40,000	39,697.44
TOTAL	\$2,268,084	\$1,889,703.31

INFORMATION REQUESTS UNDER GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 (GIPA ACT)

GIPA request types		
Customer service		
Open applications – GIPA Act		367
Records management		
Open applications – GIPA Act		548
Governance		
Open applications – GIPA Act	909	
Informal applications – GIPA Act	94	
Formal applications – GIPA Act	24	
Internal review – GIPA Act	2	
Review by Information Commissioner - GIPA Act	1	
Review by NCAT – GIPA Act	0	
Council as a Third Party – GIPA Act	7	
Applications - other legislation	5	
Other applications	1	
Subpoenas/Notice to Produce	28	
Total governance		1070
TOTAL APPLICATIONS		1985

PUBLIC INTEREST DISCLOSURES (PID) INTERNAL REPORTING POLICY

PID Information Category	July to Dec 2014	Jan to June 2015
2 (a) Total number of disclosures made	0	1
2 (b) Total number of disclosures received	0	0
2 (b) (i) Disclosure re corrupt conduct	0	0
2 (b) (ii) Disclosure re maladministration	0	0
2 (b) (iii) Disclosure re waste of public money	0	0
2 (b) (iv) Disclosure re government information contraventions	0	0
2 (b) (v) Disclosure re pecuniary interest conventions	0	1
2 (c) Number of disclosures finalised	0	0
2 (d) PID Policy in place	Yes, since 10 October 2011	Yes, since 10 October 2011
2 (e) Action taken by GM to ensure awareness	PID Policy available to all staff on intranet.	PID Policy available to all staff on intranet.

OVERSEAS VISITS REPRESENTING COUNCIL

A delegation represented Sutherland Shire Council in Chuo City, Japan from 16 to 18 May 2016 as part of the celebrations for the 25th Anniversary of the Sutherland Shire-Chuo City Sister City relationship. The delegation included Council's Mayor, Deputy Mayor, six Councillors, the General Manager and Manager of Communications and Shire Events.

LEGAL REPORTING (LOCAL GOVERNMENT ACT CLAUSE 217(1)(A3))

LOCAL COURT MATTERS

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Carl ELASSAL	Development not in accordance with Development Consent – other – Individual (Breach condition 41 of DA12/0525 – Carparking areas)	Undetermined. Plea: Guilty.	Fine: \$3,000 Professional Costs: \$3,074.38 Court Costs: \$85
Carl ELASSAL	Development not in accordance with Development Consent – other – Individual (Breach condition 26 of DA12/0525 – Permitted Hours for Building and Demolition Work)	Undetermined. Plea: Guilty.	Fine: \$3,500 Professional Costs: \$3,074.38 Court Costs: \$85
Carl ELASSAL	Development not in accordance with Development Consent – other – Individual (Breach condition 36 of DA12/0525 – Occupation prior to issuing of certificate)	Undetermined. Plea: Guilty.	Fine: \$3,500 Professional Costs: \$3,074.38 Court Costs: \$85
Carl ELASSAL	Refuse of fail to comply with notice etc or answer questions	Undetermined. Plea: Guilty.	Fine: \$1,000 Professional Costs: \$3,074.38 Court Costs: \$85
Raymond ELASSAL	Development not in accordance with Development Consent – other – Individual (Breach condition 41 of DA12/0525 – Carparking areas)	Undetermined. Plea: Guilty.	Fine: \$3,000 Professional Costs: \$3,074.38 Court Costs: \$85
Raymond ELASSAL	Development not in accordance with Development Consent – other – Individual (Breach condition 26 of DA12/0525 – Permitted Hours for Building and Demolition Work)	Undetermined. Plea: Guilty.	Fine: \$4,000 Professional Costs: \$3,074.38 Court Costs: \$85
Raymond ELASSAL	Development not in accordance with Development Consent – other – Individual (Breach condition 36 of DA12/0525 – Occupation prior to issuing of certificate)	Undetermined. Plea: Guilty.	Fine: \$4,000 Professional Costs: \$3,074.38 Court Costs: \$85
Raymond ELASSAL	Refuse of fail to comply with notice etc or answer questions	Undetermined. Plea: Guilty.	Fine: \$1,000 Professional Costs: \$3,074.38 Court Costs: \$85
TICK TOCK SERVICES PTY LTD T/as Peek a Boo Early Learning Centre [ACN 137 290 343]	Development not in accordance with Development Consent – other – Individual (Breach condition 41 of DA12/0525 – Carparking areas)	Undetermined. Plea: Guilty.	Fine: \$3,000 Professional Costs: \$2,477.30 Court Costs: \$85
TICK TOCK SERVICES PTY LTD T/as Peek a Boo Early Learning Centre [ACN 137 290 343]	Development not in accordance with Development Consent – other – Individual (Breach condition 26 of DA12/0525 – Permitted Hours for Building and Demolition Work)	Undetermined. Plea: Guilty.	Fine: \$3,500 Professional Costs: \$2,477.30 Court Costs: \$85

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
TICK TOCK SERVICES PTY LTD T/as Peek a Boo Early Learning Centre [ACN 137 290 343]	Development not in accordance with Development Consent – other – Individual (Breach condition 36 of DA12/0525 – Occupation prior to issuing of certificate)	Undetermined. Plea: Guilty.	Fine: \$3,500 Professional Costs: \$2,477.30 Court Costs: \$85
TICK TOCK SERVICES PTY LTD T/as Peek a Boo Early Learning Centre [ACN 137 290 343]	Not cease using premises for a purpose specified in an order	Undetermined. Plea: Guilty.	Fine: \$3,000 Professional Costs: \$2,477.30 Court Costs: \$85
TICK TOCK SERVICES PTY LTD T/as Peek a Boo Early Learning Centre [ACN 137 290 343]	Refuse of fail to comply with notice etc or answer questions	Undetermined. Plea: Guilty.	Fine: \$1,000 Professional Costs: \$2,477.30 Court Costs: \$85
Christopher James MAHONEY	Disobey No Stopping Sign	Withdrawn and Dismissed	
Sean GLOVER	Expose article etc in/on/over road w/o approval-item 2 Pt E	Withdrawn and Dismissed	
John VANDERJAGT	Disobey “no stopping” sign	Convicted	Fine: \$260
Eman Sware Habeab BESANDA	Not angle park as on parking control sign/road marking	Section 10 dismissal. Offence proven. No conviction recorded.	
Min Zhi CHEN	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$120
Lai Shun Nelson HO	Double park in school zone	Convicted	Fine: \$500
Robert PUGH	Stop on/across driveway/other access to/from land	Section 10 dismissal. Offence proven. No conviction recorded.	
Simon Terrance WINTERBOURNE	Injure animal/plant in public place - Brush Box	Convicted	Fine: \$200
Giota Toula PAPADOPOULOS	Not notify change in registration etc info - other dog	Withdrawn and Dismissed	
Giota Toula PAPADOPOULOS	Companion animal not registered as required - other dog	Plea: Guilty. Section 10 dismissal. Offence proven. No conviction recorded.	
Heather Joan KUNZENDORF	Stop on/near pedestrian crossing	Withdrawn and Dismissed	
Andrew Thomas HODGES	Park continuously for longer than permitted	Withdrawn and Dismissed	
Cassandra-Anne MEAD	Stop in bus zone (not clearway or transit/bus lane)	Withdrawn and Dismissed	
Vanessa Ruth WHITE	Stop in bus zone (not clearway or transit/bus lane)	Section 10 dismissal. Offence proven. No conviction recorded.	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Margaret Angelina EDER	Disobey "no stopping" sign	Section 10 dismissal. Offence proven. No conviction recorded.	
George ADJEI-MENSAH	Disobey "no stopping" sign	Section 10 dismissal. Offence proven. No conviction recorded.	
Gregory Paul LYNCH	Stop within 10 metres of an intersection (no traffic lights)	Convicted	Fine: \$100
KEY PRAYER PTY LTD	Double Park	Convicted	Fine: \$250
Louie DELINICOLIS	Stop on/across driveway/other access to/from land	Section 10 dismissal. Offence proven. No conviction recorded.	
Simone WATERS	Companion animal not registered as required - other dog	Convicted	Fine: \$1,500 Professional Costs: \$200
Alexandria Kathryn EDGE	Disobey no parking sign (47 previous offences)	Convicted	Fine: \$200 Professional Costs: \$150 Court Costs: \$85
DICKER DATA LIMITED [ACN 000 969 362]	The Defendant committed an offence against section 125(1) of the Environmental Planning and Assessment Act 1979 ('the Act') in that on land known as 238-258 Captain Cook Drive Kurnell, in the State of New South Wales ('the Land') which was within the 4(a)	Convicted	Fine: \$31,500 Professional Costs: \$11,000 Court Costs: \$85
RIVIERA POOLS PTY LTD [ACN 154 315 947]	Pollute Waters - Class 1 officer - Corporation	Convicted	Fine: \$4,500 Professional Costs: \$1,000 Court Costs: \$85
Simon Terrance WINTERBOURNE	Injure animal/plant in public place - Tallowood	Convicted	Fine: \$600 Professional Costs: \$600 Court Costs: \$85
John COMB	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$300
Craig Leslie CURTIS	Stand vehicle in area when area closed to public	Section 10 dismissal. Offence proven. No conviction recorded.	
Robert Jason INGLIS	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Huili WU	Stop in bus zone (in school zone)	Section 10 dismissal. Offence proven. No conviction recorded.	
Simon Terrance WINTERBOURNE	Injure animal/plant in public place - Brush Box	Convicted	Fine: \$200 Court Costs: \$85
Alexandria Kathryn EDGE	Disobey no parking sign (47 previous offences)	Convicted	Fine: \$200 Professional Costs: \$150 Court Costs: \$85
Alexandria Kathryn EDGE	Disobey no parking sign (47 previous offences)	Convicted	Fine: \$200 Professional Costs: \$150 Court Costs: \$85
Alexandria Kathryn EDGE	Disobey no parking sign (47 previous offences)	Convicted	Fine: \$200 Professional Costs: \$150 Court Costs: \$85
Alexandria Kathryn EDGE	Disobey no parking sign (47 previous offences)	Convicted	Fine: \$200 Professional Costs: \$150 Court Costs: \$85
Eric Gerard ROELS	Stop on/near pedestrian crossing	Section 10 dismissal. Offence proven. No conviction recorded.	
Bruce Sydney FIELD	Disobey "no stopping" sign (in school zone)	Section 10 dismissal. Offence proven. No conviction recorded.	
Jean-Michel Angelo MOUTOU	Stop in bus zone (in school zone)	Section 10 dismissal. Offence proven. No conviction recorded.	
Peter Warren HOBAN	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$242
Paul Alber SHENOUDA	Cause permit transport waste to unlawful waste facility - individual	Convicted	Fine: \$9,000 Professional Costs: \$10,000 Court Costs: \$85
Paul Alber SHENOUDA	Cause permit transport waste to unlawful waste facility class 1 - Corporation	Withdrawn and Dismissed	
Russell Dean BANKIER	Stop in bus zone (in school zone)	Withdrawn and Dismissed	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Tina Daniella PATRUNO	Stop in bus zone (in school zone)	Section 10 dismissal. Offence proven. No conviction recorded.	
Christian Anthony VELLA	Stop on/near pedestrian crossing	Section 10 dismissal. Offence proven. No conviction recorded.	
CHEAPA SKIP BINS PTY LTD [ACN 149 620 119]	Deposit litter from vehicle - Corporation	Convicted	Fine: \$300
Alexandria Kathryn EDGE	Disobey no parking sign (47 previous offences)	Convicted	Fine: \$200 Professional Costs: \$150 Court Costs: \$85
Richard Stanley HOLLIMAN	Stop in/on bicycle lane (not clearway/ bus/transit lane)	Withdrawn and Dismissed	
Katherine ASIMINARIS	Stop in bus zone (in school zone)	Section 10 dismissal. Offence proven. No conviction recorded based on traffic record.	
Angela NOVEVSKI	Stop in/on bicycle lane (not clearway/ bus/transit lane)	Section 10 dismissal. No conviction recorded.	
Khaled ELSAYED	Development not in accordance with Development Consent – other – Individual (Breach conditions 1 of DA 09/1308 – Approved Plans and Documents and condition 24 - Pool barrier during construction)	Withdrawn and Dismissed	
Yasmin ELSAYED	Development not in accordance with Development Consent – other – Individual (Breach conditions 1 of DA 09/1308 – Approved Plans and Documents and condition 24 - Pool barrier during construction)	Withdrawn and Dismissed	
Yasmin ELSAYED	Failure to Comply with Order No 15 (To comply with a Development Consent)	Withdrawn and Dismissed	
Benjamin Kent HODGSON	Development without development consent	Convicted	Fine: \$4,000 Professional Costs: \$1,000 Court Costs: \$85
Ronald William WAITE	Disobey “no stopping” sign	Section 10 dismissal. Offence proven. No conviction recorded.	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Samira ORCHARD	Disobey no parking sign (in school zone)	Unsuccessful Offence not proven beyond a reasonable doubt.	
Jennifer Elizabeth KERR	Disobey no parking sign	Section 10 dismissal. No conviction recorded.	
Nicholas Joseph SCHWENKE	Disobey no parking sign	Withdrawn and Dismissed	
Angela NOVEVSKI	Stop in/on bicycle lane (not clearway/ bus/transit lane)	Section 10 dismissal. Offence proven. No conviction recorded.	
Regan YERBURY	Companion animal not registered as required - other dog	Section 10 dismissal. Offence proven. No conviction recorded.	
Tina Ann KUKUTLA	Stop at side of road with continuous yellow edge line	Withdrawn and Dismissed	
Adrian PLAYER	In charge of dog in prohibited public place	Convicted	Fine: \$300
Robert Stanley GOOCH	Stop in disabled parking area no current permit displayed	Section 10 dismissal. Offence proven. No conviction recorded.	
Alexander Michael HUNT	Parallel park close to dividing line/ strip	Convicted	Fine: \$120
Laura Irene ROSSI	Stop in loading zone	Convicted	Fine: \$100
James Peter HARRINGTON	Stop at side of road with continuous yellow edge line	Withdrawn and Dismissed	
Stephanie Maree EYLES	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded. Discharged with nine month good behaviour bond.	
Ian Gary GREENTREE	Stop in bus zone (in school zone)	Withdrawn and Dismissed	
Jack NGU	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$220
Mirjana Mary SAVIC	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Mirjana Mary SAVIC	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	
Mirjana Mary SAVIC	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	
Robyn Carolyn BOYLE	Stop in bus zone (in school zone)	Section 10 dismissal. Offence proven. No conviction recorded.	
Ian Alexander MacDONALD	Laden mass exceeds limit notice max by not more than 3 tonne	Convicted	Fine: \$1250
Christopher John SHIELDS	Disobey "no stopping" sign	Convicted	Fine: \$220
Hassan AYAD	Stop in bus zone (not clearway or transit/bus lane)	Section 10 dismissal. Offence proven. No conviction recorded.	
Roderick Allan MAUND Jnr	Driver of vehicle parked in disabled parking area	Section 10 dismissal. Offence proven. No conviction recorded.	
Felicity WARD	Development not accord consent - other	Undetermined	
Anthony BYRNES	Owner of dog in prohibited public place	Withdrawn and Dismissed	
Douglas William HORTON	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	
Niko Adam THOMPSON	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$40
Grant Andrew STEIN	Stop on path/strip in built-up area	Convicted	Fine: \$106
Shane Paul Michael HOLE	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$100
Henry Hapious TAWANDA	Disobey "no stopping" sign	Section 10 dismissal. Offence proven. No conviction recorded.	
Michael Thomas STEWART	NCAT Proceedings	Withdrawn and Dismissed	
STIMCORP PTY LTD	Disobey "no stopping" sign	Withdrawn and Dismissed	
Wendy Diane MAGICK	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$330

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Anne Marie HARDING	Stop on/near pedestrian crossing	Withdrawn and Dismissed	
Anne DASCAL	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$248
Peter Kenneth SMART	Appeal against Dangerous Dog Declaration	Negotiated by Consent Control Orders made	
Nicholas Leslie COLLINS	Disobey no parking sign (in school zone)	Convicted	Fine: \$177
Adam David HAMER	Stop in disabled parking area no current permit displayed	Section 10 dismissal. Offence proven. No conviction recorded.	
Joseph GHOSN	Owner of dog uncontrolled in public place-not dangerous dog - Bruno	Convicted	Fine: \$200 Professional Costs: \$200 Court Costs: \$85
Andrew Robert MCKAY	Development without consent – class 1/10 building	Withdrawn	
Andrew Robert MckAY	Fail to Demolish or Remove a Building contrary to Order	Section 10 dismissal. Offence proven. No conviction recorded.	
Anna Katina DOWELL-HENTALL	Fail to comply with Order 21 (safety/health of land/premises)	Convicted	Fine: \$750 Professional Costs: \$250 Court Costs: \$85
Katherine Louise RAWSTRON	Disobey no stopping sign	Withdrawn and Dismissed	
Adam David HAMER	Stop in disabled parking area no current permit displayed	Section 10 dismissal. Offence proven. No conviction recorded.	
William PIPERITIS	Double Park	Section 10 dismissal. Offence proven. No conviction recorded.	
Geoffrey Harry MITCHELL	Stop in bus zone (not clearway or transit/bus lane)	Section 10 dismissal. Offence proven. No conviction recorded.	
Vic GIOVENCO	Disobey “no stopping” sign	Withdrawn and Dismissed	
Kym SHARPE	Appeal against Dangerous Dog Declaration	Dismissed	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
David Rohan WITTS	Stop within 10 metres of an intersection (no traffic lights)	Section 10 dismissal. Offence proven. No conviction recorded.	
Joseph GHOSN	Owner of dog uncontrolled in public place-not dangerous dog - Brutus	Convicted	Fine: \$100 Professional Costs: \$200 Court Costs: \$85
Joseph GHOSN	Fail to comply with nuisance dog order-1st offence - Bruno	Convicted	Fine: \$100 Professional Costs: \$200 Court Costs: \$85
Joseph GHOSN	In charge of dog attacks etc person etc-not dangerous dog - Bruno	Convicted	Fine: \$500 Professional Costs: \$200 Court Costs: \$85
Joseph GHOSN	Owner of attacking dangerous dog not comply s 51 or 56 - Brutus	Convicted	Fine: \$2000 Professional Costs: \$200 Court Costs: \$85
Joseph GHOSN	Owner unregistered companion animal-not dangerous dog - Bruno	Convicted	Fine: \$100 Professional Costs: \$200 Court Costs: \$85
Joseph GHOSN	Owner no comply with restricted dog control requirements	Convicted	Fine: \$500 Professional Costs: \$200 Court Costs: \$85
Ming Li Si TU (also known as Ming Li SITU)	Fail to comply with Food Standards Code	Convicted	Fine: \$5000 Professional Costs: \$1000 Court Costs: \$85
Ming Li Si TU (also known as Ming Li SITU)	Handle food in manner likely to render it unsafe	Convicted	Fine: \$5000 Court Costs: \$85
Ming Li Si TU (also known as Ming Li SITU)	Sell unsafe food	Convicted	Fine: \$5000 Court Costs: \$85
Stefan Robert MENDYGRAL	Failure to Comply with Order No 21 (Safety of Land)	Section 10 dismissal. Offence proven. No conviction recorded.	Professional Costs: \$900
Wayne Wahid BANOUB	Disobey "no stopping" sign	Undetermined	
David John SURRIDGE	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Naomi Kay CRAWFORD	Stop on/across driveway/other access to/from land	Section 10 dismissal. Offence proven. No conviction recorded.	
Gregory Wayne MILBURN	Parallel park close to dividing line/strip	Section 10 dismissal. Offence proven. No conviction recorded.	
Grant Geoffrey HINES	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	
Rhys John Burgess VARLEY	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$200
Matthew John HUNT	Stop in bus zone (not clearway or transit/bus lane)	Section 10 dismissal. Offence proven. No conviction recorded.	
Siljith Kodappully JAGADEESAN	Parallel park close to dividing line/strip	Convicted	Fine: \$150
Simone WATERS	Companion animal not registered as required - other dog - Annulment Application	Section 10 dismissal. Offence proven. No conviction recorded.	
Susanne Rachel O'HARA	Disobey "no stopping" sign	Withdrawn and Dismissed	
Carol Anne MARSH	Disobey no parking sign	Undetermined	
A.R.P.T. PTY LTD TRADING AS TREE KING SOLUTIONS	Development without development consent - any other case - Eucalyptus Botryoides Tree	Convicted	Fine: \$1,600 Professional Costs: \$2,000
A.R.P.T. PTY LTD TRADING AS TREE KING SOLUTIONS	Development without development consent - any other case - Illawarra Flame Tree	Section dismissal. Offence proven. No conviction recorded. Discharged with two year good behaviour bond.	
Reginald Kwok Yan MIU	Driver of vehicle parked other than as permitted by notice	Section 10 dismissal. Offence proven. No conviction recorded.	
Kevin CHAISSAN	Companion animal not registered as required - other dog	Convicted	Fine: \$500 Professional Costs: \$200
Christopher Allen LYNTON	Stand vehicle in area longer than allowed	Undetermined	
Zeynep TOKYUREK	Disobey "no stopping" sign (in school zone)	Convicted	Fine: \$100

Party	Matter	Progress/Result	Fine and Legal Costs/Fees Awarded
Elena DWYER	Stop in bus zone (in school zone)	Convicted	Fine: \$200
Sukhjot Singh GHOTRA	Not angle park as on parking control sign/road marking	Convicted	Fine: \$100
Peter Joseph THOMPSON	Driver of vehicle parked other than as permitted by notice	Convicted	Fine: \$30
Kristy Jean REYNOLDS	Stop in disabled parking area no current permit displayed	Section 10 dismissal. Offence proven. No conviction recorded.	
Luke Boyd PETERSON	Stop in bus zone (not clearway or transit/bus lane)	Unsuccessful Offence not proven beyond a reasonable doubt.	
Abdul MAJZOUB	Stop in disabled parking area no current permit displayed	Section 10 dismissal. Offence proven. No conviction recorded.	
Anthony John MATHER	Stop at side of road with continuous yellow edge line	Convicted	Fine: \$40
Keryn Louise BARCLAY	Stop at side of road with continuous yellow edge line	Section 10 dismissal. Offence proven. No conviction recorded.	
Jeffrey Ian STEER	Disobey "no stopping" sign	Convicted	Fine: \$120
Eli & Gil KLEINER	Not give fire safety statement - 1 week overdue	Section 10 dismissal. Offence proven. No conviction recorded.	Professional Costs: \$300

LAND AND ENVIRONMENT COURT MATTERS

Party	Matter	Progress/Result
Veni Rani Sud & Julius Sud	Class 4 prosecution – Development without consent	Undetermined
Benedict Industries Pty Ltd	Class 5 prosecution – Development without consent	Undetermined
Benedict Industries Pty Ltd	Class 5 prosecution – Removal of vegetation	Undetermined
Benedict Industries Pty Ltd	Class 5 prosecution – Removal of vegetation	Undetermined
Nelda Bay Pty Ltd	Appeal against refusal of DA for the continued use of the building as retail premises	Agreement reached by the Parties
Robert Gray	Appeal against the Court's refusal of DA for 23 room boarding house	Undetermined
RVA Australia Pty Ltd	Appeal against the refusal of DA for a recreational camp	Undetermined
RVA Australia Pty Ltd	Appeal against the refusal of a DA for landscaping and clearing works within the paper road	Undetermined
Robert Watt & Julie Neil	Appeal against Council's deemed refusal of DA for alterations and addition to an existing dwelling and a new swimming pool	Undetermined

Party	Matter	Progress/Result
Cuzeno Pty Ltd	Appeal against refusal of DA for Construction of 2 Additional Floors Containing 16 Units to an Approved Residential Flat Building	Discontinued
St George Community Housing Ltd	Appeal against Council's deemed refusal of DA for demolition and Construction of Two Townhouses and One Villa Under the Provisions of SEPP (Affordable Rental Housing) 2009	Upheld
Pelenoy Constructions Pty Ltd	Appeal against Council's deemed refusal of DA for S96(1A) Modification to DA08/0693 to modify road frontage works	Agreement reached by the Parties
Boka-Krslovic Homes Pty Ltd	Appeal against Council's deemed refusal of DA for the Construction of 8 townhouses and landscaping works	Undetermined
Leda Holdings Pty Ltd	Appeal against Council's deemed refusal of DA for the Construction and use of a building as a vehicle rental centre	Discontinued
Leda Holdings Pty Ltd	Appeal against Council's deemed refusal of DA for Section 96(1a) Modification to DA13/1086 to amend conditions of consent	Discontinued
Leda Holdings Pty Ltd	Appeal against Council's deemed refusal of DA for Torrens Title Subdivision	Discontinued
Frank N & Mary D Ganis	Appeal against Council's deemed refusal of DA for the modification to development consent DA14/0944 to amend conditions of consent	Agreement reached by the Parties
Terry Walton	Appeal against Council's deemed refusal of DA for the construction of a new dwelling, swimming pool, terrace, carport, car lift, handstand and turntable and earthworks	Agreement reached by the Parties
MBC Property Sydney Nominees Pty Ltd	Appeal against Council's deemed refusal of DA for the demolition of existing structures and construction of nine townhouses over basement parking	Settled
MBC Property Sydney Nominees Pty Ltd	Appeal against Council's deemed refusal of DA for the demolition of existing structures and construction of 6 townhouses with basement car parking	Discontinued
Harry Stamateris & Poppy Stamateris	Appeal against Section 121 Order (EP&A Act)	Discontinued
Refina Pty Ltd	Appeal against Section 121 Order (EP&A Act)	Undetermined
Andrew Aitchison	Appeal against the demolition of existing structures, Torrens title subdivision and the construction of dual occupancy dwellings	Undetermined
Regent Pacific Capital	Appeal against Council's deemed refusal of DA for Construction of mixed use development including 116 residential apartments	Undetermined
Leda Holdings Pty Ltd	Appeal against Council's deemed refusal of DA for the construction and use of a building as a vehicle rental centre	Undetermined
Leda Business Enterprises Pty Ltd	Appeal against Conditions	Undetermined
Gene Hadjiangeli	Construction of an Affordable Rental Housing SEPP residential flat building comprising 18 apartments	Undetermined
Stacey Satici	Appeal against Council's deemed refusal of DA for the strata title subdivision of an approved dual occupancy	Undetermined

SUMMARY OF THE AMOUNTS INCURRED IN RELATION TO LEGAL PROCEEDINGS TAKEN BY OR AGAINST COUNCIL

Summary	
Land and Environment Court Proceedings	\$464,715.30
Local Court Proceedings	\$125,054.15
Costs recovered	\$226,782.08
TOTAL COST	\$ 362,987.37

INDUSTRIAL STAFF LEGAL MATTERS

Legal costs for 2015/16	Note
\$63,571	Costs were largely due to a lengthy matter before Civil Administrative Appeals Tribunal which has been finalised in favour of Council, but with no likelihood of recovery of costs from the applicant.

RISK AND AUDIT LEGAL MATTERS

Legal costs for 2015/16	Note
\$137,738.50	This does not include settlement monies or disbursements.

COMPLIANCE WITH THE COMPANION ANIMALS ACT AND REGULATION

Statement on activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation cl 217 (1) (f).

Lodgement of pound data returns with the Department of Local Government.			
COUNCIL SEIZE ACTIVITY	Cats	Dogs	Total
Seized	1	255	256
Returned to owner	0	124	124
Transferred to Council's facility	1	131	132
COUNCIL ANIMAL CARE FACILITY ACTIVITY			
Animals in and arriving at Council's facility	Cats	Dogs	Total
Animals in Council's facility	189	175	364
From seizures	1	131	132
Dumped	181	25	206
Surrendered by owners	7	19	26
Animals leaving Council's facility	Cats	Dogs	Total
Released to owners	5	103	108
Euthanased	15	6	21
Sold	166	58	224
Released to organisation to re-home	2	8	10
Died at Council facility	1	0	1
Stolen from Council facility	0	0	0
Escaped from Council facility	0	0	0

Lodgement of data relating to dog attacks with the Department of Local Government			
Status	Incidents entered	Attacking dogs	Victims (human and animal)
Commenced	5	5	6
Finalised	155	186	186
Under investigation	7	7	7
Total	167	198	199

AMOUNT OF FUNDING SPENT RELATING TO COMPANION ANIMAL MANAGEMENT AND ACTIVITIES

The total amount of salaries and expenses associated with Council's companion animal management and activities is \$660,516 of which \$401,746 is the operational cost of the animal shelter and veterinary services.

COMPANION ANIMAL COMMUNITY EDUCATION PROGRAMS CARRIED OUT

Each year Council provides community education in the form of general information through means such as newspaper articles, Council's website, and social media including a dedicated Animal Shelter Facebook page. Periodically general publications are provided to all households, local businesses and schools throughout the Local Government area. Council also runs open days and discount microchipping days at its animal shelter facility. Shelter staff attended many local community events over the course of the year including visits to local schools, libraries and community fairs.

STRATEGIES COUNCIL HAS IN PLACE TO PROMOTE AND ASSIST THE DE-SEXING OF DOGS AND CATS

Each and every month Council contacts all identified companion animal owners whose animals have reached six months of age during that monthly period that provides information on the companion animal owner's requirement to have their companion animals micro-chipped and registered. This is endorsed by the sending of SMS messages to the listed mobile phone numbers of the identified companion animal owners reminding them of their requirement.

This information reminds companion animal owners that their pets must be registered at six months of age. The advantage for owners is that once micro-chipped, companion animals that stray or become lost can be returned to their owners. It also reminds them of the benefits of desexing and the reduced financial implication for registration in doing so.

In addition, every three months, Council identifies those who own companion animals that are over six months of age and have still not been registered. The information provided in mail out covers the de-sexing, advising the difference in fees for an unsexed versus a de-sexed animal. Council also offers the option to pay for registration online. The online service includes information on de-sexing and an option to provide a de-sexing certificate as part of the payment process.

To this end Office of Local Government reports that over 90% of identified companion animals within Sutherland Shire Local Government Area are registered which is reported as 'best practice' in NSW.

As part of Council's open days a veterinary consultant assists in providing advice on the benefits of desexing an animal including information on hygiene and behavioural matters.

Council seeks to rehouse the dogs and cats at its Animal Shelter. All dogs and cats rehoused are de-sexed, lifetime registered, vaccinated and micro chipped. All animals leave the shelter with a collar and Council made tag. Council participates in the promotion of National De-sexing Month held in August of each year with the National De-sexing Network.

STRATEGIES IN PLACE TO COMPLY WITH THE REQUIREMENT UNDER SECTION 64 (COMPANION ANIMALS ACT) TO SEEK AN ALTERNATIVE TO EUTHANASIA OR UNCLAIMED ANIMALS

The shelter operates under a "low euthanasia" policy, whereby only those dogs or cats assessed to be either dangerous/restricted or as having an illness that would affect its quality of life are euthanased.

In some circumstances dogs that have been declared 'dangerous' are euthanased at the request of their owners as the shelter is unable to rehome or sell them. Only 21 animals were euthanased throughout the year due to illness/disease or deemed as feral out of the 364 animals that entered the shelter facility.

Council's animal shelter staff worked with rescue organisations that lead to the rehousing of 10 companion animals to new homes. Council continues to work with animal welfare and re-homing organisations in order to provide greater exposure for the animals in finding new owners.

Council's animal shelter advertises for sale and provides information on all animals housed at the shelter through Council's website and its Facebook page which includes photographs and a narrative on each animal. Each week an animal of the week is selected and advertised through newspapers, local businesses and on face book to further profile an animal's need for rehousing.

The Manager of the Council's Public Safety & Lifeguard Service was invited by Minister for Local Government to sit on The Companion Animals Reference Group set up by NSW Government. This was in response to the 38 recommendations raised by The Companion Animals Taskforce report. The Group first meet in September 2015 and is to provide advice on Companion Animals Management issues including, but not limited to, euthanasia and re-homing as well as desexing and education on responsible pet ownership.

Council provides a number of specialised locations throughout the Local Government Area to assist owners with their animals.

Specialized off & on leash areas provided in the Council area

1. Wanda Beach, Wanda
2. Wanda Reserve, Wanda
3. Greenhill's, Wanda
4. Gonyah Beach, Bundeena
5. Horderns Beach – Bundeena
6. Carina Bay Reserve - Tivoli Esplanade, Como
7. Helena Street Reserve - Helena Street, Kirrawee
8. Silver Beach – Kurnell

Council continues to patrol these areas as well as reserves and public areas in order to further educate the public on the requirements of a companion animal owner.

SENIOR STAFF REMUNERATION 2015/16

Senior staff as defined by the Local Government Act are the General Manager and Directors.

	Total remuneration	Salary component	Non cash benefits	Running cost of vehicle	Total non cash benefits	Superannuation (inclusive of salary sacrifice)	FBT payable
Current General Manager (26/8/15 to 30/6/16)	\$354,807	\$317,349	nil	\$3,943	nil	\$25,962	\$7,554
Previous General Manager	\$84,615	\$75,530	nil	\$781	nil	\$7,404	\$900
Total for General Managers	\$439,422	\$392,879	nil	\$4,724	nil	\$33,366	\$8,454
Total for Directors	\$1,043,442	\$904,556	\$2,959	\$17,701	nil	\$103,213	\$15,012

CAPITAL EXPENDITURE REPORTING

Council has no projects for infrastructure facilities to report for 2015/16 under the NSW Government's Capital Expenditure Reporting Guidelines.

ENVIRONMENTAL UPGRADE AGREEMENTS

No environmental upgrade agreements were entered into (under Section 406) in 2015/16.

SPECIAL VARIATION EXPENDITURE

There was no special variation expenditure in 2015/16.

CONTRACTS

Information about Council's contracts is available on the Register of Council Contracts, which is on our website at www.sutherlandshire.nsw.gov.au/Council/Accessing-Information/Council-Contracts-Register. In this register, Class 1 contracts are those that have, or are likely to have, a value of \$150,000.

COASTAL PROTECTION SERVICES

No annual charge was levied for coastal protection services in 2015/16.

VOLUNTARY PLANNING AGREEMENTS

The following agreements were in force in 2015/16:

Land	Parties to the Agreement	Agreement	Status
<p>The land to which the agreement applies is some or all of the following (up to 5,300m²):</p> <ol style="list-style-type: none"> Willow Place Kirrawee (475m²) 184 Oak Road Kirrawee Lot 29 DP 351150 (595m²) 32 Kirrawee Avenue Kirrawee Lot 13 DP 27731 (1,320m²) Bowie Park (2R Hotham Road) Lot 25 DP 20858 (1,235m²) 459R President Avenue, Kirrawee Part Lot 104 DP 1159806 (590m²) 10R Laurel Grove Menai Lot 74 DP 814374 (1,000m²) 2 Alison Crescent Menai Lot 978 DP 817633 (1,200m²) 29R Alison Crescent Menai Lot 554 DP 841841 (1,000m²) 	Sutherland Shire Council and South Village Pty Ltd ACN 164771224 as trustee for South Village Trust	The agreement was entered into on 31 July 2015. The planning agreement sets out the provision and maintenance of a Biodiversity Offset Package being planting and maintenance of compensatory 5,300m ² of Sydney Turpentine Ironbark Forest (STIF)	Ongoing
<p>The land to which the agreement applies comprises: lot 1 in DP1101922; lot 111 in DP 777967; proposed lot 1 of the Consolidated Development Pty Ltd lots as identified in plan 2 in Schedule 1; proposed lot 1059 of the Australand Kurnell Pty Ltd lots in plan 2 in Schedule 1; proposed lot 2 of the Consolidated Development Pty Ltd lots in plan 2 in Schedule 1; lot 1122 in DP 794114; proposed lots 3 and 4 of the Consolidated Development Pty Ltd lots in plan 2 in Schedule 1. The land is currently identified as: Lot 1122 DP 794114, Lot 22 DP 226424, Lot C DP 370539, Lot 111 DP 777967, Lot 116 DP 777967, Lot 1123 DP 794114, Lot 2 DP 1101922, Lot 1 DP 1101922, Lot 1054 DP 1140838, Lot 1055 DP 1140838, Lot 1056 DP 1140838, Lot 1057 DP 1140838, Lot 1058 DP 1140838, Lot 1059 DP 1140838.</p>	Sutherland Shire Council, Australand Kurnell Pty Ltd, Breen Holdings Pty Ltd.	The agreement was entered into on 3 June 2010. The planning agreement sets out provisions for how approximately 91 hectares of open space will be embellished with playing fields, associated amenities, and landscaping and then dedicated to Council.	Ongoing

EXTERNAL BODIES THAT EXERCISED FUNCTIONS DELEGATED BY COUNCIL

Council does not have any external bodies such as county Councils exercising functions delegated by Council. Community management committees manage many Council functions such as halls, but report through Council's own standing committee system.

CORPORATIONS AND OTHER BODIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST

Cronulla Promotions Ltd, a company limited by guarantee, was set up by Council in 1988 to manage the operation of Cronulla Plaza in promoting business activity for the Cronulla Business District. There are six directors: four are nominees of the Cronulla Chamber of Commerce, one is a Sutherland Shire Councillor, and the other an employee of Council. Council controls the company in that it has to approve the company's annual budget and supplies the company's major source of income through a special rate levied on property owners in the area. The Deed of Agreement was terminated during 2015/16 as Council's ongoing involvement with Cronulla Promotions Ltd was no longer considered necessary.

CORPORATIONS AND OTHER BODIES IN WHICH COUNCIL PARTICIPATED

See Note 19: in the Financial Statements on page 174.

WORK ON PRIVATE LAND

No work was undertaken on private land during 2015/16:

FISHERIES MANAGEMENT ACT 1994 AND THREATENED SPECIES CONSERVATION ACT 1995

Council is not identified in any Recovery or Threat Abatement Plan under the Fisheries Management Act 1994.

Under the Threatened Species Conservation Act, Recovery Plans are no longer developed and have been replaced by Priority Action Statements. Council has some responsibilities under older Recovery Plans:

- The Recovery Plan for *Acacia pubescens* states that public authorities must not undertake actions that are inconsistent with the recovery plan. The population of *Acacia pubescens* at Menai identified as Council's responsibility under the plan is zoned and managed for conservation, consistent with the Recovery Plan.
- Council is also identified within the Draft Recovery Plan for the Green & Golden Bell Frog as a public authority that manages lands containing habitat for the Green and Golden Bell Frog. The lands and habitat at Kurnell are zoned both for conservation and public recreation (with restricted access to areas of habitat) and managed for conservation in accordance with the plan.
- In terms of Threat Abatements Plans under the Threatened Species Conservation Act, Council has not been specifically identified in any of the plans.

STATE OF THE ENVIRONMENT

The State of the Environment (SoE) Report is now due once every four years. It is to be included in the Annual Report in the year of the ordinary election. It must report on the environmental objectives in the Community Strategic Plan (CSP).

In accordance with Section 428 (2) and 428 (A) of the Local Government Act 1993 the SoE Report has been integrated into the End of Term (EoT) Report to Council (2016).

In accordance with the LG (General) Regulations 1999 Council consults with the community (including environmental groups) as set out in our Environment and Sustainability Strategy and Council's Community Engagement Policy.

The Community Strategic Plan (CSP) Our Shire Our Future – Our Guide for Shaping the Shire to 2013 sets out four Primary Strategies that are relevant to the SoE Report. Flowing from the four Primary Strategies are 7 key objectives that council needs to report on in the SoE Report.

The four relevant Primary Strategies are:

- Deliver integrated transport options
- Conserve natural resources
- Protect our environment
- Respect and value all heritage and culture

The seven key objectives and a summary of the achievements are set out below with additional information available in council's End of Term Report (page 64).

Key Objectives	Achievements
<ol style="list-style-type: none"> 1. Trips under 2km made by car (as driver) in the Shire do not exceed 30%. 2. The proportion of residents who travel to work out of the Shire solely by car is decreasing. 3. The percentage of trips made by car on an average weekday in the Shire is decreasing. 	<ol style="list-style-type: none"> 1. The Bureau of Transport data shows that the % of trips under 2km made by car has increased from 38% to 38%. An increase of 4% 2. 59.3% of car trips to work are made on an average day. No significant change 3. The Bureau of Transport data shows that the % of trips made by car has increased from 75.2% to 76%. An increase of 0.8%.
No net loss of tree canopy	In the financial year 2014/15 (last available data) there was a loss of 2,019 trees in the Shire.
At least 60% of Shire waterway sites are in excellent to fair condition	In 2015/16, 88% of the Shire waterways were rated as excellent or fair.
<ol style="list-style-type: none"> 1. At least 66% of domestic waste and 76% of construction and demolition waste is diverted from landfill. 2. A 5% reduction in greenhouse gas emissions by 2020. 	<ol style="list-style-type: none"> 1. The diversion rate for domestic waste is currently at 62%. Information is not kept on construction and demolition rates. 2. The 5% reduction in emission looks achievable.

FINANCIAL INFORMATION

All councils have a legal requirement to produce an audited financial statement each financial year. These statements show how Council performed financially during the past 12 months.

General purpose financial statements	105
Understanding the Council's financial statements.....	107
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(Note: page references within the financial statements refer to the **separate page numbering within that section** which is in black at the bottom of each page.)





FINANCIAL STATEMENTS

for year ended 30 June 2016

General Purpose, Special Purpose & associated Special Schedules



FOR FURTHER INFORMATION CONTACT
TEL: 9710 0334
www.sutherlandshire.nsw.gov.au

Sutherland Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2016



*"Sutherland Shire, in Sydney's south, shaped by
bays, rivers, beaches and national parks..."*

Sutherland Shire Council

General Purpose Financial Statements

for the year ended 30 June 2016

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for Sutherland Shire Council.
- (ii) Sutherland Shire 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 1993* (LGA).

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

- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and 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 17 October 2016. Council has the power to amend and reissue these financial statements.
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Sutherland Shire Council

General Purpose Financial Statements for the year ended 30 June 2016

Understanding Council's financial statements

Introduction

Each year, individual local governments across New South Wales are required to present a set of audited financial statements to their council and community.

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2016.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

This statement summarises Council's financial performance for the year, listing all income and expenses.

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

2. The Statement of Comprehensive Income

This statement primarily records changes in the fair values of Council's infrastructure, property, plant and equipment.

3. The Statement of Financial Position

An end of year snapshot of Council's financial position indicating its assets, liabilities and equity ('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

This statement indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise 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 seven days and five weeks after the date of the Audit Report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

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

Sutherland Shire Council

General Purpose Financial Statements
for the year ended 30 June 2016

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

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

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

To the best of our knowledge and belief, these financial statements:

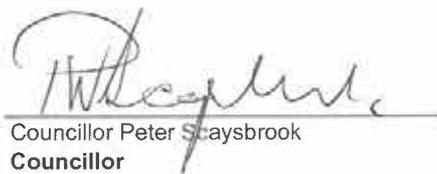
- present fairly the Council's operating result and financial position for the year, and
- accord with Council's accounting and other records.

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

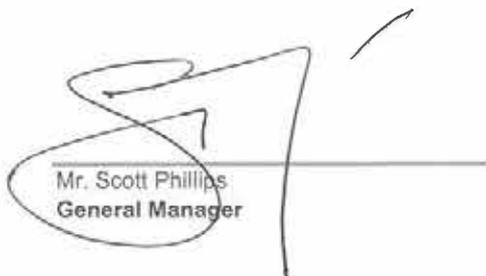
Signed in accordance with a resolution of Council made on 04 October 2016.



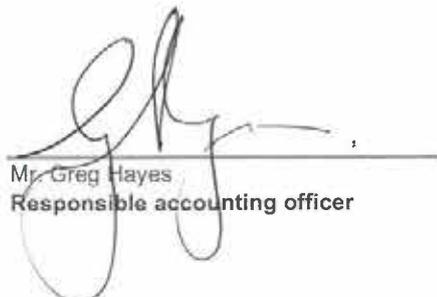
Councillor Carmelo Pesce
Mayor



Councillor Peter Scaysbrook
Councillor



Mr. Scott Phillips
General Manager



Mr. Greg Hayes
Responsible accounting officer

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				
Revenue:				
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	41,672	40,199
27,265	Depreciation and amortisation	4d	30,105	27,208
48,487	Other expenses	4e	34,683	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 Comprehensive Income
for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Net operating result for the year (as per Income Statement)		35,467	22,206
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	20,980	307,761
Correction of error	20b (ii)	—	178,953
Total items which will not be reclassified subsequently to the operating result		20,980	486,714
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		20,980	486,714
Total comprehensive income for the year		56,447	508,920
Total comprehensive income attributable to Council		56,447	508,920

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

This statement should be read in conjunction with the accompanying notes.

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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	20c	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

This statement should be read in conjunction with the accompanying notes.

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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	11b	62,690	48,826
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	11a	25,036	22,688
21,533	Cash and cash equivalents – end of the year	11a	36,341	25,036
Additional Information:				
	plus: Investments on hand – end of year	6b	46,210	38,534
Total cash, cash equivalents and investments			82,551	63,570

Please refer to Note 11 for additional cash flow information

This statement should be read in conjunction with the accompanying notes.

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Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

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	n/a – not applicable	

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies

The principal accounting policies adopted by Council in the preparation of these consolidated 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 Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the *Local Government Act (1993)* and 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 AASBs 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 IFRSs, 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)*, Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

(iii) New and amended standards adopted by Council

There have been no new accounting standards adopted in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

(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 2015, except for AASB2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, which has reduced the fair value disclosures for Level 3 assets.

(v) Basis of accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets, which are all valued at fair value,
- (ii) the write down of any asset on the basis of impairment (if warranted), and
- (iii) certain classes of non-current assets (eg. infrastructure, property, plant and equipment and investment property) that are accounted for at fair valuation.

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

(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 [refer Note 20 (d)].

Sutherland Shire Council

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

Note 1. Summary of significant accounting policies (continued)

(vii) Critical accounting estimates

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

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

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- (i) Estimated fair values of investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment,
- (iii) Estimated remediation provisions.

(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 it, and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

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 / contributed 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 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

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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 but the Council may apply contributions according to the priorities established in work schedules.

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.

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

Rental income is accounted for on a straight-line basis over the lease term.

Interest income from cash and investments is accounted for using the effective interest rate at the date that interest is earned.

Dividend income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

(c) Principles of consolidation

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

(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.

The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the consolidated fund:

- General Purpose Operations
- Hazelhurst Regional Art Gallery
- Cronulla Plaza Management and Promotions
- Sutherland, Engadine and Caringbah Leisure Centres
- Sutherland Entertainment Centre
- Commercial (Business) Waste
- Long Day Care Centres
- Operational Property
- Domestic Waste Management

Due to their immaterial value and nature, the following committees, entities and operations have been excluded from consolidation:

- Como School of Arts
- Gymea Community Hall
- Loftus Community Hall
- Maianbar Community Hall
- Marton Hall Community
- Oyster Bay Oval
- Sandy Point Community Hall

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

The (i) total income and expenditure from continuing operations and (ii) net assets held by these excluded committees and operations is as follows:

Total income from continuing operations	\$96,377
Total expenditure from continuing operations	\$76,670
Total net assets held (i.e. equity)	\$163,842

Note:

Where actual figures are not known, best estimates have been applied.

(ii) The trust fund

In accordance with the provisions of section 411 of the *Local Government Act 1993* (as amended), a separate and distinct trust fund is maintained to account for all money and property received by the Council in trust that must be applied only for the purposes of or in accordance with the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these statements.

Trust monies and property held by Council but not subject to the control of Council have been excluded from these statements.

A separate statement of monies held in the trust fund is available for inspection at the Council office by any person free of charge.

(iii) Interests in other entities

Subsidiaries

Council has no interest in any subsidiaries.

Joint arrangements

Council has no interest in any joint arrangements.

Associates

Council has no interest in any associates.

County councils

Council is not a member of any county councils.

(d) Leases

All leases entered into by Council are reviewed and classified on inception date as either a finance lease or an operating lease.

Finance leases

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

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

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of each leased asset's useful life and the lease term.

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

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

- cash on hand,
- deposits held at call with financial institutions,
- other short-term, highly liquid investments with **original maturities of three months or less** that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into cash and cash equivalents for presentation of the Cash Flow Statement.

(f) Investments and other financial assets

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

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

Each classification depends on the purpose or 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.

Assets in this category are primarily classified as current assets as they are primarily held for trading and/or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

In contrast to the 'loans and 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.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Investments must be designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Financial assets – reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

General accounting and measurement of financial instruments:

(i) Initial recognition

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

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

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

(ii) Subsequent measurement

Available-for-sale financial assets and **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.

Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as '**available-for-sale**' are recognised in equity in the available-for-sale investments revaluation reserve.

When securities classified as '**available-for-sale**' are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Impairment

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

(iii) Types of investments

Council has an approved Investment Policy in order to invest 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.

Sutherland Shire Council

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

Note 1. Summary of significant accounting policies (continued)

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 (e.g. managed funds, CDOs, and equity linked notes) however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(g) Fair value estimation – financial instruments

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

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

Receivables (excluding rates and annual charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (i.e. an allowance account) relating to receivables is established when objective evidence shows that Council will not be able to collect all amounts due according to the original terms of each receivable.

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

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

(i) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings

Sutherland Shire Council

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

Note 1. Summary of significant accounting policies (continued)

are all stated at the lower of cost and net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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

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

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

(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 Office of Local Government.

At balance date, the following classes of I,PP&E were stated at their fair value:

- **Plant and equipment** (as approximated by depreciated historical cost)
- **Operational land** (External valuation)
- **Community land** (External valuation)
- **Land improvements** (as approximated by depreciated historical cost)
- **Buildings** (External / internal valuation)
- **Other structures** (as approximated by depreciated historical cost)
- **Roads assets including roads, bridges and footpaths** (Internal valuation)
- **Bulk earthworks** (Internal valuation)

- **Stormwater drainage** (Internal valuation)
- **Swimming pools** (External / internal valuation)
- **Other open space/recreational assets** (External valuation / approximated by depreciated historical cost)
- **Other assets** (as approximated by depreciated historical cost with the exception of identified Artworks : Internal valuation)
- **Investment properties** – refer Note 1(p),

Initial recognition

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

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (i.e. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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 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.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Asset revaluations (including indexation)

In accounting for asset revaluations relating to infrastructure, property, plant and equipment:

- increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve,
- to the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss,
- net 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.

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water – Rates Reference Manual.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5-year cycle.

Capitalisation thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

Land	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (acquired after 30/6/08)	100% Capitalised

Plant & Equipment

Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

Buildings & Land Improvements

Park Furniture & Equipment > \$1,000

Building
- construction / extensions 100% Capitalised
- renovations > \$5,000

Stormwater Assets

Drains & Culverts > \$10,000
Other > \$10,000

Transport Assets

Road construction & reconstruction > \$10,000
Reseal/Re-sheet & major repairs: > \$10,000

Bridge construction & reconstruction > \$10,000

Other Infrastructure Assets

Swimming Pools > \$10,000
Other Open Space / Recreational Assets > \$10,000

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight-line method) in order to allocate an asset's cost (net of residual values) over its estimated useful life.

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	15 years
- Office furniture	15 years
- Computer Equipment	3 years
- Light Vehicles	3 years
- Heavy Vehicles	4 to 7 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	3 to 15 years

Other Equipment

- Playground equipment	15 years
- Benches, seats etc	40 years

Buildings

- Buildings	75 years
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Stormwater Drainage

- Drains	100 years
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Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

- Culverts	100 years
- Headwalls	59 years
- Water Quality Devices	30 years

Transportation Assets

- Sealed Roads: Surface	40 years
- Sealed Roads: Structure Base	125 years
- Sealed Roads: Structure Sub-Base	130 years
- Bridges: Foot	70 years
- Bridges: Road	150 years
- Road Pavements Carpark	55 years
- Kerb & Gutter	120 years
- Footpaths on Roads	100 years
- Pathways not on Road	80 years

Land Improvements

- Land Improvements	5 - 100 years
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Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	>5 years
- Other Open Space/ Recreational Assets	>5 years

All asset residual values and useful lives are reviewed and adjusted (if appropriate) at each reporting date.

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

Disposal and De-Recognition

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

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

(k) Land

Land (other than land under roads) is in accordance with Part 2 of Chapter 6 of the *Local Government*

Act (1993) classified as either operational or community.

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

(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

Council has not classified any assets as intangible.

(n) Crown reserves

Crown reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Representations are currently being sought across state and local government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(o) Rural fire service assets

Under section 119 of the *Rural Fires Act 1997*, 'all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed'.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these financial statements.

(p) Investment property

Investment property comprises land and/or buildings that are principally held for long-term rental yields, capital gains or both, that is not occupied by Council.

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

Annual changes in the fair value of investment properties are recorded in the Income Statement as part of 'other income'.

Full revaluations are carried out every year. The last full revaluation for Council's investment properties was dated 30 June 2016 by Robert Randall AAPI 67869 of McLennan Steege Smith & Associates.

(q) Provisions for close down, restoration and for environmental clean-up costs – including tips and quarries

Close down, restoration and remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations that are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, restoration and remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the Income Statement in each accounting period.

This amortisation of the discount is disclosed as a borrowing cost in Note 4 (b).

Other movements in the provisions for close down, restoration and remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the balance sheet date.

These costs are charged to the Income Statement.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwind of the discount, which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example, in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Specific information about Council's provisions relating to close down, restoration and remediation costs can be found at Note 26.

(r) Non-current assets (or disposal groups) 'held for sale' and discontinued operations

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

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in non-current assets under the classification of infrastructure, property, plant and equipment – unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as non-current assets 'held for sale', an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

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

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

A discontinued operation is a component of Council that has been disposed of or is classified as 'held for sale' and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the Income Statement.

(s) Impairment of assets

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

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

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

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

Where an asset is not held principally for cash-generating purposes (for example infrastructure assets) and would be replaced if the Council was deprived of it, then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Sutherland Shire Council

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

Note 1. Summary of significant accounting policies (continued)

Goodwill and other intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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.

(v) Borrowing costs

Borrowing costs are expensed.

(w) 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(x) 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 wholly settled within the 12 months after the reporting period.

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

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

All other short-term employee benefit obligations are presented as payables.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Liabilities for non-vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages and salaries, annual leave and vesting sick leave are all classified as current liabilities.

(ii) Other long-term obligations

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

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

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

Expected future payments are then 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 4 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 4 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.

The last valuation of the scheme was performed by Mr. Richard Boyfield, Mercer Consulting (Australia) Pty Ltd AFS Licence 411770 and covers the period ended 30 June 2016.

However the position is monitored annually and the actuary has estimated that as at 30 June 2016 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2016 was \$ 2,563,379.82.

The amount of additional contributions included in the total employer contribution advised above is \$1,276,224.96.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$ 1,778,745.12 as at 30 June 2016.

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.

(iv) Employee benefit on-costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities accrued as at 30/06/16.

(y) Self-insurance

Council has determined to self-insure for various risks, including public liability and professional indemnity.

A provision for self-insurance has been made to recognise outstanding claims the amount of which is detailed in Note 10.

Council also maintains a bank guarantee and this information is disclosed in Note 18.

(z) Allocation between current and non-current assets and 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 it is not expected to be settled within the next 12 months.

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

(aa) Taxes

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

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

Goods and 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).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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.

Operating cash flows within the Cash Flow Statement are on a gross basis, i.e. they are inclusive of GST where applicable.

Investing and financing cash flows are treated on a net basis (where recoverable from the ATO), i.e. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows that are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

(ab) Rounding of amounts

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

(ac) 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.

(ad) Disclaimer

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

Sutherland Shire Council

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

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 2016	Actual 2016	Actual 2015	Original budget 2016	Actual 2016	Actual 2015	Original budget 2016	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Governance	–	174	–	–	7,019	5,022	–	(6,845)	(5,022)	–	1,863	6,447	–
Administration	3,870	4,378	282	41,509	36,654	33,406	(37,639)	(32,276)	(33,124)	–	88	136,993	55,508
Public order and safety	5,932	7,398	6,326	12,355	14,954	14,712	(6,423)	(7,556)	(8,386)	–	264	17,721	16,911
Health	491	358	355	928	946	956	(437)	(588)	(601)	–	–	1,603	1,587
Environment	48,170	43,208	34,579	50,147	53,256	48,192	(1,977)	(10,048)	(13,613)	473	74	361,564	356,475
Community services and education	13,141	15,339	14,289	18,589	17,992	16,512	(5,448)	(2,653)	(2,223)	5,704	–	53,766	50,471
Housing and community amenities	1,981	952	889	14,505	7,433	6,479	(12,524)	(6,481)	(5,590)	360	–	4,883	4,805
Recreation and culture	24,845	27,597	16,808	47,076	45,804	52,331	(22,231)	(18,207)	(35,523)	–	5,082	452,680	433,731
Mining, manufacturing and construction	3,316	4,308	2,528	6,757	7,470	6,855	(3,441)	(3,162)	(4,327)	1,070	–	603	880
Transport and communication	5,505	9,368	23,766	15,154	10,421	7,674	(9,649)	(1,053)	16,092	6,034	4,520	1,035,882	1,098,740
Economic affairs	11,465	6,715	4,186	4,580	4,019	5,251	6,885	2,696	(1,065)	–	–	68,195	64,933
Total functions and activities	118,716	119,795	104,008	211,600	205,968	197,390	(92,884)	(86,173)	(93,382)	13,641	11,891	2,140,337	2,084,041
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–	–	–
General purpose income ¹	116,155	121,640	115,588	–	–	–	116,155	121,640	115,588	8,399	8,459	–	–
Operating result from continuing operations	234,871	241,435	219,596	211,600	205,968	197,390	23,271	35,467	22,206	22,040	20,350	2,140,337	2,084,041

1. Includes: rates and annual charges (incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

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

Includes costs relating to 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, public disclosure (e.g. GIPA), and legislative compliance.

ADMINISTRATION

Includes corporate support and other support services, engineering works, and any Council policy compliance.

PUBLIC ORDER AND SAFETY

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

HEALTH

Includes immunisation, food control, health centres etc.

ENVIRONMENT

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

COMMUNITY SERVICES AND EDUCATION

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

HOUSING AND COMMUNITY AMENITIES

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

RECREATION AND CULTURE

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

MINING, MANUFACTURING AND CONSTRUCTION

Includes building control, quarries and pits, mineral resources, and abattoirs.

TRANSPORT AND COMMUNICATION

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

ECONOMIC AFFAIRS

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 3. Income from continuing operations

\$ '000	Notes	Actual 2016	Actual 2015
(a) Rates and annual charges			
Ordinary rates			
Residential		92,878	91,125
Business		15,527	14,246
Total ordinary rates		108,405	105,371
Special rates			
Cronulla Beach CBD		537	527
Total special rates		537	527
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		36,580	29,989
Stormwater management services		2,020	2,013
Section 611 charges		90	93
Total annual charges		38,690	32,095
TOTAL RATES AND ANNUAL CHARGES		147,632	137,993

Council has used 2014 year valuations provided by the NSW Valuer General in calculating its rates.

Note (1) : Pensioner rebates granted under provisions of the Local Government Act 1993 have been netted off against Residential Rates and Domestic Waste Charges as follows:

Residential Rates			
Gross Residential Rates		96,261	94,642
Less: Rebates under Section 575		(2,398)	(2,494)
Less: Rebates under Section 582		(985)	(1,024)
Net Residential Rates		92,878	91,124
Domestic Waste Management Charges			
Gross Domestic Waste Management		38,027	31,285
Less: Rebates under Section 575 & 582		(1,447)	(1,296)
Net Domestic Waste Management Charges		36,580	29,989

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(b) User charges and fees			
Specific user charges (per s.502 – specific 'actual use' charges)			
Waste management services (non-domestic)		1,157	956
Total user charges		1,157	956
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building control		3,566	2,322
Lifetime registrations		451	392
Regulatory/ statutory fees		1,173	1,117
Town planning		9	17
Other		460	347
Total fees and charges – statutory/regulatory		5,659	4,195
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Administration and inspection – health		334	334
Beach control		59	44
Building control		1,259	809
Building cleaning		50	54
Business undertakings		93	50
Child care		7,142	6,769
Community centres		858	867
Engineering works		1,141	550
Family day care		222	219
Leisure Facilities		8,541	7,768
Libraries		222	231
Other cultural activities		827	765
Other family and children		419	359
Parks and gardens		78	61
Public halls		1,012	941
Restoration charges		832	806
Sport and recreation		1,906	1,808
Sporting grounds		758	683
Other		384	388
Total fees and charges – other		26,137	23,506
TOTAL USER CHARGES AND FEES		32,953	28,657

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(c) Interest and investment revenue (including losses)			
Interest			
– Interest on overdue rates and annual charges (incl. special purpose rates)		396	402
– Interest earned on investments (interest and coupon payment income)		2,338	2,566
Investment Loss Recoveries		3,357	–
Fair value adjustments			
– Fair valuation movements in investments (at fair value or held for trading)		(74)	284
Other		7	8
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>		<u>6,024</u>	<u>3,260</u>
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		396	402
General Council cash and investments		4,386	1,297
Restricted investments/funds – external:			
Development contributions			
– Section 94		1,242	1,561
Total interest and investment revenue recognised		<u>6,024</u>	<u>3,260</u>
(d) Other revenues			
Fair value increments – investment properties	14	3,201	2,150
Rental income – Investment Properties		3,638	3,488
Ex gratia rates		54	59
Fines		5,264	4,932
Legal fees recovery – rates and charges (extra charges)		272	128
Legal fees recovery – other		242	205
Business undertakings		106	213
Bus shelters		718	736
Commissions and agency fees		141	185
Compensation		–	52
Cronulla beach CBD festivals casual leasing		179	223
Diesel rebate		169	195
Insurance claim recoveries		500	549
Lease rentals		2,675	2,773
Reimbursements		124	194
Sales – general		325	474
Other Carbon Tax Refund		1,256	–
Bonus pool		79	132
Art gallery merchandise		152	152
Sponsorships		78	125
Geographical information		31	33
Other		797	310
<u>TOTAL OTHER REVENUE</u>		<u>20,001</u>	<u>17,308</u>

Sutherland Shire Council

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

Note 3. Income from continuing operations (continued)

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(e) Grants				
General purpose (untied)				
Financial assistance – general component	4,563	4,613	–	–
Financial assistance – local roads component	1,952	1,968	–	–
Pensioners' rates subsidies – general component	1,884	1,878	–	–
Total general purpose	8,399	8,459	–	–
Specific purpose				
Bushfire and emergency services	–	5	–	–
Child care	5,118	4,765	–	–
Community care	–	230	–	–
Engineering and works	70	78	–	14
Environmental protection	–	52	–	–
Family day care	586	605	–	–
Heritage and cultural	–	116	–	–
Library – per capita	549	413	–	–
Library – special projects	–	132	–	–
Parks and gardens	231	548	90	14
RMS works	–	–	1,552	1,955
Street lighting	360	353	–	–
Transport (roads to recovery)	–	–	3,041	1,815
Transport (other roads and bridges funding)	128	128	–	–
Urban stormwater drainage	–	–	6	74
Sporting grounds	–	–	200	–
Waste and sustainability	410	467	57	–
Other communications and events	–	88	–	–
Other	981	39	262	–
Total specific purpose	8,433	8,019	5,208	3,872
Total grants	16,832	16,478	5,208	3,872
Grant revenue is attributable to:				
– Commonwealth funding	11,604	11,404	2,991	1,815
– State funding	5,133	4,828	2,217	2,057
– Other funding	95	246	–	–
	16,832	16,478	5,208	3,872

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 3. Income from continuing operations (continued)

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(f) Contributions				
Developer contributions:				
(s93 & s94 – EP&A Act, s64 of the LGA):				
S 94 – contributions towards amenities/services	–	–	8,452	9,198
Total developer contributions	–	–	8,452	9,198
Other contributions:				
Australand (sand dune rehabilitation)	–	(34)	–	–
Drainage	–	–	2,056	–
Emergency services	–	200	–	264
Heritage/cultural	–	–	–	8
Land dedications (other than by s94)	–	–	46	81
Parks and gardens	18	202	–	–
Sporting grounds	4	73	(168)	1,007
Contributions to works	46	45	–	–
Urban roads	–	63	835	700
Tipping of Bulk Fill at Ridge	276	–	–	–
Other	429	177	791	44
Total other contributions	773	726	3,560	2,104
Total contributions	773	726	12,012	11,302
TOTAL GRANTS AND CONTRIBUTIONS	17,605	17,204	17,220	15,174

\$ '000	Actual 2016	Actual 2015
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(g) Restrictions relating to grants and contributions**Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:**

Unexpended at the close of the previous reporting period	30,809	30,512
Add: grants and contributions recognised in the current period but not yet spent:	20,533	14,580
Less: grants and contributions recognised in a previous reporting period now spent:	(6,943)	(14,283)
Net increase (decrease) in restricted assets during the period	13,590	297
Unexpended and held as restricted assets	44,399	30,809
Comprising:		
– Specific purpose unexpended grants	30	30
– Developer contributions	33,109	28,674
– Other contributions	11,260	2,105
	44,399	30,809

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Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2016	Actual 2015
(a) Employee benefits and on-costs			
Salaries and wages		74,156	72,076
Employee termination costs – redundancies		973	1,088
Travel expenses		69	80
Employee leave entitlements (ELE)		18,106	16,606
Superannuation		8,955	8,744
Workers' compensation insurance		1,687	1,339
Fringe benefit tax (FBT)		193	218
Training costs (other than salaries and wages)		498	453
Protective clothing		130	154
Total employee costs		104,767	100,758
Less: capitalised costs		(6,295)	(6,237)
TOTAL EMPLOYEE COSTS EXPENSED		98,472	94,521
Number of 'full-time equivalent' employees (FTE) at year end		1,028	1,018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		435	814
Charges relating to finance leases		34	35
Total interest bearing liability costs expensed		469	849
(ii) Other borrowing costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		469	849
(c) Materials and contracts			
Raw materials and consumables		13,459	12,262
Contractor and consultancy costs		22,844	22,453
Auditors remuneration ¹		117	120
Legal expenses:			
– Legal expenses: planning and development		69	34
– Legal expenses: debt recovery		147	98
– Legal expenses: other		903	905
Operating leases:			
– Operating lease rentals: minimum lease payments ⁽²⁾		4,133	4,327
TOTAL MATERIALS AND CONTRACTS		41,672	40,199

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(c) Materials and contracts			
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 and review of financial statements: Council's Auditor		117	113
Remuneration for audit and other assurance services		117	113
(ii) Other non-assurance services			
– Special schedule 7 review		–	7
Remuneration for other services		–	7
Total Auditor remuneration		117	120
2. Operating lease payments are attributable to:			
Computers		35	39
Heavy Plant		3,818	3,968
Other		280	320
		4,133	4,327

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual 2016	Actual 2015	Actual 2016	Actual 2015
Plant and equipment		–	–	1,929	1,676
Office equipment		–	–	153	121
Furniture and fittings		–	–	404	417
Property, plant and equipment – leased		–	–	487	444
Land improvements (depreciable)		–	–	3,870	3,496
Infrastructure:					
– Buildings		–	–	2,614	2,584
– Roads		–	–	10,751	7,625
– Bridges		–	–	109	160
– Footpaths		–	–	1,006	1,585
– Stormwater drainage		–	–	6,195	6,109
– Swimming pools (buildings)		–	–	446	354
– Swimming pools (land improvements)		–	–	(12)	47
– Other open space/recreational assets (bldgs)		–	–	1,321	1,312
– Other open space/recreational assets(land imp'mts)		–	–	216	556
Other assets					
– Library books		–	–	860	856
Total depreciation and impairment costs		–	–	30,349	27,342
Less: capitalised costs		–	–	(244)	(134)
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		–	–	30,105	27,208

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(e) Other expenses			
Other expenses for the year include the following:			
Advertising		505	592
Artist fees – Hazelhurst		297	107
Bad and doubtful debts		187	111
Bank charges		434	432
Building maintenance		78	108
Companion animals payments		232	252
Computer operations		2,533	2,219
Contributions/levies to other levels of government			
– NSW Rural Fire Service levy		610	608
– Waste levy Section 88		5,368	6,436
– Department of Planning		404	394
– NSW State Emergency Services		374	319
– NSW Fire and Rescue		2,996	2,886
Councillor expenses – mayoral fee		62	61
Councillor expenses – councillors' fees		392	378
Donations, contributions and assistance to other organisations (Section 356)		891	915
Entertainment hire / service		552	529
Family day care payments		592	536
Hire of plant, vehicles and equipment		487	508
Insurance		2,908	2,682
Office expenses (including computer expenses)		227	145
Postage		417	448
Printing and stationery		452	534
Repairs to equipment		–	14
State debt recovery office payments		608	580
Street lighting		3,724	3,841
Subscriptions and publications		576	486
Telephone and communications		440	654
Utilities – water		1,134	1,197
Utilities – gas		800	697
Utilities – electricity		1,721	2,163
Valuation fees – land and property management		375	365
Sponsorships		131	37
Labour hire		2,218	2,377
Property management		308	287
Statutory fees		102	22
Valuations other than government		5	17
Other		1,543	577
<u>TOTAL OTHER EXPENSES</u>		<u>34,683</u>	<u>34,514</u>

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	Actual 2016	Actual 2015
Property (excl. investment property)			
Proceeds from disposal – property		–	529
Less: carrying amount of property assets sold/written off		(520)	(70)
Net gain/(loss) on disposal		(520)	459
Plant and equipment			
Proceeds from disposal – plant and equipment		1,587	781
Less: carrying amount of plant and equipment assets sold/written off		(1,767)	(1,339)
Net gain/(loss) on disposal		(180)	(558)
Financial assets			
Proceeds from disposal/redemptions/maturities – financial assets		70,500	67,425
Less: carrying amount of financial assets sold/redeemed/matured		(70,500)	(67,425)
Net gain/(loss) on disposal		–	–
Other Operational Land			
Proceeds from disposal – Other Operational Land		152	–
Less: carrying amount of Other Operational Land assets sold/written off		(25)	–
Net gain/(loss) on disposal		127	–
Other Land Under Roads			
Proceeds from disposal – Other Land Under Roads		6	–
Net gain/(loss) on disposal		6	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(567)	(99)

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 Actual Current	2016 Actual Non-current	2015 Actual Current	2015 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 Actual Current	2016 Actual Non-current	2015 Actual Current	2015 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 6c. Restricted cash, cash equivalents and investments – details

\$ '000	2016	2016	2015	2015
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	80,551	2,000	55,891	8,000
attributable to:				
External restrictions (refer below)	42,399	2,000	22,809	8,000
Internal restrictions (refer below)	37,721	–	31,623	–
Unrestricted	431	–	1,459	–
	80,551	2,000	55,891	8,000

2016	Opening	Transfers to	Transfers from	Closing
\$ '000	balance	restrictions	restrictions	balance

Details of restrictions

External restrictions – included in liabilities

Nil

External restrictions – other

Developer contributions – general	(A)	28,674	9,694	(5,259)	33,109
Specific purpose unexpended grants	(B)	30	–	–	30
Domestic waste management	(C)	1,803	8,814	(73)	10,544
Stormwater management	(C)	302	2,025	(1,611)	716
External restrictions – other		30,809	20,533	(6,943)	44,399
Total external restrictions		30,809	20,533	(6,943)	44,399

- 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.

External Restrictions arise pursuant to section 409(3) of the Local Government Act, the Local Government (Financial Management) Regulation 1999 and other applicable legislation. Further information relating to Developer Contributions is provided in Note 17 and Unexpended Grants in Note 3. Amounts raised by special rates (eg. Water & Sewer) or for Domestic Waste Management may only be used for those purposes.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 6c. Restricted cash, cash equivalents and investments – details (continued)

2016 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Anzac Youth and Recreation Centre Fund (D)	58	–	(8)	50
Before and After School Care (E)	162	77	–	239
Building Damage Deposits (F)	8,953	4,230	(3,383)	9,800
Business Accelerator IT and Furniture (G)	206	–	(17)	189
Capital Works Reserve (H)	2,455	2,880	(1,267)	4,068
Community Facilities Fund (I)	292	336	(34)	594
Cronulla Plaza Refurbishment (J)	127	11	(34)	104
Cronulla Wastewater Reuse Scheme (K)	70	20	–	90
Elections (L)	512	190	–	702
Employees Leave Entitlement (M)	5,005	17,131	(17,584)	4,552
Energy Audit Upgrade (N)	1,146	1,157	(153)	2,150
Entertainment Centre Audio Visual System (O)	72	–	–	72
Family Day Care (P)	223	–	(216)	7
Future Budgets Reserve (Q)	3,150	2,601	(3,150)	2,601
Library Improvement (R)	808	137	–	945
Long Day Care Operations (S)	1,094	993	(289)	1,798
Parks Capital (T)	62	–	(18)	44
Sutherland Entertainment Centre Redevelopment (U)	304	–	(47)	257
Tennis Facilities (V)	178	–	(8)	170
Works in Progress/Unspent allocations (W)	1,215	4,462	(3,215)	2,462
Hazelhurst Gallery Upgrade (X)	54	1	–	55
Kareela Oval upgrade Works (Y)	2	–	–	2
Kindergarten Upgrades (Z)	166	–	–	166
Land Acquisitions/ Easements (AA)	100	–	–	100
Leisure Facilities (AB)	397	499	(4)	892
Long Day Care Maternity Leave (AC)	434	–	(51)	383
Office Automation (AD)	971	393	–	1,364
Property Fund (AE)	1,806	1,709	(1,785)	1,730
Property Internal Funding Restrictions (AF)	343	–	(343)	–
Emergency Services Infrastructure (AG)	197	141	(37)	301
Sporting Facilities Development Fund (AH)	1,000	–	–	1,000
Vacation Care (AI)	4	0	–	4
Surf Club Infrastructure Works (AJ)	57	8	–	65
Plant Replacement Reserve (AK)	–	765	–	765
Total internal restrictions	31,623	37,741	(31,643)	37,721
TOTAL RESTRICTIONS	62,432	58,274	(38,586)	82,120

See on the page following for descriptions of internal restrictions (as identified above).

Internal Restrictions arise pursuant to resolutions of Council to set aside reserves of cash resources either relating to liabilities recognised in these reports or to fund future expenditure for the stated purpose. Such reserves are not permitted to exceed the amounts of cash assets and cash investments not otherwise restricted.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 6c. Restricted cash, cash equivalents and investments – details (continued)

-
- D** Funds are set aside for Anzac Youth & Recreation Centre to assist in future upgrades & maintenance of community halls.
- E** Conditions tied to grant funding commits any surplus to be reserved to meet future centre upgrades, improvements or major maintenance: Before and After School Care
- F** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G** A proportion of the rent paid by SSHEd tenants is taken to reserve to assist with the future IT upgrades & furniture at the facility.
- H** Reserve established BDS057-14 to set aside the general revenue component from periodic Capital Capacity Reviews for inclusion in future budgets or for utilisation on other capital works for which the priority has increased.
- I** Funds are set aside from community management committees to assist in future upgrades & maintenance of community halls.
- J** Reserve established for the ongoing minor upgrades at Cronulla Plaza until a major upgrade is undertaken.
- K** Reserve established for future capital works and replacements in relation to the Cronulla Wastewater Reuse Scheme.
- L** An amount is set aside each year for 4 years to raise sufficient funds for the quadrennial Council elections.
- M** Council policy to maintain in reserve at least 10% of ELE liability for a future "buffer".
- N** Funds for the purpose of undertaking energy audit upgrades to reduce energy consumption across the organisation.
- O** Reserve established (EHR038-14) to establish a reserve for the replacement of the Audio Visual system at Sutherland Entertainment Centre.
- P** Conditions tied to grant funding commits any surplus to be reserved to meet future centre upgrades, improvements or major maintenance.: Family Day Care
- Q** The surplus funds from the 2009/10 financial year are reserved to assist in meeting future budget shortfalls or specific project funding.
- R** Reserve established (LRS024-14) for library refurbishments. The purpose of these works is to increase visitor capacity at the Central Library.
- S** Conditions tied to grant funding commits any surplus to be reserved to meet future centre upgrades, improvements or major maintenance: Long Day Care
- T** Reserve established from unspent allocations for specific parks capital works that can only be undertaken under specific circumstances or at a particular time.
- U** Reserve established from unexpended funds for the upgrade of the Sutherland Entertainment Centre.
- V** Reserve established for future upgrade works at Tennis facilities upon the determination of the future use and arrangement of the Tennis Facilities.
- W** The General Revenue funded portion of works in progress & unspent allocations is reserved each year & released in the next year for continuation of works.
- X** Excess funds from sponsorship are reserved each year to assist funding ongoing equipment replacement at Hazelhurst Gallery.
- Y** Reserve created from unspent funds set aside for oval drainage & irrigation works at Kareela Oval to commence in September 2012.
- Z** Council decision to reserve the insurance proceeds from Talara Rd Scout Hall fire to assist in funding 3 kindergarten upgrades across the shire.
- AA** Balance reserved for funding recreation space land acquisitions and unidentified drainage easements when required.
- AB** Council decision to set aside any surplus to budget for the Leisure Centre for future capital works/renewals to be financed from funds derived from the facilities.
- AC** The Long Day Care budgets are framed to allow for probable excessive maternity leave occurrences and this amount is set aside for future impacts.
- AD** Funds from IM&T Operations and IM&T projects uncompleted are set aside to meet future technology upgrades.
- AE** Funds from the Property Fund have been utilised to refinance an external debt. Payment timeframe 20 years (including interest).
- AF** These funds relate to loans taken out for specific projects as part of normal funding. No restriction has been placed on these funds by the finance provider.
- AG** Reserve created from savings in the construction of Rural Fire Service buildings for future building works.
- AH** Reserve established (MM04/14-15) for the purpose of providing sporting groups low interest loans for the development of sporting facilities within the Shire.
- AI** The surplus funds from operations which must be spent only on respective programs.
- AJ** Reserve for the provision of infrastructure works at Surf Clubs
- AK** Reserve for the provision of Plant Replacement.

Sutherland Shire Council

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

Note 7. Receivables

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		4,155	917	4,640	881
Interest and extra charges		626	–	655	–
Accrued revenues					
– Interest on investments		1,045	–	900	–
Deferred debtors		–	–	12	1
Government grants and subsidies		1,505	–	915	–
Net GST receivable		1,010	–	1,305	–
Section 611 (AGL/Telstra/Optus)		45	–	135	–
Sundry Debtors		8,844	–	4,943	–
Sydney Coastal Councils		9	–	–	–
NSW Public Works		255	–	–	–
Other debtors		82	–	96	–
Total		17,576	917	13,601	882
Less: provision for impairment					
Rates and annual charges		(201)	–	(183)	–
Other debtors		(1,146)	–	(1,010)	–
Total provision for impairment – receivables		(1,347)	–	(1,193)	–
TOTAL NET RECEIVABLES		16,229	917	12,408	882
Externally restricted receivables					
Domestic waste management		1,186	–	1,069	–
Stormwater management		76	–	90	–
Other					
– Cronulla plaza special rate		4	–	14	–
Total external restrictions		1,266	–	1,173	–
Internally restricted receivables					
Nil					
Unrestricted receivables		14,963	917	11,235	882
TOTAL NET RECEIVABLES		16,229	917	12,408	882

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2015 8.50%).
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Sutherland Shire Council

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

Note 8. Inventories and other assets

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
(a) Inventories					
(i) Inventories at cost					
Real estate for resale (refer below)		7,235	–	7,241	–
Stores and materials		173	–	201	–
Trading stock		3	–	27	–
Total inventories at cost		7,411	–	7,469	–
TOTAL INVENTORIES		7,411	–	7,469	–
(b) Other assets					
Prepayments		1,516	–	1,401	–
TOTAL OTHER ASSETS		1,516	–	1,401	–
Externally restricted assets					
Water					
Nil					
Sewerage					
Nil					
Domestic waste management					
Prepayments		263	–	135	–
Total domestic waste management		263	–	135	–
Other					
Nil					
Total externally restricted assets		263	–	135	–
Total unrestricted assets		8,664	–	8,735	–
TOTAL INVENTORIES AND OTHER ASSETS		8,927	–	8,870	–

Sutherland Shire Council

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

Note 8. Inventories and other assets (continued)

\$ '000	2016		2015	
	Current	Non-current	Current	Non-current
(i) Other disclosures				
(a) Details for real estate development				
Residential	597	–	602	–
Industrial/commercial	6,479	–	6,479	–
Other properties	159	–	160	–
Total real estate for resale	7,235	–	7,241	–
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	6,647	–	6,653	–
Development costs	429	–	429	–
Other properties – book value	159	–	159	–
Total costs	7,235	–	7,241	–
Total real estate for resale	7,235	–	7,241	–
Movements:				
Real estate assets at beginning of the year	7,241	–	4,545	–
– Purchases and other costs	(6)	–	(5)	–
– Transfers in from (out to) Note 9	–	–	2,701	–
Total real estate for resale	7,235	–	7,241	–
(b) Current assets not anticipated to be settled within the next 12 months				
The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;				
			2016	2015
Real estate for resale			7,235	7,241
			7,235	7,241

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	At	Accumulated	Carrying	Additions	Additions	Carrying	Depreciation	Adjustments	Amalgamations	Revaluation	At	At	Accumulated	Carrying
	cost	fair value	depreciation	value	renewals	new assets	value of disposals	expense	and transfers	transfers in/(out)	increments to equity (ARR)	cost	fair value	depreciation	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	–	–	(153)	–	–	–	–	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	1,053	(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 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000 Class of asset	Actual 2016				Actual 2015			
	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
Domestic waste management								
Plant and equipment	–	7,155	6,599	556	–	6,732	6,356	376
Furniture and fittings	–	22	22	–	–	22	20	2
Other assets	–	8	2	6	–	8	1	7
Total DWM	–	7,185	6,623	562	–	6,762	6,377	385
TOTAL RESTRICTED I,PP&E	–	7,185	6,623	562	–	6,762	6,377	385

Note 9c. Infrastructure, property, plant and equipment – current year impairments

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

Sutherland Shire Council

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

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
Payables					
Goods and services		10,109	–	7,394	–
Payments received In advance		1,120	–	843	–
Accrued expenses:					
– Other expenditure accruals		256	–	270	–
Security bonds, deposits and retentions (>12 months)		6,857	–	6,039	–
Security bonds, deposits and retentions (<12 months)		3,069	–	3,122	–
Other		182	–	406	–
Total payables		21,593	–	18,074	–
Borrowings					
Bank overdraft		–	–	321	–
Loans – secured ¹		1,387	7,358	3,376	8,745
Finance lease liabilities		347	511	437	531
Total borrowings		1,734	7,869	4,134	9,276
Provisions					
Employee benefits:					
Annual leave		9,914	–	9,577	–
Sick leave		2,066	–	2,085	–
Long service leave		20,706	423	20,295	414
Gratuities		1,140	–	1,224	–
Other Redundancies		–	–	570	–
Sub-total – aggregate employee benefits		33,826	423	33,751	414
Self insurance – workers compensation		1,474	3,418	1,225	3,723
Self insurance – public liability		351	65	166	142
Other – audit		57	–	56	–
Other – motor vehicles		61	–	61	–
Other – legal costs		240	–	240	–
Total provisions		36,009	3,906	35,499	4,279
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		59,336	11,775	57,707	13,555
(i) Liabilities relating to restricted assets					
		2016		2015	
		Current	Non-current	Current	Non-current
Externally restricted assets					
Domestic waste management		2,607	700	2,853	–
Liabilities relating to externally restricted assets		2,607	700	2,853	–
Internally restricted assets					
Nil		–	–	–	–
Total liabilities relating to restricted assets		2,607	700	2,853	–
Total liabilities relating to unrestricted assets		56,729	11,075	54,854	13,555
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		59,336	11,775	57,707	13,555

¹ Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 10a. Payables, borrowings and provisions (continued)

\$ '000	Actual 2016	Actual 2015
(ii) Current liabilities not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	20,543	21,164
Payables – security bonds, deposits and retentions	6,857	6,039
	27,400	27,203

Note 10b. Description of and movements in provisions

Class of provision	2015		2016			
	Opening balance as at 1/7/15	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/16
Annual leave	9,577	11,275	(10,990)	52	–	9,914
Sick leave	2,085	3,041	(3,150)	90	–	2,066
Long service leave	20,709	3,123	(3,611)	908	–	21,129
Other Redundancies	570	(570)	–	–	–	–
Gratuities	1,224	(33)	(100)	49	–	1,140
Self insurance	5,256	52	–	–	–	5,308
Other	357	1	–	–	–	358
TOTAL	39,778	16,889	(17,851)	1,099	–	39,915

- a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Self insurance provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council's being a self insurer up to certain levels of excess.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2016	Actual 2015
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	36,341	25,357
Less bank overdraft	10	–	(321)
Balance as per the Statement of Cash Flows		36,341	25,036
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		35,467	22,206
Adjust for non-cash items:			
Depreciation and amortisation		30,105	27,208
Net losses/(gains) on disposal of assets		567	99
Non-cash capital grants and contributions		(46)	(81)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		74	(284)
– Investment properties		(3,201)	–
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(4,023)	(37)
Increase/(decrease) in provision for doubtful debts		154	86
Decrease/(increase) in inventories		52	(13)
Decrease/(increase) in other assets		(115)	(23)
Increase/(decrease) in payables		2,715	337
Increase/(decrease) in other accrued expenses payable		(14)	41
Increase/(decrease) in other liabilities		818	(47)
Increase/(decrease) in employee leave entitlements		84	847
Increase/(decrease) in other provisions		53	(1,513)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		62,690	48,826

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(c) Non-cash investing and financing activities			
Acquisition of plant and equipment by means of finance lease		390	734
Land dedications (other than s94)		46	81
Total non-cash investing and financing activities		436	815
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		750	750
Credit cards/purchase cards		105	105
Total financing arrangements		855	855

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

(ii) Secured loan liabilities

Loans are secured by a mortgage over future years rate revenue only.

(e) Bank guarantees/Loan guaranteesState Insurance Regulatory Authority (SIRA) - previously known as Workcover

In accordance with requirements of SIRA NSW, Council as a self insurer for workers compensation is required to lodge a cash deposit or a bank guarantee as security against potential claims upon Council. As at 30 June 2016 the bank guarantee held by SIRA NSW was in the amount of \$4,680,000.

Elouera Surf Life Saving Club

As at 30 June 2016 a security deposit was held by National Australia Bank Ltd \$600,000 on behalf of Elouera Surf Life Saving Club for a loan to undertake Club building improvements.

Wanda Surf Life Saving Club

As at 30 June 2016 a loan guarantee was held by ANZ Ltd \$1,500,000 on behalf of Wanda Surf Life Saving Club for a loan to undertake Club building improvements.

Sutherland Shire Council

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

Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2016	Actual 2015
(a) Capital commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, plant and equipment			
Buildings		50	110
Plant and equipment		1,165	425
Other - incl. works/construction of public amenities		3,247	3,363
Total commitments		4,462	3,898
These expenditures are payable as follows:			
Within the next year		4,462	3,898
Total payable		4,462	3,898
Sources for funding of capital commitments:			
Unrestricted general funds		4,462	3,898
Total sources of funding		4,462	3,898

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 12. Commitments for expenditure (continued)

\$ '000	Notes	Actual 2016	Actual 2015
(b) Finance lease commitments			
(i) Commitments under finance leases at the reporting date are payable as follows:			
Within the next year		371	468
Later than one year and not later than 5 years		527	555
Later than 5 years		–	–
Total minimum lease payments		898	1,023
Less: future finance charges		(40)	(55)
Amount recognised as a liability		858	968
(ii) Finance lease liability recognised represent			
Current liabilities		347	437
Non-current liabilities		511	531
Total finance lease liabilities disclosed		858	968
(i) General details			
Council leases the following property, plant and equipment under finance leases:			
Computers – carrying value		530	625
Other equipment/assets		328	343
Total carrying value at year end		858	968

(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	3,852	3,155
Later than one year and not later than 5 years	4,648	3,157
Total non-cancellable operating lease commitments	8,500	6,312

b. Non-cancellable operating leases include the following assets:

Garbage Compactors, Tractors, Road Sweepers, Leisure Centre Equipment & other Plant & Equipment.
Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to finance and operating leases:

- All finance and operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

(d) Investment property commitments

Nil

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>54,544</u>	1.86x	1.66x	2.10x
Current liabilities less specific purpose liabilities ^(3,4)	<u>29,329</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%	4.16%	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 13a(i). Statement of performance measurement – indicators (consolidated)

Notes on the ratios from the previous page

- (1) Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.
- (2) Refer Notes 6-8 inclusive.
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.
- (3) Refer to Note 10(a).
- (4) Refer to Note 10(a)(ii) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

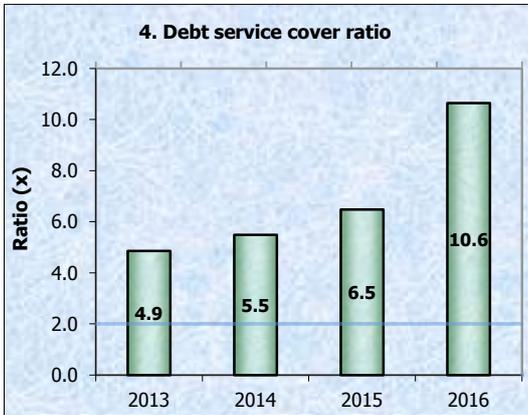
Note 13a(ii). Local government industry indicators – graphs (consolidated)

<p>1. Operating performance ratio</p> <p>Benchmark: — Minimum >=0.00%</p> <p>Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 ratio 7.10%</p> <p>This ratio is better than the industry benchmark, highlighting Council achieving an operating surplus (revenue greater than expenditure).</p>	
<p>Ratio achieves benchmark (Green bar) Ratio is outside benchmark (Red bar)</p>	<p>2. Own source operating revenue ratio</p> <p>Benchmark: — Minimum >=60.00%</p> <p>Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 ratio 85.39%</p> <p>This ratio is better than the industry recognised benchmark of >60%.</p>
<p>Ratio achieves benchmark (Green bar) Ratio is outside benchmark (Red bar)</p>	<p>3. Unrestricted current ratio</p> <p>Benchmark: — Minimum >=1.50</p> <p>Source for benchmark: Code of Accounting Practice and Financial Reporting #24</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 2015/16 result</p> <p>2015/16 ratio 1.86x</p> <p>This ratio is better than the industry recognised benchmark of 1.50:1 and clearly demonstrates Council's ability to meet short term obligations.</p>
<p>Ratio achieves benchmark (Green bar) Ratio is outside benchmark (Red bar)</p>			

Sutherland Shire Council

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

Note 13a(ii). Local government industry indicators – graphs (consolidated)



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

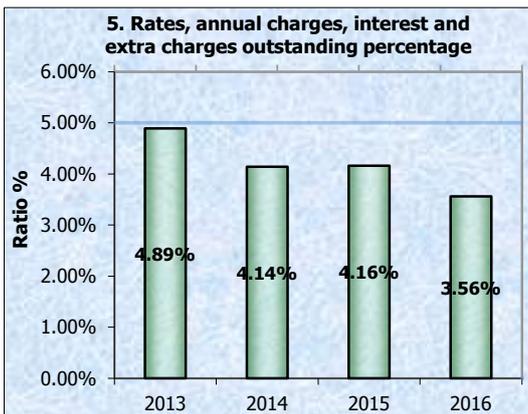
Commentary on 2015/16 result

2015/16 ratio 10.65x

This result provides an indication that Council can adequately service its outstanding debt. This ratio is in excess of the industry benchmark 2x. This increasing ratio is due to the Council's Ongoing Debt Reduction Strategy.

Benchmark: Minimum >=2.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of rates and annual charges outstanding ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

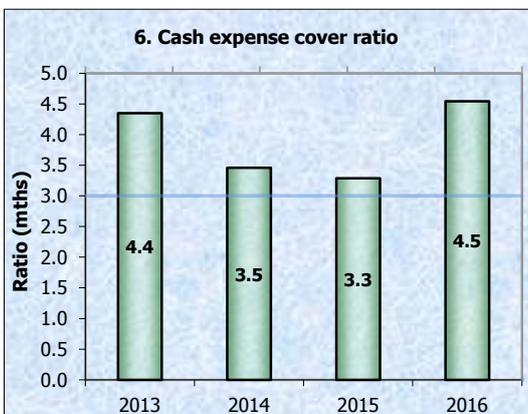
Commentary on 2015/16 result

2015/16 ratio 3.56%

This ratio is well below the industry benchmark of 5%. Council does not pursue eligible pensioners and arrangements under hardship. These debtors are included in the figures presented. If these debts are excluded from the calculation the outstanding percentage would be 2.31 %.

Benchmark: Maximum <5.00%
Source for Benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2015/16 result

2015/16 ratio 4.54 mths

This ratio is better than the benchmark of 3 months. It indicates that Council has the ability to continue to meet its immediate commitments for 4.4 months without additional cash inflows.

Benchmark: Minimum >=3.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark
 Ratio is outside benchmark

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 14. Investment properties

\$ '000	Notes	Actual 2016	Actual 2015
(a) Investment properties at fair value			
<u>Investment properties on hand</u>		<u>51,445</u>	<u>48,187</u>
Reconciliation of annual movement:			
Opening balance		48,187	46,037
– Capitalised expenditure – this year		57	–
– Net gain/(loss) from fair value adjustments		3,201	2,150
CLOSING BALANCE – INVESTMENT PROPERTIES		<u>51,445</u>	<u>48,187</u>
Externally Restricted Investment Properties (included above)			
Section 94		<u>4,750</u>	<u>4,735</u>

(b) Valuation basis

The basis of valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2016 revaluations were based on independent assessments made by:
Robert Randall Registered Practicing Valuer AAPI 67869 McLennan Steege Smith & Associates.

(c) Leasing arrangements

Details of leased investment properties are as follows;

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	2,467	2,718
Later than 1 year but less than 5 years	5,963	6,264
Later than 5 years	94,472	94,919
Total minimum lease payments receivable	<u>102,902</u>	<u>103,901</u>

(d) Investment property income and expenditure – summary

Rental income from investment properties:		
– Minimum lease payments	3,638	3,488
Direct operating expenses on investment properties:		
– that generated rental income	(435)	(210)
Net revenue contribution from investment properties	<u>3,203</u>	<u>3,278</u>
plus:		
Fair value movement for year	<u>3,201</u>	<u>2,150</u>
Total income attributable to investment properties	<u>6,404</u>	<u>5,428</u>

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

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 15. Financial risk management

\$ '000

Risk management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

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

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2016	2015	2016	2015
Financial assets				
Cash and cash equivalents	36,341	25,357	36,341	25,357
Investments				
– 'Held for trading'	15,960	16,034	15,960	16,034
– 'Held to maturity'	30,250	22,500	30,250	22,500
Receivables	17,146	13,290	17,146	13,290
Total financial assets	99,697	77,181	99,697	77,181
Financial liabilities				
Bank overdraft	–	321	–	321
Payables	20,473	17,231	20,473	17,231
Loans/advances	8,745	12,121	8,746	12,121
Lease liabilities	858	968	858	968
Total financial liabilities	30,076	30,641	30,077	30,641

Fair value is determined as follows:

- **Cash** and **cash equivalents**, **receivables**, **payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings** and **held-to-maturity** investments – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 15. Financial risk management (continued)

\$ '000

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors: being Prudential Investment Services Corp Pty Ltd.

Council has an investment policy which complies with the *Local Government Act 1993* and 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 risks associated with the investments held are:

- **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.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

(a) Market risk – price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2016				
Possible impact of a 10% movement in market values	1,596	1,596	(1,596)	(1,596)
Possible impact of a 1% movement in interest rates	632	632	(632)	(632)
2015				
Possible impact of a 10% movement in market values	1,603	1,603	(1,603)	(1,603)
Possible impact of a 1% movement in interest rates	479	479	(479)	(479)

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

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

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

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2016 Rates and annual charges	2016 Other receivables	2015 Rates and annual charges	2015 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	85%	0%	71%
Overdue	100%	15%	100%	29%
	100%	100%	100%	100%
(ii) Ageing of receivables – value				
Rates and annual charges	Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
Current	5,072	789	6,176	568
< 1 year overdue	–	10,678	–	5,476
1 – 2 years overdue	–	539	–	492
2 – 5 years overdue	–	78	–	32
> 5 years overdue	–	1,337	–	1,739
	5,072	13,421	6,176	8,307
(iii) Movement in provision for impairment of receivables			2016	2015
Balance at the beginning of the year			1,193	1,107
+ new provisions recognised during the year			154	86
Balance at the end of the year			1,347	1,193

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
		≤ 1 Year	1-5 Yrs	> 5 Yrs		
2016						
Trade/other payables	–	20,473	–	–	20,473	20,473
Loans and advances	–	1,697	6,469	1,655	9,821	8,745
Lease liabilities	–	347	551	–	898	858
Total financial liabilities	–	22,517	7,020	1,655	31,192	30,076
2015						
Bank overdraft	321	–	–	–	321	321
Trade/other payables	–	17,231	–	–	17,231	17,231
Loans and advances	–	3,861	7,247	2,966	14,074	12,121
Lease liabilities	–	437	531	–	968	968
Total financial liabilities	321	21,529	7,778	2,966	32,594	30,641

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

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

	2016		2015	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Bank overdraft	–	0.00%	321	14.00%
Trade/other payables	20,473	0.00%	17,231	0.00%
Loans and advances – fixed interest rate	8,745	3.67%	12,121	4.70%
Lease liabilities	858	3.14%	968	4.10%
	30,076		30,641	

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 of 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	41,672	(4,501)	(12%)	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	34,683	13,804	28%	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)	(47,899)	(12,087)	33.8%	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)	(3,486)	109	(3.0%)	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

Notes to the Financial Statements

for the year ended 30 June 2016

Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and 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 and levies and the value of all remaining funds which are 'restricted' in their future use.

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	19,624	6,449	–	938	(4,965)	–	22,046	–
Community facilities	1,545	948	–	58	(19)	–	2,532	–
Contributions (investment property)	4,735	–	–	–	15	–	4,750	–
S94 contributions – under a plan	25,904	7,397	–	996	(4,969)	–	29,328	–
S94A levies – under a plan	4,018	1,055	–	138	(275)	–	4,936	–
Total S94 revenue under plans	29,922	8,452	–	1,134	(5,244)	–	34,264	–
S94 not under plans	3,487	–	–	108	–	–	3,595	–
Total contributions	33,409	8,452	–	1,242	(5,244)	–	37,859	–

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN - SHIRE WIDE PLAN (2005)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	19,176	6,304	–	921	(4,828)	–	21,573	–
Contributions (investment property)	4,735	–	–	15	–	–	4,750	–
Total	23,911	6,304	–	936	(4,828)	–	26,323	–

CONTRIBUTION PLAN NUMBER 3 - COMMUNITY FACILITIES MENAI DISTRICT & WORONORA HEIGHTS (1993)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Community facilities	1,545	948	–	58	(19)	–	2,532	–
Total	1,545	948	–	58	(19)	–	2,532	–

CONTRIBUTION PLAN - CARINGBAH CENTRE (1997)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	344	83	–	12	(135)	–	304	–
Total	344	83	–	12	(135)	–	304	–

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN - SUTHERLAND CENTRE (2006)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	104	62	–	5	(2)	–	169	–
Total	104	62	–	5	(2)	–	169	–

S94A LEVIES – UNDER A PLAN

Employment Zone (2007) : Miranda Centre (2007) ; Cronulla, Engadine, Menai, Sutherland Centre (2008)

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	4,018	1,055	–	138	(275)	–	4,936	–
Total	4,018	1,055	–	138	(275)	–	4,936	–

S94 CONTRIBUTIONS – NOT UNDER A PLAN

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	1,281	–	–	40	–	–	1,321	–
Parking	1,914	–	–	59	–	–	1,973	–
Other	292	–	–	9	–	–	301	–
Total	3,487	–	–	108	–	–	3,595	–

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 18. Contingencies and 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) State Insurance Regulatory Authority (SIRA)

In accordance with requirements of State Insurance , Regulatory Authority (SIRA) Council as a self insurer for workers compensation is required to lodge a cash deposit or a bank guarantee as security against potential claims upon Council. In previous years a cash deposit was lodged, however, in 1998/99 Council changed this for a bank guarantee.

As at 30 June 2015 the bank guarantee held by State Insurance Regulatory Authority (SIRA) was in the amount of \$4,680,000.

At 30 June 2016, Council's actuarial assessment has recommended a security of \$4,300,000 be held to satisfy the new calculation formula. SIRA has been advised of the recommendation and once reviewed and agreed by them, the appropriate amount of the guarantee will be organised with Council's banker.

(ii) Elouera Surf Life Saving Club

As at 30 June 2016, a security deposit was held by National Australia Bank Ltd totalling \$600,000.00 on behalf of Elouera Surf Life Saving Club for a loan to undertake Club building improvements.

(ii) Wanda Surf Life Saving Club

As at 30 June 2016, a loan guarantee was held by ANZ Ltd totalling \$1,500,000.00 on behalf of Wanda Surf Life Saving Club for a loan to undertake Club building improvements.

(iii) 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 significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

Sutherland Shire Council

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

Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(iv) Statewide Limited

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

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

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

(v) 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.

(vi) Other Guarantees

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

2. Other Liabilities

(i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

(ii) 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 Council's intention to spend funds in the manner and timing set out in those Plans.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities (continued)

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

Council has classified 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.

(iv) Tip Remediation - Ferntree Reserve Restrictions imposed by Council

Council has identified requirements for remediation of an old tip site at Ferntree Reserve Engadine.

A risk analysis has been completed and discussions are being held between Council, its consultants and Sydney Water as to works required to mitigate the risks associated with land slip likely to damage the main Woronora Dam water distribution pipeline located downslope of the old tip.

As at the date of reporting, negotiations are still underway and it is not possible to finalise the cost of works required.

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.

3. Fit for the Future

Although Sutherland Council is not included in the proposed amalgamation listing, Sutherland Council has the intention to stand alone. Council is complying with the Indicators as prescribed, undertaking an improvement plan.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Unconsolidated structured entities

Note 19(a)

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Subsidiaries, joint arrangements and associates not recognised

Note 19(b)

(a) Unconsolidated structured entities

Council did not consolidate the following structured entities:

SSROC : Southern Sydney Regional Organisation of Councils

SSROC is an association of sixteen (16) Sydney Councils serving large and diverse communities that face all the challenges of metropolitan living.

The role of SSROC is undertake projects that cross council boundaries achieving results that will contribute to the sustainability of member councils and their communities.

The focus includes the environment, transport, procurement, waste, library services and planning.

Nature of risks relating to the Unconsolidated Structured Entity

The primary risk to the Council is that projects and programs may not be able to be delivered and Council would incur increased expenditure for the projects and programs

	2016	2015
Losses (or expenses) incurred by Council relating to the Structured Entity	63	62
Income received by Council relating to the Structured Entity		

(b) Subsidiaries, joint arrangements and associates not recognised

In December 2015, Council and GBS Group Pty Ltd negotiated and entered in a Deed of Release, to terminate the Deed of Agreement of 1991.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 2016	Actual 2015
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		1,335,729	1,134,570
a. Other comprehensive income (excl. direct to reserves transactions)		–	178,953
b. Net operating result for the year		35,467	22,206
Balance at end of the reporting period		1,371,196	1,335,729
(b) Revaluation reserves			
(i) Reserves are represented by:			
– Infrastructure, property, plant and equipment revaluation reserve		698,030	677,050
Total		698,030	677,050
(ii) Reconciliation of movements in reserves:			
Infrastructure, property, plant and equipment revaluation reserve			
– Opening balance		677,050	369,289
– Revaluations for the year	9(a)	20,980	307,761
– Balance at end of year		698,030	677,050
TOTAL VALUE OF RESERVES		698,030	677,050
(iii) Nature and purpose of reserves			
Infrastructure, property, plant and equipment revaluation reserve			
– The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.			
(c) Correction of error/s relating to a previous reporting period			
Correction of errors as disclosed in last year's financial statements:			
Council corrected the accumulated depreciation on Road assets due to an overstatement in prior years. Bulk earthworks were also previously understated and these have been corrected		–	178,953
(d) Voluntary changes in accounting policies			
Council made no voluntary changes in any accounting policies during the year.			

Note 21. Financial result and financial position by fund

Council utilises only a general fund for its operations.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 22. 'Held for sale' non-current assets and disposal groups

\$ '000

Council did not classify any non-current assets or disposal groups as 'held for sale'.

Note 23. Events occurring after the reporting date

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

Note 24. Discontinued operations

Council has not classified any of its operations as 'discontinued'.

Note 25. Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over intangible assets that warrant recognition in the financial statements, including either internally generated and developed assets or purchased assets.

Note 26. Reinstatement, rehabilitation and restoration liabilities

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

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

2016	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Investment properties					
Various	(14) 30/06/16	–	–	51,445	51,445
Total investment properties		–	–	51,445	51,445
Infrastructure, property, plant and equipment					
Plant and equipment	(9) 30/06/16	–	–	13,360	13,360
Office equipment	(9) 30/06/16	–	–	894	894
Furniture and fittings	(9) 30/06/16	–	–	2,570	2,570
Plant and equipment under finance lease	(9) 30/06/16	–	–	912	912
Library books	(9) 30/06/16	–	–	2,146	2,146
Operational land	(9) 30/06/16	–	–	108,183	108,183
Community land	(9) 30/06/16	–	–	221,235	221,235
Land improvements (depreciable)	(9) 30/06/16	–	–	81,773	81,773
Buildings	(9) 30/06/16	–	–	135,141	135,141
Roads	(9) 30/06/16	–	–	616,591	616,591
Bridges	(9) 30/06/16	–	–	7,972	7,972
Footpaths	(9) 30/06/16	–	–	70,403	70,403
Stormwater drainage	(9) 30/06/16	–	–	356,988	356,988
Swimming pools (buildings)	(9) 30/06/16	–	–	18,269	18,269
Swimming pools (land improvements)	(9) 30/06/16	–	–	1,928	1,928
Other open space/recreational (buildings)	(9) 30/06/16	–	–	71,669	71,669
Other open space/recreational (land improvmt)	(9) 30/06/16	–	–	4,740	4,740
Heritage collection	(9) 30/06/16	–	–	311	311
Other assets	(9) 30/06/16	–	–	175	175
Land under roads	(9) 30/06/16	–	–	96,255	96,255
Land improvements (non depreciable)	(9) 30/06/16	–	–	14,430	14,430
Bulk earthworks non depreciable	(9) 30/06/16	–	–	151,876	151,876
Total infrastructure, property, plant and equipment		–	–	1,977,821	1,977,821

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values (continued):

2015	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Investment properties					
Various	30/06/15	–	–	46,037	46,037
Total investment properties		–	–	46,037	46,037
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/15	–	–	11,745	11,745
Office equipment	30/06/15	–	–	971	971
Furniture and fittings	30/06/15	–	–	2,460	2,460
Plant and equipment under finance lease	30/06/15	–	–	717	717
Library books	30/06/15	–	–	2,116	2,116
Operational land	30/06/15	–	–	110,994	110,994
Community land	30/06/15	–	–	197,215	197,215
Land improvements (depreciable)	30/06/15	–	–	77,123	77,123
Buildings - specialised	30/06/15	–	–	92,635	92,635
Buildings - non specialised	30/06/15	–	–	43,306	43,306
Roads	30/06/15	–	–	276,751	276,751
Bridges	30/06/15	–	–	6,927	6,927
Footpaths	30/06/15	–	–	45,436	45,436
Stormwater drainage	30/06/15	–	–	359,583	359,583
Swimming pools (buildings)	30/06/15	–	–	18,226	18,226
Swimming pools (land improvements)	30/06/15	–	–	2,217	2,217
Other open space/recreational (non spec buildings)	30/06/15	–	–	251	251
Other open space/recreational (spec buildings)	30/06/15	–	–	71,984	71,984
Other open space/recreational (land improvmt)	30/06/15	–	–	5,564	5,564
Heritage collection	30/06/15	–	–	282	282
Other assets	30/06/15	–	–	301	301
Land under roads	30/06/15	–	–	96,176	96,176
Land improvements (non depreciable)	30/06/15	–	–	11,354	11,354
Bulkd earthworks non depreciable	30/06/15	–	–	6,446	6,446
Total infrastructure, property, plant and equipment		–	–	1,440,780	1,440,780

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Sutherland Shire Council

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

Note 27. Fair value measurement (continued)

(3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

Level 2 valuation process for some asset classes where the basis was Cost Approach under level 2 input which were determined based on, whereby maximising observable inputs and minimising unobservable inputs as below:

- ❖ Quoted prices for similar asset in active markets
- ❖ Current replacement cost concept
- ❖ Purchase price
- ❖ Useful life

Level 3 valuation process for some asset classes where the basis was Cost Approach. The inputs used for this technique were:

- ❖ Pattern of consumption
- ❖ Residual Value
- ❖ Asset Condition
- ❖ Unit rates
- ❖ Useful life

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Investment Properties

Sutherland Council holds several investment properties.

Council obtains an independent valuation of its portfolio on an annual basis for reporting in the annual financial statements - Note 14. The Fair market value measurement was assessed by capitalisation having regard to the commercial and retail sales of commercial buildings.

The investment properties have been valued by Robert Randall (Registered Practicing Valuer AAPI 2246) for McLennan Steege Smith and Associates.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

Infrastructure, Property, Plant and Equipment

Plant and Equipment, Office Equipment and Furniture and Fittings

Council's Plant and Equipment, Office Equipment and Furniture and Fittings incorporate:

- Major plant such as Trucks, tractors, street sweepers
- Fleet Vehicles such as Cars, vans, utes .
- Minor Plant such as Chainsaws, brush cutters, mowers, concrete mixers.

Council's Office Equipment incorporate

- Furniture & Fittings such as Desks, chairs, display systems

Council's Plant and Equipment, Office Equipment and Furniture and Fittings incorporate

- Office Equipment such as Computers, monitors, PABX, Projectors etc.

Plant equipment, office equipment and furniture and fittings are valued at cost but are disclosed at fair value in the notes.

Council assumes that the carrying amount reflects the fair value of the asset due to the nature of the items as shown above.

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Useful life
- ❖ Asset Condition
- ❖ Residual Value
- ❖ Gross replacement cost.

There has been no change to the valuation process during the reporting period.

Library Books and Heritage Collection

Council's Library Books include books, publication reference materials, CD's , DVD's and periodicals.

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

Council's Heritage collection contains publications that are of historical nature and cannot be replaced.

Council library books are disclosed at fair value in the notes.

Council assumes that the carrying amount reflects the fair value of the asset due to the nature of the items.

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Useful life
- ❖ Asset Condition
- ❖ Residual Value
- ❖ Gross replacement cost.

There has been no change to the valuation process during the reporting period.

Infrastructure – Roads

This asset class comprises the Road Carriageway, Bus Shelters, Car parks, Guardrails, Kerb and Guttering, Retaining walls, Suburb Markers, and Traffic Facilities.

The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter, and would include any paved markers parking places along roadside.

Council's pavement Management System (PMS) contains detailed dimensions and specification for all Council roads. Valuations for the road carriageway, comprising surface, pavement and formation were based on calculations carried out in 2014 utilising the in house SMEC Asset management system for detailed pavement information residing in Council's Pavement Management System -

Council fair values, road infrastructure assets using, Level 3 inputs at a component level.

The 'Cost Approach' is used to value roads by componentising the assets into significant parts and then rolling up these component values to provide an overall road valuation (for each road segment) within Council's Asset System.

Sutherland Shire Council

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

Note 27. Fair value measurement (continued)

The level of componentisation adopted by Council is in accordance with AASB 116, OLG Circular 09-09 and the Institute of Public Work Engineers International Infrastructure Management Manual (IIMM).

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Useful life
- ❖ Asset Condition
- ❖ Residual Value
- ❖ Remaining life of carriageway
- ❖ Gross replacement cost.

The 'Cost Approach' is used to value roads assets. There were no changes in valuation technique from prior year.

Infrastructure – Bridges

Bridges are defined as all structures which convey a road, footpath or cycleway across another physical feature (including waterways and other roads).

Council's pavement Management System (PMS) contains detailed dimensions and specification for all Council roads. Valuations for the road carriageway, comprising surface, pavement and formation were based on calculations carried out in 2010 utilising the in house SMEG Asset management system for detailed pavement information residing in Council's Pavement Management System -

Council fair values, road infrastructure assets using, Level 3 inputs at a component level.

The 'Cost Approach' is used to value roads by componentising the assets into significant parts and then rolling up these component values to provide an overall road valuation (for each road segment) within Council's Asset System.

The level of componentisation adopted by Council is in accordance with AASB 116, OLG Circular 09-09 and the Institute of Public Work Engineers International Infrastructure Management Manual (IIMM).

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Useful life
- ❖ Asset Condition

Sutherland Shire Council

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

Note 27. Fair value measurement (continued)

- ❖ Residual Value
- ❖ Remaining life of carriageway
- ❖ Gross replacement cost.

The 'Cost Approach' is used to value roads assets. There were no changes in valuation technique from prior year.

Infrastructure – Footpaths

A footpath is defined as all footways (including those shared with a cycleway) sealed or non-sealed. Council Pavement Management Systems (PMS) contains detailed dimensions and specifications for all Council footpaths. Council fair values, footpaths, (non-componentised) using Level 3 inputs.

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Useful life
- ❖ Asset Condition
- ❖ Residual Value
- ❖ Gross replacement cost.

The 'Cost Approach' is used to value footpaths. There has been no change to the valuation during the reporting period.

Infrastructure – Other infrastructure

Other infrastructure comprises: Traffic islands, Refuge Islands, Bus Shelters etc.

Council other infrastructure (non-componentised) using Level 3 inputs.

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Residual value
- ❖ Asset Condition

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

- ❖ Gross replacement cost
- ❖ Remaining useful life

The 'Cost Approach' is used to value other infrastructure assets. . The cost approach was utilised and while the unit rates based on square metres, linear metres or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation during the reporting period.

Infrastructure - Stormwater Drainage

Council's Drainage Assets comprises pits, pipes, culverts, open channels, headwalls and various type of water quality device used to collect, store and remove stormwater.

Council carries fair values drainages assets (non-componentised) using Level 3 inputs.

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Useful life
- ❖ Asset Condition
- ❖ Residual Value
- ❖ Gross replacement cost.

The 'Cost Approach' is used to value drainage assets. There has been no change to the valuation during the reporting period.

Property - Operational Land

Council's "Operational" land by definition has no special restriction other than those that may apply to any piece of land.

Council obtains its fair values for operational land from an external valuer every 5 years (last valuation being 2012) using Level 3 inputs.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset and cash flows from the future use and disposal

The unobservable Level 3 inputs used include:

- ❖ Rate per square Metre
- ❖ Description of Land

The 'Market Approach' is used to value Operational Land. There has been no change to the valuation process during the reporting period.

Property - Community Land

Council's "Community" land (including owned by Council, the Crown and various other Government Agencies that is managed by Council) by definition is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, dedication under section 94 of the Environment Planning and Assessment Act 1979) This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community Land:

- ❖ Cannot be sold
- ❖ Cannot be leased, licensed, or any other estate granted over the land for more than 21 years and
- ❖ Must have a plan of management for it.

In relation to Community Land the Division of Local Government has reviewed its positions on the use of the Valuer General's Valuations of community land and in association with the Local Government Accounting Advisory Group; the Division has determined that community land may be valued as follows:

- ❖ The NSW Valuer General's valuations may be used under the revaluation model to represent fair value for the revaluation of community land under clause 31 of AASB 116.

Council fair values community land using unobservable Level 3 inputs based on inputs on either the UCV(Unimproved Capital Value) provided by the valuer General or an average unit rate based on the UCV and allocated by Council against those properties where the Valuer General did not provide a UCV.

The 'Market Approach' is used to value Community land. There has been no change to the valuation process during the reporting period.

Sutherland Shire Council

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

Note 27. Fair value measurement (continued)

Land Improvements

Council's Land improvements incorporates: Land reserves, Wetlands, Gardens, Major Earthworks, Land (non depreciable), Land Under Roads, Bulk earthworks (non depreciable) and Grass/turf mulch.

Council carries fair values of land reserves using level 3 inputs.

The unobservable Level 3 inputs used include:

- ❖ Gross replacement cost
- ❖ Asset Condition
- ❖ Residual value
- ❖ Remaining useful life

The cost approach is used to value the land improvements. There has been no change to the valuation process during the reporting period

Property- Buildings (Specialised and non-Specialised)

Council Buildings incorporates Libraries, Public Amenities, Sporting Club Houses, Kiosks and Amenities, Depot Buildings and workshops, Community Centres, Rural Fire, Aquatic Centres and Other Open Space Recreational buildings.

Council carries fair values building using level 3 inputs.

This approach estimates the replacement cost for each building by componentising the building (for complex structures) into significant parts with different useful life and taking in to account a range of factors. Buildings are physically inspected and unit although rates based on square meters could be supported from the market evidence, extensive professional judgement, and condition and consumption rates etc. impact significantly on the final value determination of fair value.

As such these assets are classified as having being valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- ❖ Consumption rate
- ❖ Future Economic Benefits

Sutherland Shire Council

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

Note 27. Fair value measurement (continued)

- ❖ Condition
- ❖ Useful life of an Asset

The 'Cost Approach' is used to value specialised buildings. There has been no change to the valuation process during the reporting period

Other Assets:

Council's Other Assets comprises bush reserves, solar panel systems, irrigation systems, accessible shelters signage etc.

Council carries fair values of other assets using level 3 inputs.

The unobservable Level 3 inputs used include:

- ❖ Pattern of Consumption
- ❖ Asset Condition
- ❖ Residual value
- ❖ Useful life

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Plant and equipment	Office equipment	Furniture and fittings	Plant and equipment leased	Total
Opening balance – 1/7/14	11,745	970	2,460	717	15,892
Purchases (GBV)	3,332	158	467	735	4,692
Disposals (WDV)	(1,270)	–	(1)	–	(1,271)
Depreciation and impairment	(1,676)	(121)	(417)	(444)	(2,658)
Transfers/Adjustments	9	–	–	–	9
Closing balance – 30/6/15	12,140	1,007	2,509	1,008	16,664
Purchases (GBV)	2,371	40	465	391	3,267
Disposals (WDV)	(1,742)	–	–	–	(1,742)
Depreciation and impairment	(1,929)	(153)	(404)	(487)	(2,973)
Transfers/Adjustments	2,520	–	–	–	2,520
Closing balance – 30/6/16	13,360	894	2,570	912	17,736

	Library books	Operational land	Community land	Land Improvem't Deprec.	Total
Opening balance – 1/7/14	2,116	110,994	197,215	77,124	387,449
Transfers from/(to) another asset class	–	–	–	4,246	4,246
Purchases (GBV)	840	10	1,091	1,405	3,346
Disposals (WDV)	–	–	(52)	(68)	(120)
Depreciation and impairment	(856)	–	(111)	(3,497)	(4,464)
Transfers/adjustments	–	(2,701)	–	–	(2,701)
Closing balance – 30/6/15	2,100	108,303	198,143	79,210	387,756
Purchases (GBV)	906	–	2,298	6,171	9,375
Disposals (WDV)	(860)	(525)	–	(17)	(1,402)
Depreciation and impairment	–	–	–	(3,870)	(3,870)
Transfers/adjustments	–	406	(297)	281	390
Revaluation	–	–	21,091	–	21,091
Transfer to Real Estate	–	–	–	(2)	(2)
Closing balance – 30/6/16	2,146	108,184	221,235	81,773	413,338

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Buildings	Roads	Bridges	Footpaths	Total
Opening balance – 1/7/14	135,941	276,751	6,927	45,436	465,055
Purchases (GBV)	2,053	29,614	985	–	32,652
Disposals (WDV)	(16)	–	–	–	(16)
Depreciation and impairment	(2,585)	(7,625)	(160)	(1,585)	(11,955)
FV gains – other comprehensive income	–	293,069	552	14,140	307,761
Transfer/Adjustment	–	18,718	(412)	11,797	30,103
Closing balance – 30/6/15	135,393	610,527	7,892	69,788	823,600
Purchases (GBV)	2,105	16,815	189	1,621	20,730
Disposals (WDV)	(3)	(10,751)	(109)	(1,006)	(11,869)
Depreciation and impairment	(2,614)	–	–	–	(2,614)
Transfers/adjustments	260	–	–	–	260
Closing balance – 30/6/16	135,141	616,591	7,972	70,403	830,107

	Stormwater drainage	Swimming Pools Buildings	Swimming Pools Land Imp	Open space rec. Buildings	Total
Opening balance – 1/7/14	359,583	18,223	2,216	72,230	452,252
Purchases (GBV)	5,465	304	–	462	6,231
Disposals (WDV)	–	–	–	(3)	(3)
Depreciation and impairment	(6,109)	(354)	(47)	(1,307)	(7,817)
Transfers/adjustments	–	–	(29)	145	116
Closing balance – 30/6/15	358,939	18,173	2,140	71,527	450,779
Purchases (GBV)	4,244	542	(226)	1,406	5,966
Depreciation and impairment	(6,195)	(446)	12	(1,321)	(7,950)
Transfer/Adjustment	–	–	–	58	58
Closing balance – 30/6/16	356,988	18,269	1,926	71,670	448,853

Sutherland Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Open space rec. Land Improvem't	Heritage Collection	Land Under Roads	Land Improvem't Non Dep.	Total
Opening balance – 1/7/14	5,568	282	96,176	11,354	113,380
Purchases (GBV)	–	14	–	2,445	2,459
Disposals (WDV)	(556)	–	–	–	(556)
Depreciation and impairment	(525)	–	–	–	(525)
Transfers/adjustments	–	–	79	–	79
Closing balance – 30/6/15	4,487	296	96,255	13,799	114,837
Purchases (GBV)	692	14	–	588	1,294
Depreciation and impairment	(216)	–	–	–	(216)
Transfers/adjustments	(221)	–	–	43	(178)
Transfer to Real Estate	(2)	–	–	–	(2)
Closing balance – 30/6/16	4,740	310	96,255	14,430	115,735

	Bulk Earthworks Non Deprec	Other Assets	Investment properties	Total
Opening balance – 1/7/14	6,446	301	46,037	52,784
Purchases (GBV)	123	–	–	123
FV gains – other comprehensive income	–	–	2,150	2,150
Transfers/adjustments	145,158	–	–	145,158
Closing balance – 30/6/15	151,727	301	48,187	200,215
Purchases (GBV)	149	9	57	215
Disposals (WDV)	–	(24)	–	(24)
FV gains – other comprehensive income	–	–	3,201	3,201
Revaluation	–	(111)	–	(111)
Closing balance – 30/6/16	151,876	175	51,445	203,496

Sutherland Shire Council

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

Note 27. Fair value measurement (continued)

(4). Fair value measurements using significant unobservable inputs (level 3)

b. The Valuation Process for Level 3 Fair Value Measurements

Fair Value- Valuation techniques

The valuation techniques prescribed by AASB 13 can be summarised as:

'Cost Approach': A valuation technique that reflects the amount what would be required to replace the service capacity of an asset (current replacement cost)

Income Approach: Valuation technique that converts future amounts (cash flows inflows/outflows) to signal the current (i.e. discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about these future amounts.

Market Approach: A valuation technique that uses prices and other relevant information, generated by market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

(5). Highest and best use

All of Council's non-financial assets are considered to being utilised for their highest and best use.

Sutherland Shire Council

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

Note 28. Council information and contact details

Principal place of business:

4-20 Eton Street
SUTHERLAND NSW 2232

Contact details

Mailing address:

Locked Bag 17
SUTHERLAND NSW 1499

Opening hours:

Monday - Friday
8:30am - 4:30pm

Telephone: 02 9710 0333

Facsimile: 02 9710 0265

Internet: <http://www.sutherland.nsw.gov.au>

Email: ssc@ssc.nsw.gov.au

Officers

GENERAL MANAGER

Mr. Scott Phillips

RESPONSIBLE ACCOUNTING OFFICER

Mr. Greg Hayes

PUBLIC OFFICER

Mr. Todd Hopwood

AUDITORS

PricewaterhouseCoopers
201 Sussex Street
SYDNEY NSW 1171

Other information

ABN: 52 018 204 808

Elected members

MAYOR

Councillor Carmello Pesce

COUNCILLORS

Clr Jack Boyd
Clr Barry Collier
Clr Tom Croucher
Clr Michael Forshaw
Clr Kent Johns
Clr Greg McLean
Clr Daniel Nicholls
Clr Ray Plibersek
Clr Carol Provan
Clr John Riad
Clr Peter Scaysbrook
Clr Marie Simone
Clr Steve Simpson
Clr Diedree Steinwall



The Sutherland Shire Council

Independent auditor's report to the Council – s417(2) Report on the general purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements of The Sutherland Shire Council (the Council), which comprise the Statement of Financial Position as at 30 June 2016 and the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, accompanying notes to the financial statements and the Statement by Councillors and Management in the approved form as required by Section 413(2) of the Local Government Act 1993.

Councillors' responsibility for the financial statements

The Councillors of the Council are 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 and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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. Those 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 judgment, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial statements.

Our audit responsibility does not extend to the Original Budget Figures included in the Income Statement, Statement of Cash Flows and the Original Budget disclosures in notes 2(a) and 16, nor the attached Special Schedules, and accordingly, we express no opinion on them.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 (the Division); and
- (b) the financial statements:
 - (i) have been presented, in all material respects, in accordance with the requirements of this Division
 - (ii) are consistent with the Council's accounting records
 - (iii) present fairly, in all material respects, the Council's financial position as at 30 June 2016 and its Financial Performance and its Cash Flows for the year then ended in accordance with Australian Accounting Standards
- (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 have come to light during the course of the audit.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'M Upercroft'.

Marc Upercroft
Partner

Sydney
17 October 2016



The Mayor
Councillor Carmelo Pesce
Sutherland Shire Council
DX 4511
SUTHERLAND

Dear Councillor Pesce

Report on the conduct of the Audit for year ended 30 June 2016 – Section 417(3)

We have completed our audit of the financial reports of the Council for the year ended 30 June 2016, in accordance with Section 415 of the Local Government Act 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial reports are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Australian Accounting Standards as well as statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the Local Government Act 1993.

Flowing from our audit, there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

Operating result

Council's operating surplus improved from \$22 million in the previous year to \$35 million in the current period. The net operating result before Capital Contributions was a surplus of \$18 million against the previous year's surplus of \$7 million.

Cash position

Council's overall cash position improved from \$64 million to \$83 million during the period under review. The following table highlights the composition of cash.

	2015	2016
	\$m	\$m
Externally restricted	31	44
Internally restricted	32	38
Unrestricted	1	1
Total	64	83

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Working capital

Council’s net current assets increased from \$19 million to \$46 million during the period under review. The value of net current assets needs to be adjusted in order to establish the available working capital position.

	2015 \$m	2016 \$m
Net current assets	19	46
Less: External restrictions	(23)	(42)
Internal restrictions	(32)	(38)
Add: Current liabilities deferred	39	38
Available working capital	3	4

The effective unrestricted or available working capital upon which Council could build its 2017 budget was \$4 million.

Performance indicators

The financial reports disclose of a number of indicators in Note 13 and these are detailed below:

	2015 %	2016 %
Operating Performance Ratio	2	7
Own Source Operating Revenue Ratio	85	85
Unrestricted Current Ratio	166	192
Debt Service Cover Ratio	648	1065
Rates Outstanding Ratio	4.2	3.6
Cash Expense Cover Ratio	3	5

The Operating Performance Ratio improved and remained above the industry benchmark of 0%.

The Own Source Operating Revenue Ratio was stable at 85% and remained above the industry benchmark of 60%.

The Unrestricted Current Ratio improved and remained above the industry benchmark of 150%.

The Debt Service Cover Ratio increased to be well above the industry benchmark of 200%.

The Rates Outstanding Ratio improved and remained better than the industry benchmark of 5%.

The Cash Expense Cover Ratio indicated that Council could continue to cover its operating costs for 5 months should cash inflows cease, which is in-line with the industry benchmark.

Council is considered to be in a sound and stable financial position.



General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the General Manager and his staff for the cooperation and courtesy extended to us during the course of our audit.

Yours faithfully

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'M Upcroft'.

Marc Upcroft
Partner

Sydney
17 October 2016

Sutherland Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2016



*“Sutherland Shire, in Sydney’s south, shaped by
bays, rivers, beaches and national parks...”*

Sutherland Shire Council

Special Purpose Financial Statements for the year ended 30 June 2016

Contents	Page
1. Statement by Councillors and Management	2
2. Special Purpose Financial Statements:	
Income Statement – Water Supply Business Activity	n/a
Income Statement – Sewerage Business Activity	n/a
Income Statement – Other Business Activities	3
Statement of Financial Position – Water Supply Business Activity	n/a
Statement of Financial Position – Sewerage Business Activity	n/a
Statement of Financial Position – Other Business Activities	5
3. Notes to the Special Purpose Financial Statements	7
4. Auditor's Report	11

Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.
- Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.
- These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

Sutherland Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2016

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:

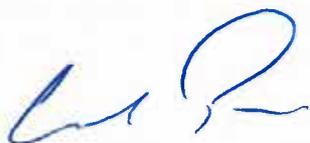
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

To the best of our knowledge and belief, these financial statements:

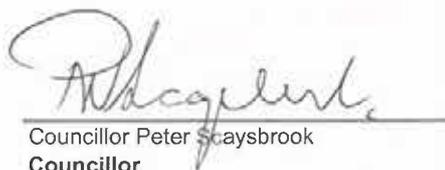
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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

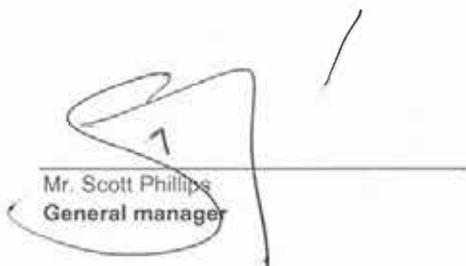
Signed in accordance with a resolution of Council made on 04 October 2016.



Councillor Carmelo Pesce
Mayor



Councillor Peter Scaysbrook
Councillor



Mr. Scott Phillips
General manager



Mr. Greg Hayes
Responsible accounting officer

Sutherland Shire Council

Income Statement of Council's Other Business Activities

for the year ended 30 June 2016

\$ '000	Long Day Care		Operational Property	
	Category 1		Category 1	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Income from continuing operations				
Access charges	-	-	-	-
User charges	7,132	6,756	-	-
Fees	-	-	827	571
Interest	11	11	-	-
Grants and contributions provided for non-capital purposes	4,573	4,106	-	-
Profit from the sale of assets	-	-	374	463
Other income	14	5	5,771	5,599
Total income from continuing operations	11,730	10,878	6,972	6,633
Expenses from continuing operations				
Employee benefits and on-costs	8,859	8,528	95	94
Borrowing costs	-	-	-	-
Materials and contracts	401	(231)	1,057	132
Depreciation and impairment	106	109	171	176
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	414	429	936	1,110
Internal Rent	1,344	1,231	-	-
Other Notional Internal Expenses	1,342	1,868	166	162
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	1,816	1,672	1,327	1,278
Total expenses from continuing operations	14,282	13,606	3,752	2,952
Surplus (deficit) from continuing operations before capital amounts	(2,552)	(2,728)	3,220	3,681
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from continuing operations after capital amounts	(2,552)	(2,728)	3,220	3,681
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from all operations before tax	(2,552)	(2,728)	3,220	3,681
Less: corporate taxation equivalent (30%) [based on result before capital]	-	-	(966)	(1,104)
SURPLUS (DEFICIT) AFTER TAX	(2,552)	(2,728)	2,254	2,577
Plus opening retained profits	2,832	2,032	51,970	52,184
Plus adjustments for amounts unpaid:				
- Taxation equivalent payments	414	429	936	1,110
- Internal Rent	1,344	1,231	-	-
- Other Notional Internal Expenses	1,342	1,868	166	162
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	966	1,104
Less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	(5,293)	(5,167)
Closing retained profits	3,380	2,832	50,999	51,970
Return on capital %	-209.4%	-249.1%	4.6%	5.5%
Subsidy from Council	2,576	2,767	-	-

Sutherland Shire Council

Income Statement of Council's Other Business Activities

for the year ended 30 June 2016

\$ '000	Entertainment Centre Category 2		Commercial Waste Category 2	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Income from continuing operations				
Access charges	-	-	-	-
User charges	972	1,032	1,135	939
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non-capital purposes	2	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	350	433	43	15
Total income from continuing operations	1,324	1,465	1,178	954
Expenses from continuing operations				
Employee benefits and on-costs	1,280	1,160	57	40
Borrowing costs	-	-	-	-
Materials and contracts	354	353	313	8
Depreciation and impairment	111	123	-	-
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	29	23	-	-
Internal Rent	1,015	989	1	1
Other Notional Internal Expenses	290	341	37	156
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	417	406	163	550
Total expenses from continuing operations	3,496	3,395	571	755
Surplus (deficit) from continuing operations before capital amounts	(2,172)	(1,930)	607	199
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from continuing operations after capital amounts	(2,172)	(1,930)	607	199
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from all operations before tax	(2,172)	(1,930)	607	199
Less: corporate taxation equivalent (30%) [based on result before capital]	-	-	(182)	(60)
SURPLUS (DEFICIT) AFTER TAX	(2,172)	(1,930)	425	139
Plus opening retained profits	(4,666)	(4,089)	3,295	2,939
Plus adjustments for amounts unpaid:				
- Taxation equivalent payments	29	23	-	-
- Internal Rent	1,015	989	1	1
- Other Notional Internal Expenses	290	341	37	156
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	182	60
Less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing retained profits	(5,504)	(4,666)	3,940	3,295
Return on capital %	-574.6%	-394.7%	n/a	n/a
Subsidy from Council	2,180	1,948	-	-

Sutherland Shire Council

Statement of Financial Position – Council's Other Business Activities

as at 30 June 2016

\$ '000	Long Day Care		Operational Property	
	Category 1		Category 1	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
ASSETS				
Current assets				
Cash and cash equivalents	2	2	1,730	–
Investments	2,169	1,527	570	1,806
Receivables	215	182	–	500
Inventories	–	–	–	–
Other	–	–	–	–
Non-current assets classified as held for sale	–	–	7,235	7,241
Total Current Assets	2,386	1,711	9,535	9,547
Non-current assets				
Investments	–	–	–	–
Receivables	–	–	11,469	12,284
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	1,219	1,095	70,012	66,726
Investments accounted for using equity method	–	–	–	–
Investment property	–	–	–	–
Other	1,995	1,698	–	–
Total non-current assets	3,214	2,793	81,481	79,010
TOTAL ASSETS	5,600	4,504	91,016	88,557
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Payables	261	271	20	4
Borrowings	–	–	–	–
Provisions	1,874	971	–	–
Total current liabilities	2,135	1,242	20	4
Non-current liabilities				
Payables	–	–	–	–
Borrowings	–	–	–	–
Provisions	85	430	–	–
Other Liabilities	–	–	39,996	36,583
Total non-current liabilities	85	430	39,996	36,583
TOTAL LIABILITIES	2,220	1,672	40,016	36,587
NET ASSETS	3,380	2,832	51,000	51,970
EQUITY				
Retained earnings	3,380	2,832	51,000	51,970
Revaluation reserves	–	–	–	–
Council equity interest	3,380	2,832	51,000	51,970
Non-controlling equity interest	–	–	–	–
TOTAL EQUITY	3,380	2,832	51,000	51,970

Sutherland Shire Council

Statement of Financial Position – Council's Other Business Activities

as at 30 June 2016

\$ '000	Entertainment Centre		Commercial Waste	
	Category 2		Category 2	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
ASSETS				
Current assets				
Cash and cash equivalents	4	3	–	–
Investments	72	–	–	–
Receivables	45	35	7	–
Inventories	–	–	–	–
Other	–	–	–	–
Non-current assets classified as held for sale	–	–	–	–
Total Current Assets	121	38	7	–
Non-current assets				
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	378	489	–	–
Investments accounted for using equity method	–	–	–	–
Investment property	–	–	–	–
Other	–	–	4,010	3,525
Total non-current assets	378	489	4,010	3,525
TOTAL ASSETS	499	527	4,017	3,525
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	–	–
Payables	137	114	42	196
Borrowings	–	–	–	–
Provisions	170	160	35	33
Total current liabilities	307	274	77	229
Non-current liabilities				
Payables	–	–	–	–
Borrowings	–	–	–	–
Provisions	9	26	–	–
Other Liabilities	5,687	4,894	–	–
Total non-current liabilities	5,696	4,920	–	–
TOTAL LIABILITIES	6,003	5,194	77	229
NET ASSETS	(5,504)	(4,667)	3,940	3,296
EQUITY				
Retained earnings	(5,504)	(4,667)	3,940	3,296
Revaluation reserves	–	–	–	–
Council equity interest	(5,504)	(4,667)	3,940	3,296
Non-controlling equity interest	–	–	–	–
TOTAL EQUITY	(5,504)	(4,667)	3,940	3,296

Sutherland Shire Council

Special Purpose Financial Statements for the year ended 30 June 2016

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	8
2	Water Supply Business Best-Practice Management disclosure requirements	n/a
3	Sewerage Business Best-Practice Management disclosure requirements	n/a

Sutherland Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2016

Note 1. Significant accounting policies

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

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, 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, *Application of National Competition Policy to Local Government*.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality*, issued by the Office of Local Government in July 1997, has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

a. Long Day Care Centres

The centres aim to provide care for pre-school age children, focussing on customer satisfaction and community needs.

b. Operational Property

Council maintains a large portfolio of operational and commercial property in order to develop and maintain an alternative income stream to fund essential community works and services. Annual activity includes buying and selling of property as well as managing existing rental properties.

Category 2

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

a. Sutherland Entertainment Centre

Provision of high quality multi-functional and performing arts facility which responds to the diverse needs of the community.

b. Commercial Waste

Provision of waste collection and disposal service to business properties within the Shire.

Monetary amounts

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

Sutherland Shire Council

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

Note 1. Significant accounting policies (continued)

(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.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first \$482,000 of combined land values attracts 0%. For that valued from \$482,001 to \$2,947,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level (gain or 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 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.

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

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

Sutherland Shire Council

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

Note 1. Significant accounting policies (continued)

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'.

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 1.99% at 30/6/16.

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.



The Sutherland Shire Council

Independent auditor's report Report on the special purpose financial statements

Report on the financial statements

We have audited the accompanying financial statements, being the special purpose financial statements, of The Sutherland Shire Council (the Council), which comprises the Statement of Financial Position by Business Activity for the year ended 30 June 2016, the Income Statements by Business Activity for the year then ended, notes to the financial statements for the Business Activities identified by Council and the Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting for the year ended 30 June 2016.

Councillors' responsibility for the financial report

The Councillors of the Council are responsible for the preparation and fair presentation of the financial statements 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 requirements of the Local Government Code of Accounting Practice and Financial Reporting. The Councillors responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's 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 judgment, 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Councillors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Auditor's opinion:

In our opinion, the financial statements presents fairly, in all material respects, the financial position by Business Activity of The Sutherland Shire Council as of 30 June 2016 and its financial performance by Business Activity for the year then ended in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 to the financial statements, and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the Council.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'M Upcroft'.

Marc Upcroft
Partner

Sydney
17 October 2016

Sutherland Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2016



*“Sutherland Shire, in Sydney’s south, shaped by
bays, rivers, beaches and national parks...”*

Sutherland Shire Council

Special Schedules

for the year ended 30 June 2016

Contents		Page
Special Schedules¹		
Special Schedule 1	Net Cost of Services	2
Special Schedule 2(a)	Statement of Long Term Debt (all purposes)	4
Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
Special Schedule 3	Water Supply Operations – incl. Income Statement	n/a
Special Schedule 4	Water Supply – Statement of Financial Position	n/a
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	n/a
Special Schedule 6	Sewerage Service – Statement of Financial Position	n/a
Notes to Special Schedules 3 and 5		n/a
Special Schedule 7	Report on Infrastructure Assets	5
Special Schedule 8	Permissible Income Calculation	9

¹ Special Schedules are not audited (with the exception of Special Schedule 8).

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Sutherland Shire Council

Special Schedule 1 – Net Cost of Services
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	7,019	174	–	(6,845)
Administration	36,654	4,294	84	(32,276)
Public order and safety				
Fire service levy, fire protection, emergency services	5,070	485	712	(3,873)
Beach control	2,558	79	–	(2,479)
Enforcement of local government regulations	6,019	5,517	–	(502)
Animal control	1,307	605	–	(702)
Other	–	–	–	–
Total public order and safety	14,954	6,686	712	(7,556)
Health	946	358	–	(588)
Environment				
Noxious plants and insect/vermin control	1,810	146	–	(1,664)
Other environmental protection	2,788	704	38	(2,046)
Solid waste management	39,741	39,741	–	–
Street cleaning	5,363	110	–	(5,253)
Drainage	2,211	262	2,062	113
Stormwater management	1,343	145	–	(1,198)
Total environment	53,256	41,108	2,100	(10,048)
Community services and education				
Administration and education	42	5	–	(37)
Social protection (welfare)	1,485	264	–	(1,221)
Aged persons and disabled	–	–	–	–
Children's services	16,465	15,070	–	(1,395)
Total community services and education	17,992	15,339	–	(2,653)
Housing and community amenities				
Public cemeteries	–	–	–	–
Public conveniences	1,428	–	–	(1,428)
Street lighting	3,822	374	–	(3,448)
Town planning	2,051	578	–	(1,473)
Other community amenities	132	–	–	(132)
Total housing and community amenities	7,433	952	–	(6,481)

Sutherland Shire Council

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	6,443	736	5	(5,702)
Museums	–	–	–	–
Art galleries	2,553	1,146	9	(1,398)
Community centres and halls	2,200	1,136	–	(1,064)
Performing arts venues	165	–	–	(165)
Other performing arts	2,055	1,324	–	(731)
Other cultural services	1,440	337	–	(1,103)
Sporting grounds and venues	5,686	4,701	294	(691)
Swimming pools	10,163	8,945	–	(1,218)
Parks and gardens (lakes)	13,239	280	8,588	(4,371)
Other sport and recreation	1,860	96	–	(1,764)
Total recreation and culture	45,804	18,701	8,896	(18,207)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	7,470	4,308	–	(3,162)
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and const.	7,470	4,308	–	(3,162)
Transport and communication				
Urban roads (UR) – local	8,591	3,631	5,428	468
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	–	–	–	–
Sealed rural roads (SRR) – regional	–	–	–	–
Unsealed rural roads (URR) – local	–	–	–	–
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	61	54	–	(7)
Footpaths	1,768	255	–	(1,513)
Aerodromes	–	–	–	–
Other transport and communication	1	–	–	(1)
Total transport and communication	10,421	3,940	5,428	(1,053)
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	4,019	6,715	–	2,696
Total economic affairs	4,019	6,715	–	2,696
Totals – functions	205,968	102,575	17,220	(86,173)
General purpose revenues ⁽¹⁾		121,640		121,640
Share of interests – joint ventures and associates using the equity method	–	–		–
NET OPERATING RESULT ⁽²⁾	205,968	224,215	17,220	35,467

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Sutherland Shire Council

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

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Financial institutions	3,376	8,745	12,121	–	3,376	–	–	435	1,387	7,358	8,745
Total loans	3,376	8,745	12,121	–	3,376	–	–	435	1,387	7,358	8,745
Other long term debt											
Finance leases	437	531	968	390	500	–	–	34	347	511	858
Total long term debt	437	531	968	390	500	–	–	34	347	511	858
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

\$'000

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%
	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)

\$'000

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%
	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>			

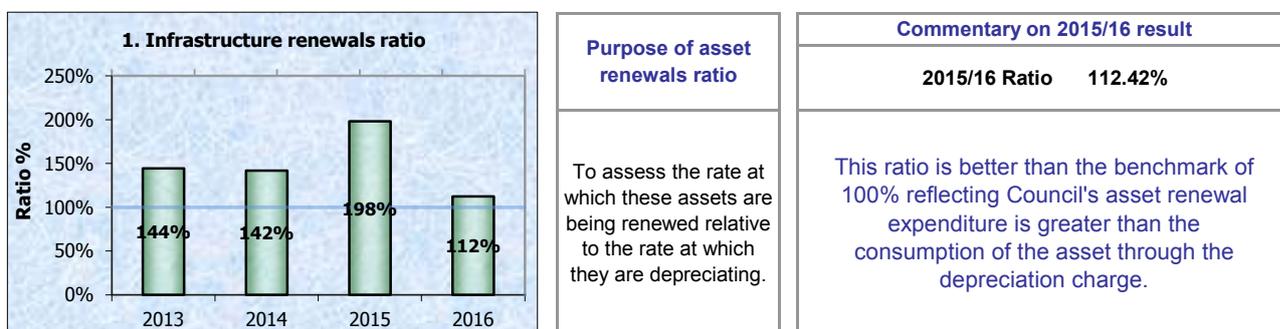
Notes

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

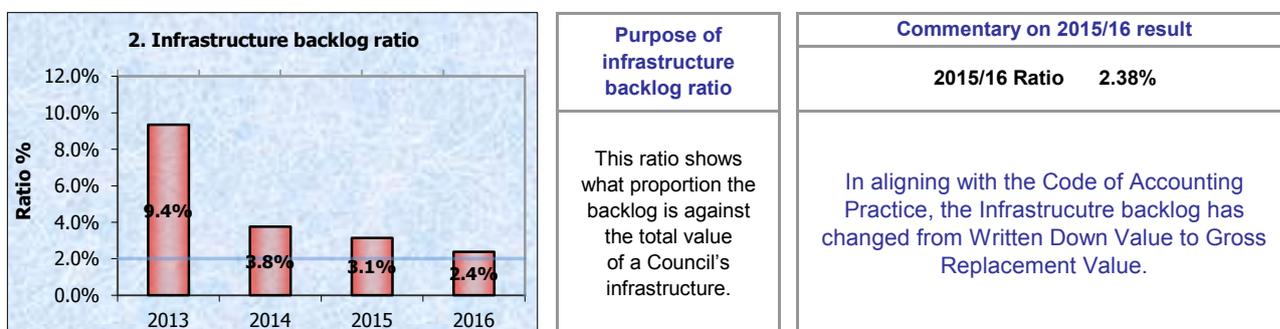
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Sutherland Shire Council

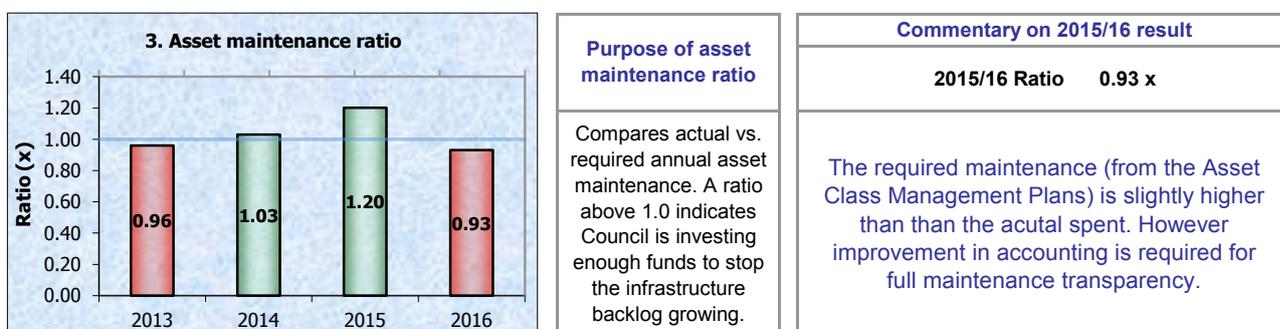
Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2016



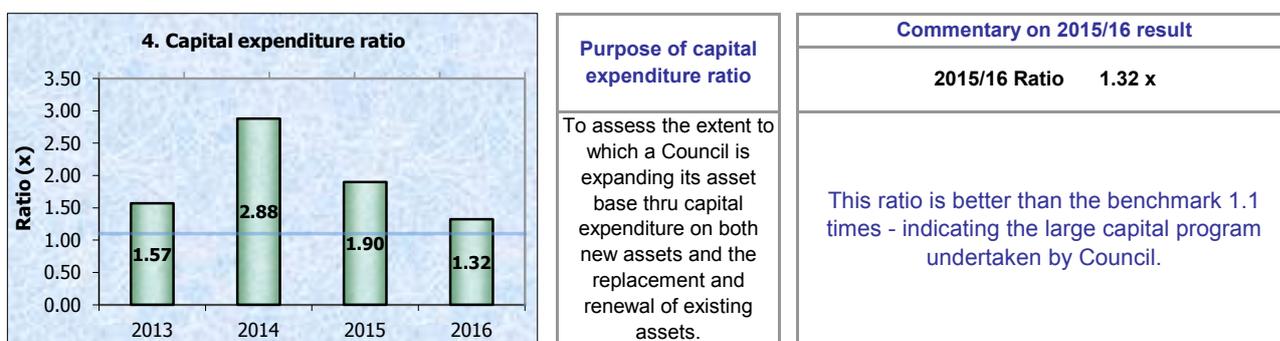
■ Ratio achieves benchmark
■ Ratio is outside benchmark



■ Ratio achieves benchmark
■ Ratio is outside benchmark



■ Ratio achieves benchmark
■ Ratio is outside benchmark



■ Ratio achieves benchmark
■ Ratio is outside benchmark

Sutherland Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	109,444	112,398
Plus or minus adjustments ⁽²⁾	b	247	124
Notional general income	c = (a + b)	109,691	112,522
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.40%	1.80%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	–	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	2,633	2,025
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	112,324	114,547
Plus (or minus) last year's carry forward total	l	(9)	(2)
Less valuation objections claimed in the previous year	m	–	(82)
Sub-total	n = (l + m)	(9)	(84)
Total permissible income	o = k + n	112,314	114,464
Less notional general income yield	p	112,398	114,463
Catch-up or (excess) result	q = o – p	(84)	1
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	82	–
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	(2)	1

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



The Sutherland Shire Council

Independent auditor's report Report on the Special Schedule No. 8

Report on the Special Schedule No. 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of The Sutherland Shire Council (the Council) for the year ending 30 June 2017.

Councillors' responsibility for Special Schedule No. 8

The Councillors of the Council are responsible for the preparation and fair presentation of Special Schedule No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 24. 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 Special Schedule No. 8 that is 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 Special Schedule No. 8 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 Special Schedule No. 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 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 entity's internal control.

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.

PricewaterhouseCoopers, ABN 52 780 433 757

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Audit Opinion

In our opinion, Special Schedule No. 8 of the The Sutherland Shire Council for the year ending 30 June 2017 is properly drawn up in all material respects in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Restriction on distribution

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of the total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose. Our report is intended solely for the Council and the Office of Local Government.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'Marc Upcroft'.

Marc Upcroft
Partner

Sydney
17 October 2016

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Burraneer Park

GLOBAL FINANCIAL INDICATORS

The Global Reporting Initiative (GRI) Reporting Framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.

Because the report must be prepared under a structure determined by activities and other matters as per the NSW Local Government Act and other legislation, the indicators shown below are indicative of how our reporting currently reflects some GRI principles. However where our indicators overlap with GRI indicators we have cross-referenced them below. The Global Reporting Initiative G3.1 indicators have been used.

GRI Ref	Description	Section of this report	Page
Profile disclosures			
Strategy and analysis			
1.1	Statement from organisation's most senior decision-maker	Mayor's report, General Manager's report	6, 8
Organisational profile			
2.1	Name of the organisation	Front cover	
2.2	Primary brands, products, and/or services	Senior staff and organisation chart, Strategies and Civic Life	28, 36
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures	Senior staff and organisation chart, Other statutory Information, Special Purpose Financial Statements	28, 83, 198
2.4	Location of organisation's head office	Back cover	
2.5	No. of countries where organisation operates	Australia	
2.6	Nature of ownership and legal form	Local government, proclaimed under NSW Government	
2.7	Markets served	How we plan and report, About Sutherland Shire	4, 12
2.8	Scale of the reporting organisation	Senior staff and organisation chart	28
2.9	Significant changes to the organisation	Mayor's report, General Manager's report, Senior staff and organisation chart	6, 8, 28
2.10	Awards received in the reporting period	Award-winning Council	10
Report parameters			
3.1	Reporting period (e.g. - fiscal/calendar year) for information provided	Front cover	
3.2	Date of most recent previous report (if any)	2011/12 year - published November 2012	
3.3	Reporting cycle (annual, biennial, etc.)	Annual (financial year)	
3.4	Contact point for questions regarding the report	Back cover	
3.5	Process for defining report content.	How we plan and report	4
3.6, 3.7	Boundary of, and limitations on scope of, this report	How we plan and report	4
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and others	Other statutory reporting, Financial statements	83, 102
3.12	Location of standard disclosures	Statutory index	227

Governance, commitments and engagement			
4.1	Governance structure of the organisation, incl. committees under highest governance body responsible for specific tasks	Councillors, Supporting our Councillors, Senior staff and organisation chart	18, 24, 30
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives, and the organisation's performance	Supporting our Councillors, Other statutory information	24, 83
4.8	Internally developed statements of mission or values, codes of conduct, principles relevant to economic, environmental, social performance and status of their implementation	Vision, goal and commitment	2
Performance indicators			
Economic performance			
EC1	Direct economic value generated/distributed, incl. revenues, operating costs, employee compensation, donations, other community investments, retained earnings, payments to capital providers and governments	Financial Reports	102
EC4	Significant financial assistance received from government	Financial Reports	102
Biodiversity			
EN3	Direct energy consumption by primary energy source	Strategy 3: Conserve Natural Resources	43
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives	Strategy 3: Conserve Natural Resources	43
Emissions, effluents and waste			
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	Strategy 3: Conserve Natural Resources	43
EN22	Total weight of waste by type/disposal method	Strategy 3: Conserve Natural Resources	43
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	Staff	30
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	Staff	30
Occupational health and safety			
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, no. work-related fatalities by region and by gender	Staff	30

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This index shows the various government acts and regulations which require Council to include information in its annual report, and where to find that information.

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GLOSSARY

Terms and abbreviations used in this publication.

TERM	DEFINITION
AWT Plant	Alternate Waste Treatment Plant
Bushcare	A volunteer-based program which maintains remnant bushland areas.
CBD	Central Business District
CRMS	Customer Response Management System (or may refer to a customer request logged within that system)
Cronulla Promotions Ltd	A company set up by Council to manage the operation of Cronulla Plaza.
DISPLAN	Sutherland Shire's Disaster Emergency Plan
EEO/FWP	Equal employment opportunity/Fair Workplace
E-waste	Old or discarded electronic products such as televisions and computers
FWP/EEO	Fair Workplace/Equal Employment Opportunity
Fit for the Future	A State Government review and reform program for NSW local government.
GIPA	The Government Information (Public Access) Act, known as GIPA, came into force on 1 July 2010 and replaced the Freedom of Information Act 1989.
Greenwaste	Waste comprising lawn clippings, branches and other garden plant waste which can be recycled.
Greenweb	A program to protect native plant and animal populations via corridors linking bushland habitat areas.
IP&R (Integrated Planning and Reporting)	A NSW Government framework for local government to improve statutory planning and reporting processes and strengthen strategic processes
JRPP	Joint Regional Planning Panel - NSW government body which makes decisions on 'regional development' development applications
KPI	Key Performance Indicator
Language Aide program	Council's program of providing staff with language proficiency in the most commonly spoken non-English languages in use in Sutherland Shire; this program is complemented by the use of the NSW Translation Service.
LEMO	Local Emergency Management Officer
LEP	Local Environmental Plan
LIAC	Legal Information Access Centre - a specialist information service of the State Library of NSW, available to all members of the community via several channels including public libraries
LTI	Lost time injury
NCAT	NSW Civil and Administrative Tribunal
PID	Public Interest Disclosures (from Public Interest Disclosure Act 1994)

TERM	DEFINITION
Principal activity	Now called a Strategy - a key objective within the adopted delivery program.
PwC	PricewaterhouseCoopers
RMS	NSW Roads and Maritime Services
RRP	Resource Recovery Park - a waste recovery and recycling facility
S356 (Section 356)	Section 356 of the NSW Local Government Act 1993, referring to financial assistance granted by Council.
S94 (Section 94)	Section 94 of the NSW Environmental Planning and Assessment Act 1979, which refers to contributions paid by developers for provision, extension or augmentation of public amenities and public services required as a result of development.
SES (NSW State Emergency Service)	A volunteer-based emergency and rescue service.
SOS	State of the Shire - A research report which evaluates whether the Shire community as a whole is moving towards meeting community aspirations.
Springboard	A Program run by LGNSW (the peak industry association for local government in NSW) which helps women in non-management positions develop the skills and knowledge.
SSHED	Sutherland Shire Hub for Economic Development - Council's business accelerator (also known as an incubator) at Loftus.
SSLEP	Sutherland Shire Local Environmental Plan.
Standing Committees	Committees which assist Council by considering reports and make recommendations.
Strategic Plan	A community plan prepared by Council in collaboration with and on behalf of residents, other levels of government agencies. It is used to steer planning for the Shire to achieve long term outcomes that residents want for the Shire.
Sustainability	Sustainability aims to protect the environmental, social and economic rights of future generations while supporting those of the current generation.
Synthetic fields	Sporting fields which have been covered with an artificial turf that looks like natural grass
TfNSW	Transport for NSW
VPA	Voluntary Planning Agreement
Wastewater	Used water, from baths, septic systems, washing machines etc., which can come from commercial, domestic or industrial sources.
WH&S	Workplace Health and Safety

CONTACT DIRECTORY

ADMINISTRATION CENTRE

Address: 4-20 Eton St, Sutherland
Office Hours: Mon-Fri - 8.30am-4.30pm
Post: Locked Bag 17, Sutherland NSW 1499
Email: ssc@ssc.nsw.gov.au
Document Exchange: DX 4511 Sutherland
Web: www.sutherlandshire.nsw.gov.au
Phone - 24 Hours 7 Days:(02) 9710 0333
Fax:(02) 9710 0265

COUNCIL SERVICES

ANIMALS (DOGS AND CATS)

Sutherland Shire Animal Shelter, Production Avenue, Taren Point.....(02) 9710 0401

WASTE SERVICES

Pre-booked council clean-ups(02) 9710 0333

AQUATIC/FITNESS/LEISURE CENTRES

Menai Indoor Sports Centre 98 Allison Crescent, Menai.....(02) 9532 0444

Sutherland Leisure Centre, 1 Rawson Ave, Sutherland(02) 8536 9777

Caringbah Leisure Centre, 5-9 Jacaranda Rd, Caringbah(02) 9525 6777

Engadine Leisure Centre, 111-113 Anzac Ave, Engadine.....(02) 9548 4200

GOLF

The Ridge Golf Course and Driving Range,
Recreation Drive, off New Illawarra Road, Barden Ridge.....(02) 9541 4960

Kareela Golf Course, Bates Drive, Kareela(02) 9521 6279

Woolooware Golf Course off Harnleigh Avenue, Woolooware.....(02) 9544 0555

WET WEATHER LINE (SPORTING OVAL CLOSURES)

Recorded information(02) 9710 0105

BEACHES

Beach Administration (Bate Bay Beaches)(02) 9527 9441

Surf Education Office(02) 8522 2100

PARKS

E G Waterhouse National Camellia Gardens, Cnr President Avenue and Kareena Road), Caringbah

Note: there is no public phone at the Gardens.

Camellia Gardens Teahouse phone(02) 9540 2018

PLANT NURSERY

Sutherland Shire Community Nursery, 345 The Boulevard, Gymea.....(02) 9524 5672

CHILDREN'S SERVICES

All enquiries re child care centres, long day care, family day care, vacation care and out of school hours care
.....(02) 9710 0466

ARTS AND ENTERTAINMENT

Hazelhurst Regional Gallery & Art Centre, 782 Kingsway, Gymea(02) 8536 5700

Cafe(02) 8536 5755

Sutherland Entertainment Centre, 30 Eton Street, Sutherland.....(02) 9521 8888

COMMUNITY DIRECTORY INFORMATION

Sutherland Shire Community Directory(02) 9710 0437

<http://www.datadiction.com.au/bin/dd.dll/Lincs?xps&MBR=SSC>

LIBRARIES

Central Library, 30-36 Belmont St, Sutherland(02) 9710 0351

Bundeena, Scarborough St, Bundeena.....(02) 9523 0932

Caringbah, 376-378 -378 Port Hacking Rd, Caringbah.....(02) 9524 3803

Cronulla, Cronulla Central, 38-60 Croydon Street, Cronulla.....(02) 9523 4980

Engadine, 116 Caldarra Rd, Engadine.....(02) 9548 6003

Menai, 34 Alison Crescent, Menai.....(02) 9543 5747

Miranda, 31 Wandella Rd, Miranda(02) 9524 8217

Sylvania, Southgate Shopping Centre, cnr Princes Highway & Port Hacking Rd, Sylvania.....(02) 9522 7544

BUSINESS AND ECONOMIC

Economic development and tourism(02) 9710 0333



ADMINISTRATION CENTRE

Address: 4-20 Eton Street, Sutherland
Post: Locked Bag 17, Sutherland NSW 1499
Document Exchange: DX 4511 Sutherland
Office Hours: Mon-Fri - 8.30am-4.30pm
Phone - 24 Hours 7 Days: (02) 9710 0333
Fax: (02) 9710 0265
Email: ssc@ssc.nsw.gov.au
Web: www.sutherlandshire.nsw.gov.au

A more detailed listing of contacts is inside.