

SUTHERLAND SHIRE

# SUTHERLAND SHIRE COUNCIL ANNUAL REPORT 2017/18



# OUR FIRST YEAR

Sutherland Shire has a unique vibrancy. It makes the Shire a place where many people want to stay and never leave. Our role as Council is to use our community's vision to guide our plans for the future. That's why we created the four-year Delivery Program for 2017-2021, with a one-year Operational Plan and Budget for 2017/18. It's based on the six key outcome areas you told us were most valuable and needed to maintain your quality of life.

The six outcomes we are working to achieve are:

- a community informed and engaged in its future
- a beautiful, protected and healthy natural environment
- a caring and supportive community
- a culturally rich and vibrant community
- a prosperous community for all
- a liveable place with a high quality of life.

Residents have indicated a thirst to be better informed and engaged in decision making and are committed to supporting Council to achieve that. We are proud to report back on the first year of our Delivery Program 2017-2021. This report outlines our progress on the Operational Plan for 2017/18, including the achievements and challenges, as well as the focus for the next year.



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# 2017/18 HIGHLIGHTS

- A new **portable observation tower** was installed at Greenhills Beach to enhance our lifeguard service over the busy summer months.
- **Two great new facilities were opened in Barden Ridge** - a new park with a great range of equipment for kids including slides, swings, climbing net, a bike path, and a picnic area for families. In addition to this, a new Dog Off-Leash Bush Park offers another area for dog owners in Sutherland Shire.
- The **European Old Masters Exhibit at Hazelhurst Arts Centre** was hosted in partnership with the Art Gallery of NSW, attracting more than 24,500 visitors.
- We held the **Inaugural Literary Competition**. This competition was extremely successful with a total of 581 entries received, including 346 in the poetry section and 235 in the short story section, with 44% of entries submitted by residents of Sutherland Shire.
- We partnered with Rideability on our **Bike to the Beach and Ride to School campaigns** to encourage kids to get on their bikes, get healthy and learn about riding safely.
- We commemorated **The Meeting of Two Cultures** – when Lieutenant James Cook and his HM *Endeavour* crew made first contact with the Dharawal community, who lived in the Kamay Botany Bay area.
- We held a **Community Thank You BBQ** to recognise our local emergency services for keeping our community safe when bushfires raged through the area earlier this year.

## DELIVERY PROGRAM



Operational  
Plan  
2017/18

1st year

Operational  
Plan  
2018/19

2nd year

- **Stage 6 of the Woolooware Bay Shared Pathway** was completed, transforming the Botany Bay foreshore. It's now won three industry awards for excellence in Project Management, Landscape Architecture and Civil Construction.
- The **Marang Parklands Hockey Fields** at Greenhills were officially opened. The project, funded part by Sutherland Shire Council, Frasers Property, Breen, the NSW Government, and Sydney South Hockey Association, will bring regional visitors to the area and is a home to hockey for years to come.
- **Scylla Bay Oval Club House and Amenities building** opened at Como. Overlooking the Georges River and nestled between the historic Como Hotel and heritage-listed Como Bridge, the new Club House and Amenities building will be suitable for a number of sports and will see regional visitors throughout the winter and summer months.
- The **Pump Track** at Barden Ridge was officially opened, making Sutherland Shire home to the second biggest Pump Track in the country, with 954 square metres of curves, dips and transitions for riders of all skill levels and ages to enjoy.
- We worked with the local community and street artists to deliver two key crime prevention street art projects. **Walk the Walls festival** saw the Caringbah CBD come to life with colour, with artists painting over 1,500m<sup>2</sup> of walls. **Tonkin Underpass** in Cronulla was revitalised with help from Years 9 and 10 students from seven Sutherland Shire high schools.
- There is now **free usage and internet access on public computers** at our Sutherland Shire Libraries

# 2017 - 2021

Operational  
Plan  
2019/20

3rd year

Operational  
Plan  
2020/21

4th year

# OUR VISION

A CONNECTED  
AND SAFE  
COMMUNITY  
THAT RESPECTS  
PEOPLE AND  
NATURE,  
ENJOYING  
ACTIVE LIVES  
IN A STRONG  
LOCAL  
ECONOMY.



# OUR PURPOSE

**'We believe in creating a thriving community of active lives connected to nature.'**



## OUR VALUES

### EVOLVING

We see ourselves as being one with our community, and build strong connections based on an open and understanding approach.

### COLLABORATIVE

We embrace opportunity and change, championing new ideas and providing creative solutions to problems.

### ACTIVE

We have a can-do attitude and believe in delivering a positive contribution to our community.

### RESPECTFUL

We act with integrity and listen to all, operating in a transparent way that values what makes the Shire special.



# MESSAGE FROM THE MAYOR

I am proud to present Sutherland Council's 2017-2018 Annual Report. This report shares our achievements and highlights our progress towards the goals and vision in our Community Strategic Plan, which was created in partnership with our community.

Our organisational values underpin all that we do. The elected Council and our workforce, in partnership with the community, are continually striving towards achieving our shared vision for the future of the Sutherland Shire.

## EVOLVING

In a first for NSW, a road at Engadine has been constructed with a surface containing recycled soft plastics and glass. The innovative material used on our road diverted approximately 176,000 plastic bags and packaging and 55,000 glass bottle equivalents from landfill, as well as used printer toner and recycled asphalt. Council is committed to sustainability and the use of recycled products, as we collect over 25 thousand tonnes of recycling in the yellow top bins every year.

## COLLABORATIVE

In 2017 we undertook a community-wide survey to hear from our residents about what Council services they value, what is important to them, their quality of life and how we can shape our future together. It's one of many ways we inform and seek input from our community members so they can be part of the decision-making processes of Council.

Our Walk the Walls 3-day festival in Caringbah, organised in collaboration with more than 30 visual street artists, was one of the largest street art projects in Sydney and was an absolute hit with locals and visitors alike. The artists paint 23 walls - around 1,500 square metres - as part of our crime prevention program to stop graffiti, tagging and vandalism. Its outstanding success has been keenly examined by other councils.

Inappropriate tree species planted under powerlines has been an ongoing problem as they're prone to poor structure and health. To improve community safety and power supply reliability, we partnered with Ausgrid to remove and replace trees in several suburbs. We have begun the replacement with appropriate tree species being planted in the right spot and at the right scale, so ongoing maintenance isn't required. Removing older trees was concerning for our residents, but these measures will help maintain and improve the tree canopy of Sutherland Shire well into the future.

### **ACTIVE**

It was a great year for new active spaces becoming available to residents and visitors. Our final stage of the Woolooware Bay Shared Pathway transformed a heavily polluted and weed infested industrial foreshore area into one of Sydney's most scenic reserves. Also opened were our new Marang Parklands Hockey Fields at Greenhills and an exciting new Water Fun Park at our Sutherland Leisure Centre.

The second biggest bicycle pump track in Australia is also now at Barden Ridge and has been enthusiastically embraced by riders.

### **RESPECTFUL**

Every year on 29 April, Council holds the Meeting of Two Cultures ceremony at Kamay Botany Bay National Park, commemorating where Lieutenant James Cook and his HM *Endeavour* crew made first contact with the Dharawal community, who lived in the area in 1770. This year's ceremony coincided with the Australian and NSW Government announcement of major upgrades to visitor, transport, educational and commemorative infrastructure at Kurnell. We'll work closely with them to deliver this project and bring tourism to this beautiful area.

In May 2018 an out-of-control bushfire threatened hundreds of homes across the western suburbs of the Sutherland Shire. To acknowledge the courageous efforts of local emergency services we hosted a Community Thank You BBQ. It was a chance for our community to say 'thank you' to the emergency services and all those who volunteered, and I was delighted when many local businesses, community groups, performers and entertainers put up their hands to sponsor, support or volunteer at the event. It highlighted to me the community spirit we all value so strongly.

The next twelve months will once again present many opportunities and, no doubt, challenges – but I look forward to serving my community, and I thank Councillors and staff for their part in this work.

**Councillor Carmelo Pesce**  
**Mayor**  
**(September 2017 - September 2018)**



# MESSAGE FROM THE GENERAL MANAGER

I am pleased to present this report detailing our progress and achievements in delivering to our community in the 2017/18 year.

Throughout the last year we have continued to evolve our structure to strengthen our organisation's ability to respond to external changes and deliver to our customers. I am proud that we have continued to deliver a great standard of service to our community while we plan and look towards the future.

Our 2017-2018 Operational Plan was the first year of the 2017-2021 Delivery Program and delivered a wide range of services, initiatives and improvements to move us towards our community's vision of a connected and safe community that respects people and nature, enjoying active lives in a strong local economy. We have had a strong focus on our financial management to build the foundations for financial sustainability into the future, as well as supporting continuous improvement and efficiency across all areas of our operations.

In addition to the many achievements across projects and partnerships which are outlined in this report, we also saw unexpected events - not the least of which was the bushfires that threatened our area earlier this year. I acknowledge the tremendous efforts of the emergency services, but also our staff and countless volunteers from the community that demonstrated the strong community spirit of the Sutherland Shire in a time of need.

This is my final annual report for Sutherland Shire Council as I have resigned to take up new challenges elsewhere. Any organisation is far more than any one person and I have no doubt Sutherland Shire Council is well placed to accommodate a change in leadership. I am immensely proud of our achievements over the last few years in light of unprecedented change and new challenges facing the organisation and the industry itself.

Sutherland Shire Council enjoys some of the most professional, highly experienced and committed staff in any local government organisation and I feel very privileged to say that I have been a part of it.

**Scott Phillips**  
**General Manager**

# COUNCILLORS AND WARDS

This information is correct as at 30 June 2018.

For current information, see [sutherlandshire.nsw.gov.au](http://sutherlandshire.nsw.gov.au) or phone us on 02 9710 0333.

## C WARD

Councillor Daniel Nicolls  
Councillor Ray Plibersek  
Councillor Tom Croucher

## B WARD

Councillor Barry Collier OAM  
Councillor Jack Boyd  
Councillor Kent Johns

## WARD E

## WARD C

## WARD B

## WARD D

## WARD A

## WARD A

## E WARD

Councillor John Riad  
Councillor Peter Skaysbrook  
(Deputy Mayor 2017/18)  
Councillor Steve Simpson

## D WARD

Councillor Carmelo Pesce  
(Mayor 2017/18)  
Councillor Diedree Steinwall  
Councillor Greg McLean OAM

## A WARD

Councillor Carol Provan  
Councillor Marie Simone  
Councillor Michael  
Forshaw

# YOUR COUNCILLORS

## WARD A



**Cr Michael Forshaw** (ALP)  
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**Cr Marie Simone** (LIB)  
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## WARD B



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**Cr Barry Collier** OAM (ALP)  
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**Cr Kent Johns** (LIB)  
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## WARD C



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**Cr Daniel Nicholls** (LIB)  
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**Cr Ray Plibersek** (ALP)  
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## WARD D



**Cr Greg McLean** OAM (ALP)  
**M** 0419 184 055  
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**Mayor (2017/18)**  
**Cr Carmelo Pesce** (LIB)  
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**Cr Diedree Steinwall** (ALP)  
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## WARD E



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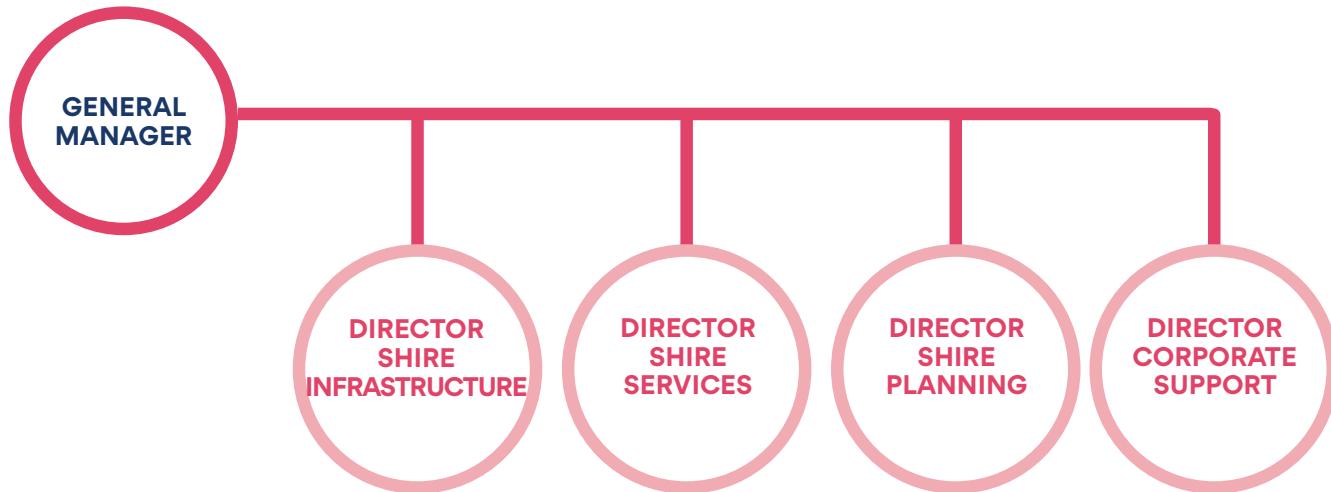
**Deputy Mayor (2017/18)**  
**Cr Peter Scaysbrook** (ALP)  
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**Cr Steve Simpson** (IND)  
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Contact details are correct at the time of print: please visit our website for the most up-to-date contact details. To find out what ward you are in call us or check online.

# OUR ORGANISATION



## AND RESPONSIBILITY OF FOUR DIRECTORATES

### **SHIRE INFRASTRUCTURE**

Asset Management Services, Project Services, Design Services, Traffic and Public Domain Services, Operational Services, and Emergency Management.

### **SHIRE SERVICES**

Business, Sport and Social Services, Children's Services, Events and Performing Arts, Hazelhurst Gallery, Libraries, Leisure Centres, Beach Services, Public Safety, and Properties.

### **SHIRE PLANNING**

Strategic Planning, Environmental Science, Development Assessment, Environment, and Health and Building Compliance.

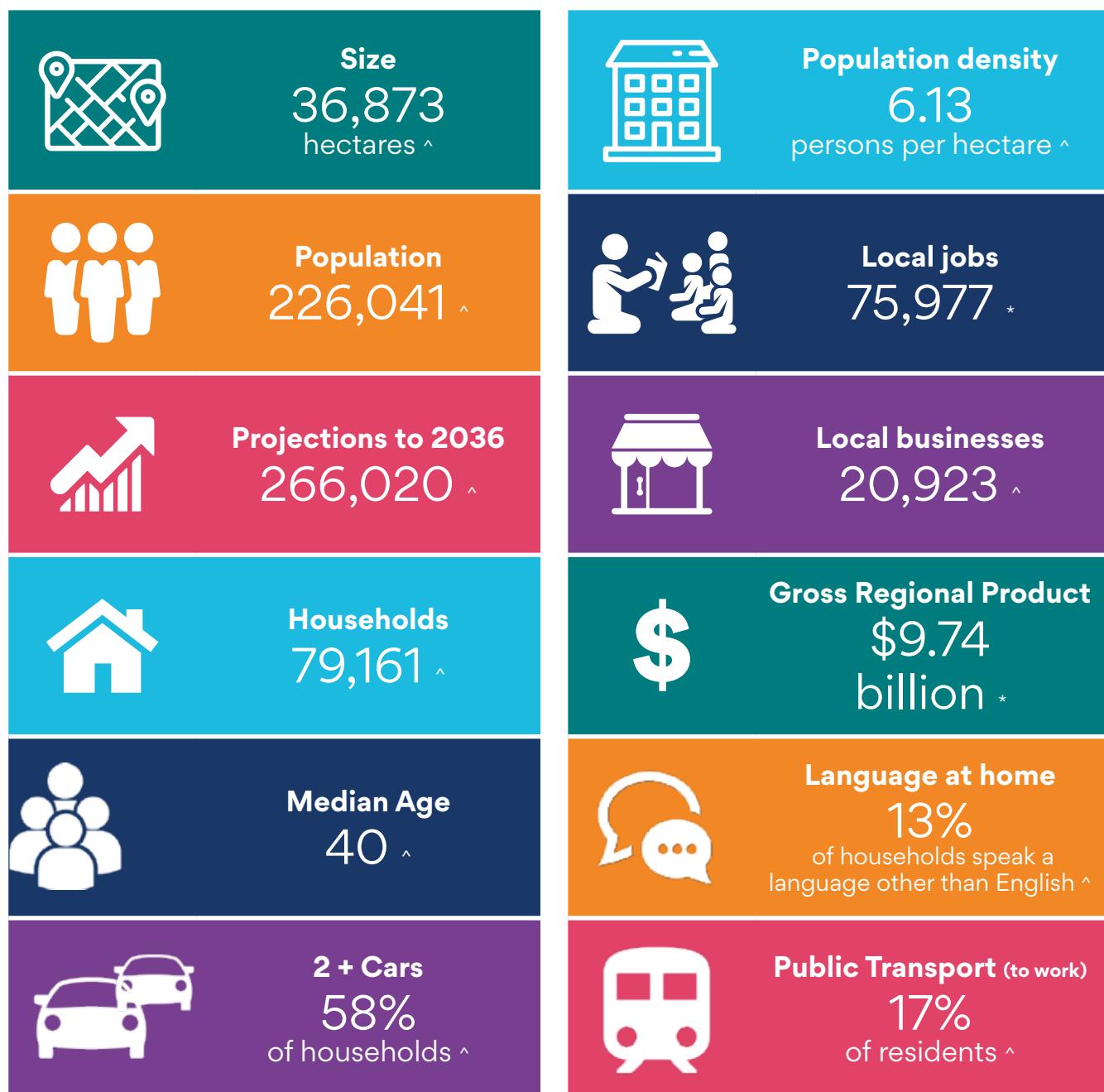
### **CORPORATE SUPPORT**

Information Management and Technology, Customer Service, Governance, Risk and Compliance, Strategy and Engagement, Finance, Asset Planning, and People and Culture.

**Collaboratively the General Manager's Office and the four Directorates are responsible for the implementation of the Delivery Program and Operational Plan.**

# ABOUT SUTHERLAND SHIRE

Sutherland Shire is located at the southeastern border of the Sydney metropolitan area, 26 kilometres from the Sydney CBD. It's home to one of Sydney's longest surf beaches, spectacular national parks and sparkling blue waterways. Our relaxed atmosphere offers an emerging food scene, fashion and design stores mixed with easy coastal charm. Sutherland Shire is rich in history, with over 2,000 Aboriginal sites and the site of Lieutenant (later Captain) James Cook's landing place at Inscription Point in the Kamay Botany Bay National Park.



<sup>^</sup> Data based on 2016 Australian Bureau of Statistics (ABS) Census

\* Data bases on 2016 National Economics (NIEIR)



# OUTCOMES 2017/18



# INTEGRATED PLANNING AND REPORTING

Progress against actions identified in the Operational Plan is reported to Council every six months. The annual report is prepared that reflects and reports on Council's overall performance for the financial year. The progress and achievements of the Delivery Program are reported to Council every four years at the last meeting of an elected council's term.

This continual planning process allows Council to prioritise projects based on the needs and direction provided by our community, and ensure our actions align to our community's vision and values for Sutherland Shire.



# ENGAGING WITH OUR COMMUNITY

Our Delivery Program and Operational Plan have been directed by the aspirations, knowledge and ideals that were expressed through consultation with our community for our Community Strategic Plan and feedback on our performance provided through our community-wide survey conducted in late 2016 with over 600 residents. The survey respondents rated importance and satisfaction for our services and facilities.

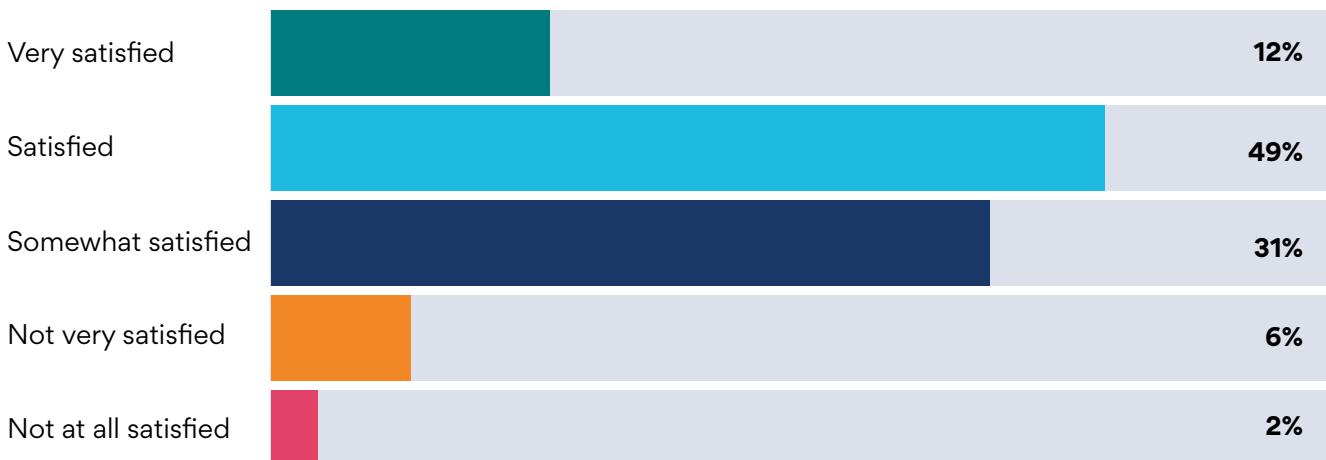
A further comprehensive survey was conducted in 2017, with more than 2,400 residents, with the results continuing to feed into our ongoing Delivery Program and Operational Plan.

A complete list of all community engagement undertaken in 2017/18:

- A Shout Out to The Shire: Making Decisions for the Future, Ruby Cha Cha, Dec 2017
- Community Satisfaction and CSP Research, Micromex, Dec 2016
- Australian Bureau of Statistics (ABS) Census, ABS 2016
- National Economics (NIEIR), 2016
- Join The Conversation (full list of discussions below for FY17/18) (<http://www.sutherlandshire.nsw.gov.au/Community/Join-the-Conversation>):
  - The Draft Camellia Gardens Grey-headed Flying-fox Camp Management Plan, Feb 2018
  - Sutherland Shire Development Control Plan 2015 - Amendment 1, Jan 2018
  - Sutherland Shire Local Environmental Plan 2015 - Minimum Lot Sizes, Jan 2018
  - Cronulla Surf Life Saving Club - Draft Plan of Management, Jan 2018
  - Sutherland Shire Development Control Plan 2015 - Amendment 2 Ridgeway Estate, Jan 2018
  - Sutherland Shire Libraries Community Survey, Nov 2017
  - Your Feedback, Our Future, Nov 2017
  - Council's Financial Reports - year ended 30 June 2017, Oct 2017
  - Car Parking Strategy - Sutherland Shire, Oct 2017
  - Readers Survey: What you told us, Oct 2017
  - Draft Cronulla Town Centre Public Domain Master Plan, Oct 2017
  - Proposal to Rename Hawkesbury Park, "James Goyen Reserve", Aug 2017
  - Proposal to name the reserve at 422 Captain Cook Drive, Greenhills Beach "Don Dobie Reserve", Jul 2017

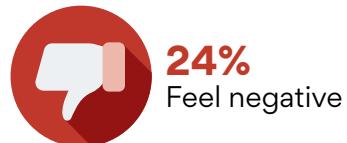
# OVERALL PERFORMANCE OF COUNCIL

In the 2016 survey\*, Residents rated the overall performance of Council as 'moderately high', with 92% of residents.



\* Based on Micromex Research NSW Local Government Area (LGA) Brand Score Benchmark across 152 LGAs (2016)

The 2017 survey ^ results were consistent with the 2016 survey with 49% of residents feeling positive about Council.



^ Based on the 'Shout out to the Shire: Making Decisions for the Future' survey (2018)

## COMPARISON WITH OTHER NSW COUNCILS\*

When compared to other Councils in NSW, satisfaction with Sutherland Shire Council (3.62 mean rating) is significantly higher than the 'regional' (3.22 mean rating) and 'all of NSW' (3.31) benchmarks, a positive finding for Sutherland Shire.

	Metro Benchmark	Regional	All NSW	Sutherland Shire Council 2016
Mean Ratings	3.45	3.22 ▼	3.31 ▼	3.64 ▲

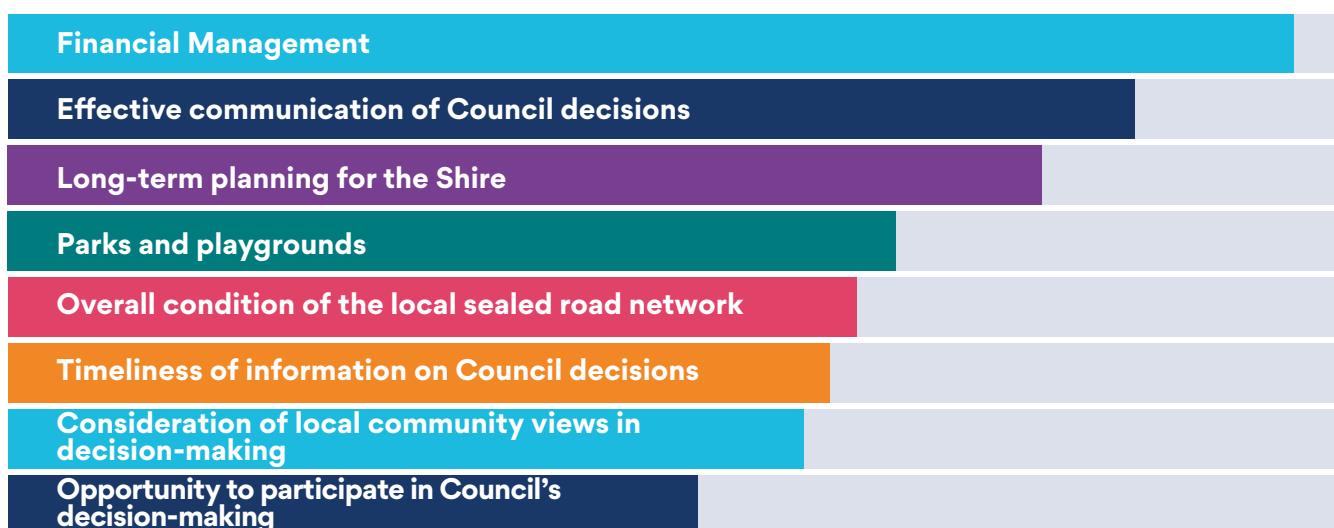
Scale: 1 = not at all satisfied, 5 = very satisfied

▲ ▼ = A significantly higher/lower level of satisfaction

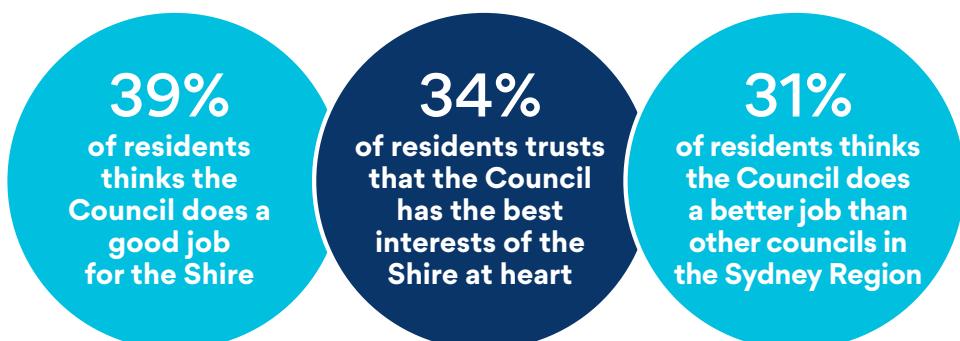
\* Based on Micromex Research NSW Local Government Area (LGA) Brand Score Benchmark across 152 LGAs (2016)

## KEY DRIVERS OF SATISFACTION WITH SUTHERLAND SHIRE COUNCIL

Community research showed that overall satisfaction with Council is influenced by a range of factors. Feedback from our community showed that the top eight areas which are driving community satisfaction and describe the intrinsic community priorities are:



These areas have been considered in the development of the Delivery Program and Operational Plan to ensure a focus on identified priorities and strengthening of engagement with our community.

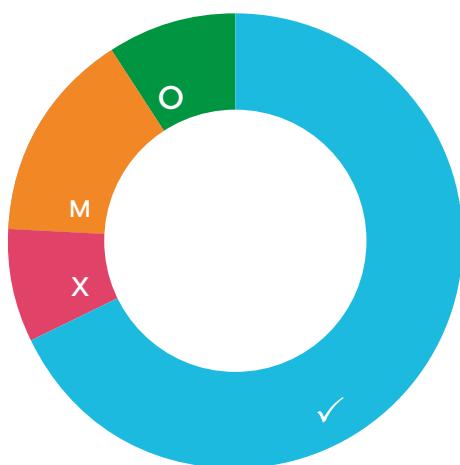


# HOW TO READ THIS REPORT

The focus for this progress report is on the 2017/18 Operational Plan actions which contribute to the overall Delivery Program 2017-2021.

The Plan contains actions which reflect both ongoing services and new projects or initiatives which are contributing to the four-year deliverables and supporting continuous improvements. The commentary against individual actions reflects if they are either 'Complete', 'On-Track', 'Monitor' or 'Off-Track'.

## HOW WE RATE THE STATUS



✓	Complete	All agreed delivery milestones achieved.
○	On-Track	Deliverable is on time, within budget and meeting agreed levels. Expected completion by the 2nd quarter of 2018/19.
Ⓜ	Monitor	Minor delays on critical milestones, a forecast minor overspend or quality issues. Expected completion in 2018/19.
✗	Off-Track	On hold or delayed on critical milestones, a significant overspend or significant quality issues.

## HOW THE INFORMATION IS PRESENTED

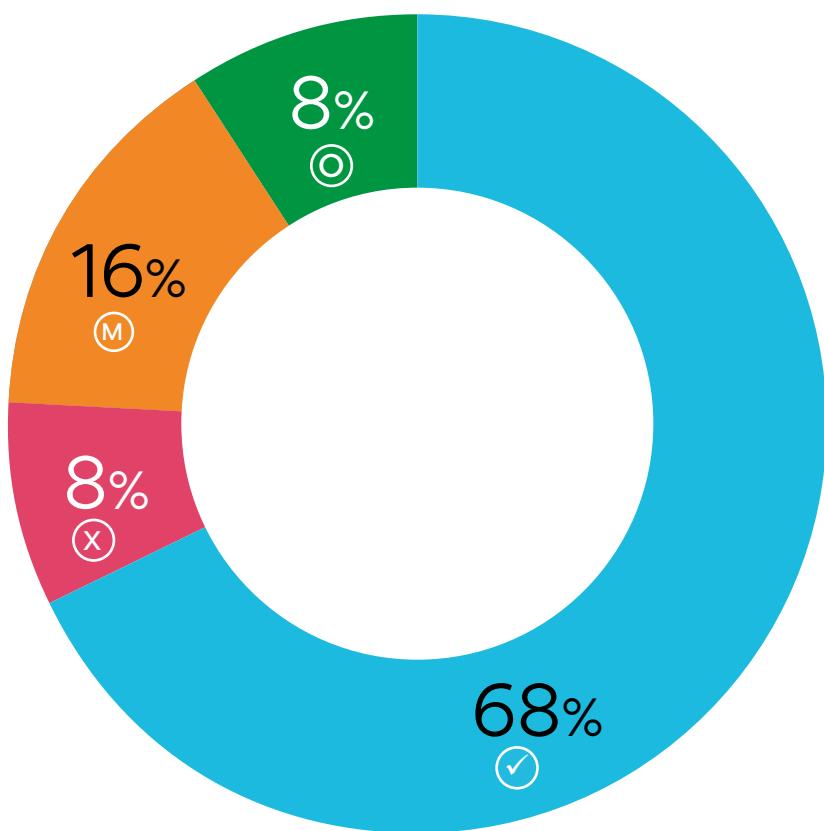
High level summaries of progress of the Plan actions are documented at the beginning of each Outcome, followed by detailed status and commentary of each Plan action.

Further information supporting the status of each element and detailed status criteria is maintained by the Council for audit and internal reporting purposes.

# OVERALL PROGRESS

A positive start to the first year of our Delivery Program, with an overall completion rate of 68% in the 2017/18 Operational Plan, with a further 24% on track for completion in 2018/19.

✓	Complete	196
○	On-Track	23
Ⓜ	Monitor	45
✗	Off-Track	23





**'THERE IS A GREAT SENSE OF COMMUNITY AND WE HAVE TO CAREFULLY PLAN FOR OUR FUTURE.'**

SUTHERLAND SHIRE RESIDENT,  
NOVEMBER 2016





# **OUTCOME 1: A COMMUNITY INFORMED AND ENGAGED IN ITS FUTURE**

A key ingredient in the high quality of life experienced by our residents is a feeling of belonging to our local community. Our residents want to preserve and enhance the sense of community by ensuring that they are engaged, not only in the delivery of services, but also in decision-making processes. Residents want access to information and knowledge that will enable them to provide sound input on policies and decisions that will shape the future of Sutherland Shire.

Our research has identified the need to improve our engagement practices. We need to move beyond simply giving and receiving information, to mechanisms that actively engage residents across the generations in ongoing conversations. We will aim to empower our community to better understand the challenges posed by change and growth, and evolve a partnership where we can each share our aspirations, concerns and values.

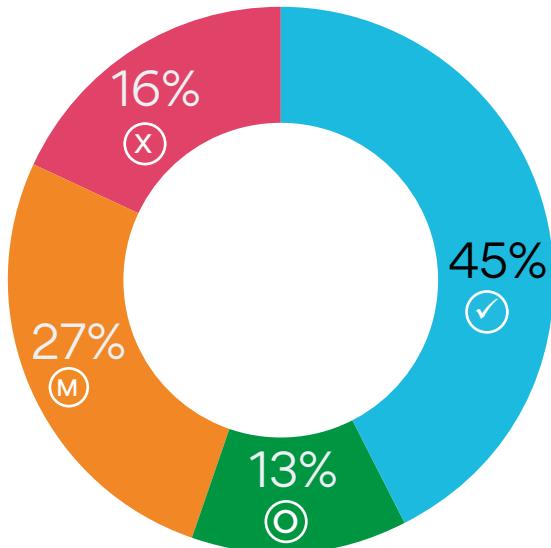
Establishing and sustaining this partnership will result in greater ownership and take-up of ideas, that will lead to the achievement of better outcomes for all.

# OUTCOME 1

## A COMMUNITY INFORMED AND ENGAGED IN ITS FUTURE

This has been a year of significant change within the organisation as we work towards better defining our service offering and aligning resources to meet the objectives of our Delivery Program 2017-2021. Such changes, whilst providing an important foundation do place pressure on the organisation and in some areas this has resulted in slower progress for some deliverables.

	Complete	25
	On-Track	7
	Monitor	15
	Off-Track	9



### ACHIEVEMENTS

- Improved technology across Council through:
  - > the installation of a digital sign in/out platform across our Children's Services sites
  - > improving security and streamlining applications by implementing an Enterprise Bus Service project
  - > increasing speed and reducing support costs by delivering an upgrade to ArcGIS and Geocortex.
- Focused on improving the staff safety and wellbeing with implementing a Work, Health and Safety Improvement Plan; streamlining the online recruitment forms and updating our career page; and established a Health and Wellbeing package.
- Independent Audit, Risk and Improvement Committee concentrated on reviewing the Top 10 Strategic Risks.
- Performance Management Framework.

### NEXT YEAR

- Finalise and implement the Customer Experience Strategy and Engagement Strategy.
- Continue the Internal Audit Program and Business Risk Assessments across Council.
- Strong focus on Financial Sustainability and Performance Management with action plan to support the Long Term Financial Plan; and commencing development of the Performance Management Framework.
- Continue focus on improving Asset Management.

# DELIVERY PROGRAM/OPERATIONAL PLAN

## DETAILED OUTCOMES

Outcome ID	Deliverables/Activities	Measure	Status	Accountable	Commentary
<b>1A</b>	<b>Implement the Delivery Program</b>			<b>All Directorates</b>	
1A.1	Implement the actions within the Operational Plan	Completion Rate	✓	Strategy & Engagement	<ul style="list-style-type: none"> <li>68% of Operational Plan actions complete, with a further 23% in progress for completion in 2018/19</li> </ul>
1A.2	Improve reporting of progress towards objectives within the Delivery Program	Improved reporting	✓	Strategy & Engagement	<ul style="list-style-type: none"> <li>Reporting methodology, data collection tool and community implemented for 2017/18 DP:OP</li> </ul>
<b>1B</b>	<b>Develop and implement an Engagement Strategy</b>			<b>Strategy &amp; Engagement</b>	
1B.1	Undertake community research and consultation to inform strategy development	Research and consultation complete	○	Strategy & Engagement	<ul style="list-style-type: none"> <li>In progress</li> <li>Community consultation completed Q2, 2017/18</li> <li>Research to inform Customer Experience Strategy completed Q4, 2017/18</li> </ul>
1B.2	Develop an Engagement Strategy	Engagement Strategy approved	●	Strategy & Engagement	<ul style="list-style-type: none"> <li>In progress</li> <li>Integrated into Customer Experience Strategy (Q1 2018/19)</li> <li>Expected completion in 2018/19</li> </ul>
1B.3	Develop a program of engagement activities	Program developed	○	Strategy & Engagement	<ul style="list-style-type: none"> <li>In progress</li> <li>Developing engagement activities and content calendar across platforms and key projects</li> <li>Expected completion in Q1 2018/19</li> </ul>
1B.4	Implement Engagement Strategy	Strategy objectives and deliverables are all met	✗	Strategy & Engagement	<ul style="list-style-type: none"> <li>Dependent on 1B.2</li> <li>Expected to commence in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>1C</b>	<b>Implement the Information Management and Technology Strategy</b>			<b>Information Management &amp; Technology (IM&amp;T)</b>	
1C.1	Deliver Maintenance Management Project	Project objectives and deliverables met	X	IM&T	<ul style="list-style-type: none"> <li>Postponed until 2018/19</li> <li>Converted to an activity in the IM&amp;T business unit plan</li> </ul>
1C.2	Deliver Project Management Solution Project	Project objectives and deliverables met	X	IM&T	<ul style="list-style-type: none"> <li>Postponed until 2018/19</li> </ul>
1C.3	Deliver Asset Management Project	Project objectives and deliverables met	X	IM&T	<ul style="list-style-type: none"> <li>Postponed until 2018/19</li> <li>Converted to an activity in the IM&amp;T business unit plan</li> </ul>
1C.4	Deliver Children's Services Digital Sign In and Out Solution	Activity deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>Replacement software implemented across sites (Kidsxap) Q2 2017/18</li> </ul>
1C.5	Deliver Private Certifier Applications (eCDC) platform	Activity deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>State Government have closed down the project</li> </ul>
1C.6	Develop and implement Customer Relationship Management project	Project objectives and deliverables met	M	IM&T	<ul style="list-style-type: none"> <li>Postponed until 2018/19</li> <li>Dependent upon Customer Experience Strategy 1D.2</li> </ul>
1C.7	Develop and implement Performance Management Solution	Project objectives and deliverables met	M	IM&T	<ul style="list-style-type: none"> <li>Postponed until 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
1C.8	Deliver Enterprise Service Bus project	Project objectives and deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>• Project objectives and deliverables met, such as:           <ul style="list-style-type: none"> <li>- streamlined messages between applications to avoid multiple point-to-point connections</li> <li>- enabled messages and protocol transformation between data providers and consumers, each choosing a native format that works best for them</li> <li>- enabled incremental adoption of a Service Oriented Architecture (SOA) with minimal disruption to existing business operations</li> <li>- Provided non-functional capabilities such as application-to-application authentication, security, logging, monitoring, error handling, recovery, auditing, deployment tools and a management dashboard in a manner that alleviates this burden from individual applications</li> <li>- Applied standards and consistent authentication, security and monitoring policies across applications</li> </ul> </li> </ul>
1C.9	Deliver Identity Management project	Project objectives and deliverables met	✗	IM&T	<ul style="list-style-type: none"> <li>• Postponed</li> <li>• Converted to an activity in the IM&amp;T business unit plan</li> </ul>
1C.10	Deliver Data Management Project and Business Recommendations	Project objectives and deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>• Defined and aligned SSC's business data within the SSC Data Governance Model</li> <li>• Business data needs of key data stakeholders were met</li> </ul>
1C.11	Deliver Application Lifecycle Management Project (Server and Client)	Project objectives and deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>• Reduced software support costs to Council</li> <li>• Increased speed in resolving customer issues</li> <li>• Increased Council's software knowledge</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
1C.12	Deliver Enterprise Content Management Project	Project objectives and deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>• Project objective and deliverables met, such as:           <ul style="list-style-type: none"> <li>- key education delivered to drive changes in work practices</li> <li>- reduced operational costs</li> <li>- improved internal processes</li> </ul> </li> </ul>
1C.13	Deliver ArcGIS and Geocortex upgrade	Activity deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>• Activity deliverables met, Q2 2017/18, such as:           <ul style="list-style-type: none"> <li>- reduced software support costs to Council</li> <li>- increased speed in resolving customer issues</li> <li>- increased Council's software knowledge</li> </ul> </li> </ul>
1C.14	Undertake Telecommunications Tender	Project objectives and deliverables met	✓	IM&T	<ul style="list-style-type: none"> <li>• Project objective and deliverables met, Q2 2017/18, such as:           <ul style="list-style-type: none"> <li>- provided a robust solution which ensures stability and availability of the network</li> <li>- improved Service Assurance and Service Reporting</li> <li>- positioned Council for cloud adoption in the future</li> </ul> </li> </ul>
<b>1D</b>	<b>Develop and Implement a Customer Experience Strategy</b>			<b>Customer Services</b>	
1D.1	Undertake customer research and consultation to inform strategy development	Research and consultation undertaken	✓	Customer Services	<ul style="list-style-type: none"> <li>• Research and consultation complete</li> </ul>
1D.2	Develop Customer Experience Strategy	Strategy creation - objectives, principles, outcome and strategic approach	○	Customer Services	<ul style="list-style-type: none"> <li>• Draft Customer Experience Strategy underway</li> <li>• Expected completion in Q1 2018/19</li> </ul>
1D.3	Implement Customer Experience Strategy	Meet the project objectives: customer centric, education and communication	M	Customer Services	<ul style="list-style-type: none"> <li>• Dependent on 1D.2</li> <li>• Implementation to commence in Q2 2018/19</li> </ul>
<b>1E</b>	<b>Implement the Finance Strategy including the Long Term Financial Plan</b>			<b>Finance</b>	
1E.1	Undertake quarterly budget reviews to monitor financial performance	Quarterly budget reviews presented to Council	✓	Finance	<ul style="list-style-type: none"> <li>• All quarterly budget reviews presented and adopted by Council</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
1E.2	Implement Finance Strategies to improve financial performance	Improvement in financial performance indicators	X	Finance	<ul style="list-style-type: none"> <li>Long Term Financial Plan presented and adopted by Council</li> <li>Under the adopted Long Term Financial Plan no substantial improvement against performance indicators achieved</li> <li>Council has adopted (GOV026-18) to establish a working party of councillors to identify options for Council to address the financial position</li> </ul>
1E.3	Improve reporting of financial information to the community	Increased communication about financial management	✓	Finance	<ul style="list-style-type: none"> <li>Long Term Financial Plan promoted on Join the Conversation and social media channels</li> </ul>
<b>1F</b>	<b>Implement the Workforce Strategy</b>			<b>People &amp; Culture</b>	
1F.1	Deliver Automated Timekeeper Solution project	Project objectives and deliverables met	O	People & Culture	<ul style="list-style-type: none"> <li>Implementation progressing</li> <li>Expected completion in Q2 2018/19</li> </ul>
1F.2	Develop and implement online recruitment improvements	Project objectives and deliverables met	✓	People & Culture	<ul style="list-style-type: none"> <li>Online forms streamlined and updated career page live</li> <li>Improved marketing of information/value proposition for target areas (e.g. Planning)</li> </ul>
1F.3	Develop and implement Health and Wellbeing Package	Project objectives and deliverables met	✓	People & Culture	<ul style="list-style-type: none"> <li>Health and Wellbeing Package is promoted with staff</li> <li>Activities are identified in the HR Framework</li> </ul>
1F.4	Develop Capability and Growth Framework	Project objectives and deliverables met	O	People & Culture	<ul style="list-style-type: none"> <li>Capability and Growth objectives and activities developed as part of the HR Framework</li> <li>Completion expected in Q1 2018/19</li> </ul>
1F.5	Develop people performance solution as part of Performance Management Solution	Project Objectives and deliverables met	X	People & Culture	<ul style="list-style-type: none"> <li>Performance Management Solution delayed</li> <li>Project expected to commence in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>1G</b>	<b>Implement the Asset Management Strategy</b>			<b>Asset Planning &amp; Sustainability</b>	
1G.1	Support service level reviews across all classes of assets	Service level reviews commenced	X	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>Review of Asset Class Management Plans commenced</li> <li>Dependent on completion of the Open Space and Integrated Transport strategies for greater alignment</li> </ul>
1G.2	Develop Capital Expenditure Prioritisation Policy	Policy adopted	M	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>Draft policy completed and reviewed by Group Manager Asset Management</li> <li>Expected completion in 2018/19</li> </ul>
1G.3	Undertake annual revisions of Asset Class Management Plans	Review completed	M	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>Asset Class Management Plans's annual review process commenced</li> <li>Continuing through 2018/19</li> </ul>
1G.4	Investigate opportunities and partnerships for Smart Cities innovation in service delivery	Opportunities investigated	✓	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Preliminary investigations performed</li> <li>Multiple opportunities identified including: smart poles in Ocean Grove, smart car parking solutions, smart apps for sports fields lighting</li> </ul>
1G.5	Implement the Fleet Asset Management Plan	Service levels met	M	Fleet and Workshops	<ul style="list-style-type: none"> <li>Development of draft plan in progress, 70% completed</li> <li>Implementation to commence in 2018/19</li> </ul>
1G.6	Develop an Integrated Buildings Management Plan in collaboration with key stakeholders	Plan adopted Technical and community expected levels of service defined	M	Building Assets	<ul style="list-style-type: none"> <li>Plan drafted in consultation with key stakeholders in Q1-Q2 2017/18</li> <li>Draft principles prepared. Staff resources applied to major project work</li> <li>Expected completion in 2018/19</li> </ul>
1G.7	Deliver planned capital works program for buildings	Completion rate	✓	Building Assets	<ul style="list-style-type: none"> <li>A total of 99% actual and committed expenditure complete</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
1G.8	Deliver buildings maintenance works to agreed levels of service for quality, function and safety	Service levels met	✓	Building Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 5,652 Customer Requests were completed</li> <li>- 80% completed within 28 day service standard (Target &gt;90%)</li> </ul> </li> </ul>
<b>1H</b>	<b>Develop and implement a Performance Management Framework</b>			<b>Strategy &amp; Engagement</b>	
1H.1	Develop Performance Management Framework	Framework developed	✓	Strategy & Engagement	<ul style="list-style-type: none"> <li>• Framework developed</li> </ul>
<b>1I</b>	<b>Develop and implement an Enterprise Risk Management Framework</b>			<b>Enterprise Risk &amp; Improvement</b>	
1I.1	Develop an Enterprise Risk Management Framework	Project Objectives and deliverables are all met	✓	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Enterprise Risk Framework developed</li> </ul>
1I.2	Complete top 10 strategic risk assessment	All risks assessed  All risk treatment plans in place  Risk treatment plans up to date / completed	M	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Four of the Top 10 Risk strategic risks prioritised and assessed. These risks are now under regular review</li> <li>• Assessment for remaining Top 10 Risks expected in 2018/19</li> </ul>
1I.3	Complete business risk assessment	All business unit risk assessments completed  All business unit risk assessments integrated into unit business plans	M	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Business risk assessment commenced</li> <li>• Expected completion in 2018/19</li> </ul>
1I.4	Implement an Operational Risk Management Strategy	Project objectives and deliverables are all met	O	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Three CIP workbooks submitted</li> <li>• Expected completion in Q2 2018/19</li> </ul>
1I.5	Establish a Risk Appetite Statement	Risk appetite statement established and implemented	✓	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Risk appetite statement established and implemented</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
1I.6	Create risk performance indicators	Performance Indicators created  Performance Indicators used by business to monitor risk management		Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Expected completion in 2018/19</li> </ul>
1I.7	Develop 3 year Internal Audit Program	Year 1 Risk Based Internal Audit Programme implemented		Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Audit Program Developed</li> <li>• Year One Implementation in progress, with six of eight Audits completed</li> <li>• Expected completion in 2018/19</li> </ul>
<b>1J</b>	<b>Review and enhance the Work Health and Safety (WHS) Management system and Injury Management process</b>			<b>Enterprise Risk &amp; Improvement</b>	
1J.1	Complete required actions in the WHS Improvement Plan	WHSMS Improvement Plan objectives and deliverables met		Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Objectives and deliverables met in 2017/18 with:           <ul style="list-style-type: none"> <li>- improvement plan complete and in place</li> <li>- quarterly reporting commenced</li> </ul> </li> </ul>
<b>1K</b>	<b>Implement a Leadership Program</b>			<b>People &amp; Culture</b>	
1K.1	Develop and implement a Leadership Development framework	Project objectives and deliverables met		People & Culture	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Objectives and activities developed as part of the HR Framework</li> <li>• Expected completion in Q1 2018/19</li> </ul>
<b>1L</b>	<b>Review and implement the Governance Framework</b>			<b>Governance &amp; Customer Service</b>	
1L.1	Develop a Governance Framework	Project objectives and deliverables met		Governance	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Council Policy stocktake review completed</li> <li>• Expected completion in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
1L.2	Develop and deliver a Governance Training Program	Calendar of training established and delivered	<span style="color: orange;">M</span>	Governance	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Development of Training Program commenced</li> <li>• New Starter Code of Conduct training established and delivered</li> <li>• Expected completion in 2018/19</li> </ul>
1L.3	Develop Councillor Development Strategy and Program	Strategy Framework defined and adopted Calendar of training established	<span style="color: orange;">M</span>	Governance	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft complete and submitted to Office of Liquor and Gaming Awaiting model guidelines from Minister</li> <li>• Expected completion in 2018/19</li> </ul>
1L.4	Review and enhance Complaints Management Framework	Project objectives and deliverables met	<span style="color: red;">X</span>	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Expected to commence in 2018/19</li> </ul>
<b>1M</b>	<b>Establish and facilitate the Independent Audit, Risk and Improvement Committee</b>			<b>Enterprise Risk &amp; Improvement</b>	
1M.1	Implement the Independent Audit Committee	Positive committee performance report provided to Council	<span style="color: green;">✓</span>	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Committee charter adopted by Council 20 November 2017</li> <li>- Three ARIC meetings held</li> </ul> </li> </ul>
<b>1N</b>	<b>Advocate and maintain dialogue across all levels of government and with key stakeholders around issues impacting our community.</b>			<b>General Manager</b>	
1N.1	Undertake advocacy on issues as required	Participation in meetings Number of submissions	<span style="color: green;">✓</span>	General Manager	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Council made 11 formal representations in 2017/18 to state / federal government, following Council resolutions</li> </ul>
<b>1O</b>	<b>Develop and implement Legal Services Strategy</b>				
1O.1	Develop and implement year one Legal Services Strategy initiatives	Project objectives and deliverables met	<span style="color: green;">✓</span>	Enterprise Risk & Improvement	<ul style="list-style-type: none"> <li>• Legal Services Improvement Plan developed and implemented</li> </ul>

**'LOVE THE NATURAL BEAUTY OF THE AREA.'**

SUTHERLAND SHIRE RESIDENT,  
NOVEMBER 2016





## OUTCOME 2: A BEAUTIFUL, PROTECTED AND HEALTHY NATURAL ENVIRONMENT

Our community strongly values our access to the rich and diverse natural environment of Sutherland Shire. We have over 1000 parks and reserves and over 3000 hectares of land containing bushland vegetation under Council management. Our coastal environment and waterways are key features of our natural environment and highly valued by our community.

However, our weather is changing, we have experienced record-breaking heat trends and at the same time our street canopy is reducing, making our streets hotter and increasing our energy bills. The changing climate has the biggest impacts on the most vulnerable members of our community – older people, young children and our economically disadvantaged.

Our community is concerned about the impact of development on our natural environment – our trees, beaches and parks. We want to maintain our natural resources and our access to them.

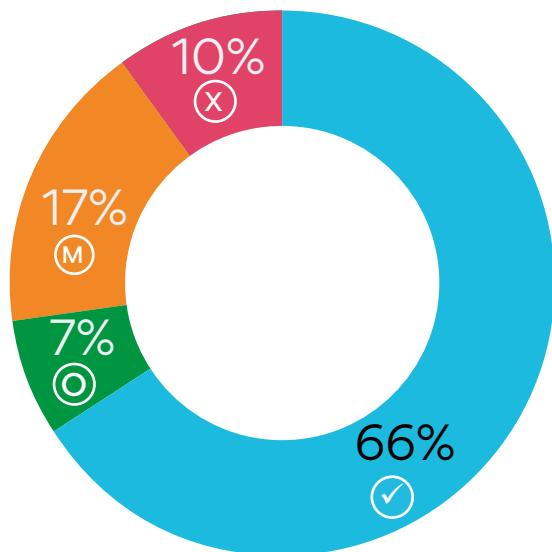
The natural environment supports our health and wellbeing, enhances our built environment and we know our community value the sense of place and identity which stems from a strong connection within the natural environment.

# OUTCOME 2

## A BEAUTIFUL, PROTECTED AND HEALTHY NATURAL ENVIRONMENT

Our community strongly values our access to the rich and diverse natural environment of Sutherland Shire. Over the next 10 years we want to protect and sustain this beautiful environment and enhance the streets in public places we live. Residents, community groups, schools , businesses, council and developers all have a role in protecting our environment and reducing our resource consumption for the benefit of us and our future generations.

	Complete	38
	On-Track	4
	Monitor	10
	Off-Track	6



### ACHIEVEMENTS

- Implemented significant waste improvements through:
  - > delivering 14 Waste Wise Workshops for the community, with a 99% satisfaction rating
  - > Street Sweeping Program which swept over 13,000kms of road and removed over 2,020 tonnes of debris
  - > improved placement and servicing of public litter bins
  - > investigated and monitored illegal dumping hotspots to reduce occurrences.
- Focused on improving our natural environment through the:
  - > Reserve Revegetation Planting Program, installed a total of 11,512 plants
  - > Bushcare Program, maintained 107 sites with a strong community of 674 active volunteers
  - > Greenweb Program, conducted education programs with over 665 private properties and 25 Schools
  - > Green Streets Program, completed 16 projects, resulting in 1,045 trees planted
  - > Noxious Weeds Control Program, conducted 2,150 site inspections and completed 40 project jobs.

### NEXT YEAR

- Finalise and implement the Public Place Tree Management Plan.
- Finalise the Environment and Sustainability Strategy which will provide overarching direction and consolidate numerous plans and policies.
- Deliver improvements to the shorebird habitat around Woolooware Bay.
- Align Greenweb with the State Government's Greater Sydney Commission Blue Green Grid.
- Develop a Climate Change Adaption Plan.
- Commence development of the Catchment and Waterways Strategy and the Open Space Recycled Water Plan.

# DELIVERY PROGRAM/OPERATIONAL PLAN

## DETAILED OUTCOMES

Outcome ID	Deliverables/Activities	Measure	Status	Accountable	Commentary
<b>2A</b>	<b>Review, revise and implement the Environment and Sustainability Strategy</b>	Ongoing.		<b>Environmental Science</b>	
2A.1	Develop a strategic framework for Council's contribution to the community's aspirations for the natural environment	Strategic framework developed		Environmental Science	<ul style="list-style-type: none"> <li>In progress</li> <li>Development of framework commenced</li> <li>Expected completion in 2018/19</li> </ul>
2A.2	Review and revise the existing strategy in collaboration with key stakeholders	Environment and Sustainability Strategy adopted		Environmental Science	<ul style="list-style-type: none"> <li>Review completed</li> <li>Developing new strategy</li> <li>New strategy expected completion in Q2 2018/19</li> </ul>
<b>2B</b>	<b>Review and implement the Waste Management Policy and Strategy</b>			<b>Waste Services</b>	
2B.1	Deliver waste management collection services in accordance with agreed schedules	Service levels are met Tonnage diverted from landfill		Waste Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 22,092 of 24,335 requests within service standard = 90.78%</li> <li>- Landfill diversion rate 50%</li> </ul> </li> </ul>
2B.2	Develop and implement an engagement and education plan to support the objectives of the Waste Management Policy and Strategy	Engagement and education plan complete Objectives and deliverables of the Engagement and Education plan are met		Waste Services	<ul style="list-style-type: none"> <li>In progress</li> <li>Requisitions/business case for resources submitted</li> <li>Expected completion by Q3 2018/19</li> </ul>
2B.3	Investigate new technologies and services to manage food waste	Desktop study complete and report to Council with recommendation		Waste Services	<ul style="list-style-type: none"> <li>In progress</li> <li>Desktop study work in progress</li> <li>Report to Council expected completion by Q3 2018/19</li> </ul>
2B.4	Ensure future waste contracts explore options for resource recovery and alternative waste treatment	Options in relation to opportunities resource recovery and alternative waste treatment are included within new contracts		Waste Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>All future contracts will provide allowances for alternative waste treatment's and sound resource recovery practices</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
2B.5	Investigate opportunities and partnerships to install new and/or improved waste facilities and infrastructure to address household chemical waste	Investigation undertaken and report to Council with recommendations	✓	Waste Services	<ul style="list-style-type: none"> <li>• Investigation undertaken and report submitted to Council in Q2 2017/18</li> </ul>
2B.6	Continue to investigate options for improved recovery of household waste, particularly furniture and clothing	Investigation undertaken and report to Council with recommendations	M	Waste Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Investigation underway</li> <li>• Report to Council expected completion by Q3 2018/19</li> </ul>
2B.7	Continue to support, initiate and promote waste related community events	Number of community events promoting waste management related outcomes	✓	Waste Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of three (3) events held to promote waste management in the community in 2017/18</li> </ul>
2B.8	Continue to run Waste Wise Workshops and monitor benefits	Objectives and deliverables of Waste Wise Workshops are met	✓	Waste Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 14 Waste Wise Workshops held.</li> <li>- 99% of attendees reported the workshop increased their knowledge</li> </ul> </li> </ul>
2B.9	Investigate opportunities for grant funding and partnerships to deliver food waste avoidance education and behaviour change projects	Grant funding secured and/or partnerships developed	✗	Waste Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Grant funding application for food waste avoidance program was declined in late 2017/18</li> <li>• Further investigations into other partnerships and opportunities</li> </ul>
2B.10	Review placement and servicing frequency of public litter bins	Service review undertaken	✓	Waste Services	<ul style="list-style-type: none"> <li>• Service review complete</li> <li>• Five additional public bins installed</li> </ul>
2B.11	Identify public place bin illegal dumping hotspots and investigate options for reducing occurrences	Register of hotspots complete Reduced occurrence of illegal dumping	✓	Waste Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Register of hotspots updated regularly</li> <li>- Cost of illegal dumping reduced by 14% compared to 2016/17</li> </ul> </li> </ul>
2B.12	Investigate resource recovery options for street sweepings	Investigation complete	○	Waste Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Further options to be considered</li> <li>• Expected completion by Q2 2018/19</li> </ul>

Outcome ID	Deliverables/Activities	Measure	Status	Accountable	Commentary
2C	<b>Review the Environment Strategy (Urban Planning) to inform revised Local Environment Plan (LEP) and Development Control Plan (DCP)</b>			<b>Strategic Planning</b>	
2C.1	Review the need for a separate Environment Strategy within the context of the redeveloped strategic framework including the LEP and DCP for environmental outcomes	Review complete and review outcomes implemented	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Review undertaken</li> <li>• It was agreed only one Informing Strategy required for environment</li> <li>• This will inform local strategic planning statement</li> </ul>
2D	<b>Review and implement the Urban Tree and Bushland Policy and Program</b>			<b>Strategic Planning</b>	
2D.1	Develop and implement a Public Place Tree Management Plan		●	Environment, Health & Building	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Sub Committee meeting monthly</li> <li>• Development of Plan commenced</li> <li>• Expected completion in 2018/19</li> </ul>
2D.2	Develop and implement a community engagement campaign to inform the development of the Public Place Tree Management Plan	Community engagement campaign developed Year 1 engagement strategies commenced	○	Environment, Health & Building	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Campaign developed video explaining Public Place Tree Management Plan</li> <li>• Expected completion in Q1 2018/19</li> </ul>
2D.3	Develop and implement a cyclic proactive tree management regime for identified locations	Cyclic regime commenced	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Cyclic regime commenced</li> <li>• Pilot programme in place</li> </ul>
2D.4	Refine native plant selector (online tool) for major urban centres	Online tool is complete	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Plants and images were updated in the current Native Plant Selector online tool</li> <li>• Further work on tool is under consideration</li> </ul>
2D.5	Implement the Green Streets Program	Program objectives and deliverables met	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 16 projects completed with 1,045 trees planted in 2017/18</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
2D.6	Implement reserve revegetation planting program	Program objectives and deliverables met	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Annual program installed a total of 11,512 plants in 2017/18</li> </ul>
2D.7	Implement the Bushcare Program	Number of volunteers Number of sites maintained	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Annual program for 2017/18 included: <ul style="list-style-type: none"> <li>- 107 sites maintained</li> <li>- 674 volunteers involved</li> </ul> </li> </ul>
2D.8	Implement the Greenweb Program	Number of participants - Private Property Number of participants – schools	✓	Environmental Science	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Program participants in 2017/18 included: <ul style="list-style-type: none"> <li>- 665 private properties</li> <li>- 25 Schools</li> </ul> </li> </ul>
2D.9	Undertake enforcement activity to uphold the importance of environmental protection	Positive outcomes achieved	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Enforcement action undertaken as deterrent</li> </ul>
2D.10	Deliver initiatives to improve shorebird habitat around Woolooware Bay	Project objectives and deliverables met	○	Park & Reserve Assets	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Sand island works 90% complete</li> <li>• Expected completion in Q1 2018/19</li> </ul>
2D.11	Implement Noxious Weeds Control Program	Program objectives and deliverables met	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 2,150 site inspections conducted and 40 project jobs complete</li> <li>- Program part funded by grant of \$174,000</li> </ul> </li> </ul>
2D.12	Implement Feral Animals Control Program	Program objectives and deliverables met	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Five rolling/seasonal programs of work continue</li> <li>- Program part funded by grant of \$80,000</li> </ul> </li> </ul>
2D.13	Review Greenweb to align with the Greater Sydney Commission Blue Green Grid	Review complete and mapping aligned	●	Environmental Science	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Greenweb mapping complete</li> <li>• Delay due to the Greater Sydney Commission completing the finer detail of the Green Grid</li> <li>• Expected completion by Q4 2018/19</li> </ul>
2D.14	Deliver a plant propagation program through Council's nursery to assist in achieving revegetation and tree planting programs	Number of trees propagated Financial performance	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 36,506 plants/tree propagated in 2017/18</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
2D.15	Develop a Bushland Asset Class Management Plan	Asset Class Management Plan developed and aligned to Long Term Financial Plan	✗	Park & Reserve Assets	<ul style="list-style-type: none"> <li>• On hold</li> <li>• Asset Class Management Plan subject to review before</li> </ul>
2D.16	Implement the Bushland Asset Class Management Plan	Asset Class Management Plan Key Performance Indicators developed and achieved Improvement plan actions progressed	✗	Parks Operations	<ul style="list-style-type: none"> <li>• Dependent on 2D.15</li> <li>• Implementation to commence in 2018/19</li> </ul>
2D.17	Support the Rural Fire Service in the management of bushfire risk	Support provided Bush fire hazard reduction program completed	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of four (4) hazard reduction jobs completed in 2017/18</li> </ul>
2D.18	Facilitate constructive participation in the Bushfire Advisory Committee to ensure relevant and strategic contribution to decision making	Attendance at Advisory Committees Participant satisfaction with Advisory Committees	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Attended all Advisory Committees.</li> <li>LEMO actively involved in advisory committee</li> </ul>
<b>2E</b>	<b>Review the Biodiversity Strategy</b>			<b>Environmental Science</b>	
2E.1	Review the need for a separate Environment Strategy within the context of the redeveloped strategic framework for environmental outcomes	Review complete and review outcomes implemented	✓	Environmental Science	<ul style="list-style-type: none"> <li>• Review completed</li> <li>• Will form part of the Environment and Sustainability Strategy</li> <li>• It was identified there is a need for a plan/policy to address biodiversity once strategy is complete</li> </ul>
<b>2F</b>	<b>Implement Natural Area Plans of Management</b>			<b>Park &amp; Reserve Assets</b>	
2F.1	Undertake a review and implement a program to develop natural area plans of management for areas of need	Review complete Program objectives and deliverables met	M	Park & Reserve Assets	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Initial review complete</li> <li>• Under changes to the Crown Land Legislation, it was identified 122 Crown Land parcels require a Plan of Management</li> <li>• Review underway to identify which Plan of Management is needed, specific or generic</li> <li>• Expected completion in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>2G</b>	<b>Develop and implement a Catchment and Waterway Management Strategy</b>			<b>Stormwater &amp; Waterways Assets</b>	
2G.1	Develop the Catchment and Waterway Management Strategy framework	Strategy developed and communicated to all key stakeholders	●	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft Strategy Framework developed</li> <li>• Expected completion in 2018/19</li> </ul>
2G.2	Prepare and implement the Stormwater and Waterways Asset Class Management Plan	Asset Class Management Plan Key Performance Indicators developed and achieved Improvement plan actions progressed	●	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Asset Class Management Plan completed in Q1 2017/18 and presented to Councillor resourcing workshop</li> <li>• KPIs and improvement actions underway as part of an overall asset strategy</li> </ul>
2G.3	Develop and implement a stormwater management program	Program objectives and deliverables met	●	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Program development and implementation commenced</li> <li>• Completed 14 of 23 projects in 2017/18</li> <li>• Operational and Capital Expenditure works are being undertaken to improve flood protection, water quality and ecological health</li> </ul>
2G.4	Develop and implement a catchment management program	Program objectives and deliverables met	✗	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on the development of the Catchment and Waterway Management Strategy 2G.1</li> </ul>
2G.5	Deliver planned capital works program for stormwater infrastructure	Completion rate	●	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Completed 19 projects as part of the capital works program for stormwater infrastructure in 2017/18</li> </ul>
2G.6	Develop and implement a waterways management program encompassing the preparation and implementation of Coastline Management Programs	Program objectives and deliverables met	●	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Waterways Management Program developed and commenced implementation</li> <li>- 31 projects were completed</li> </ul> </li> </ul>

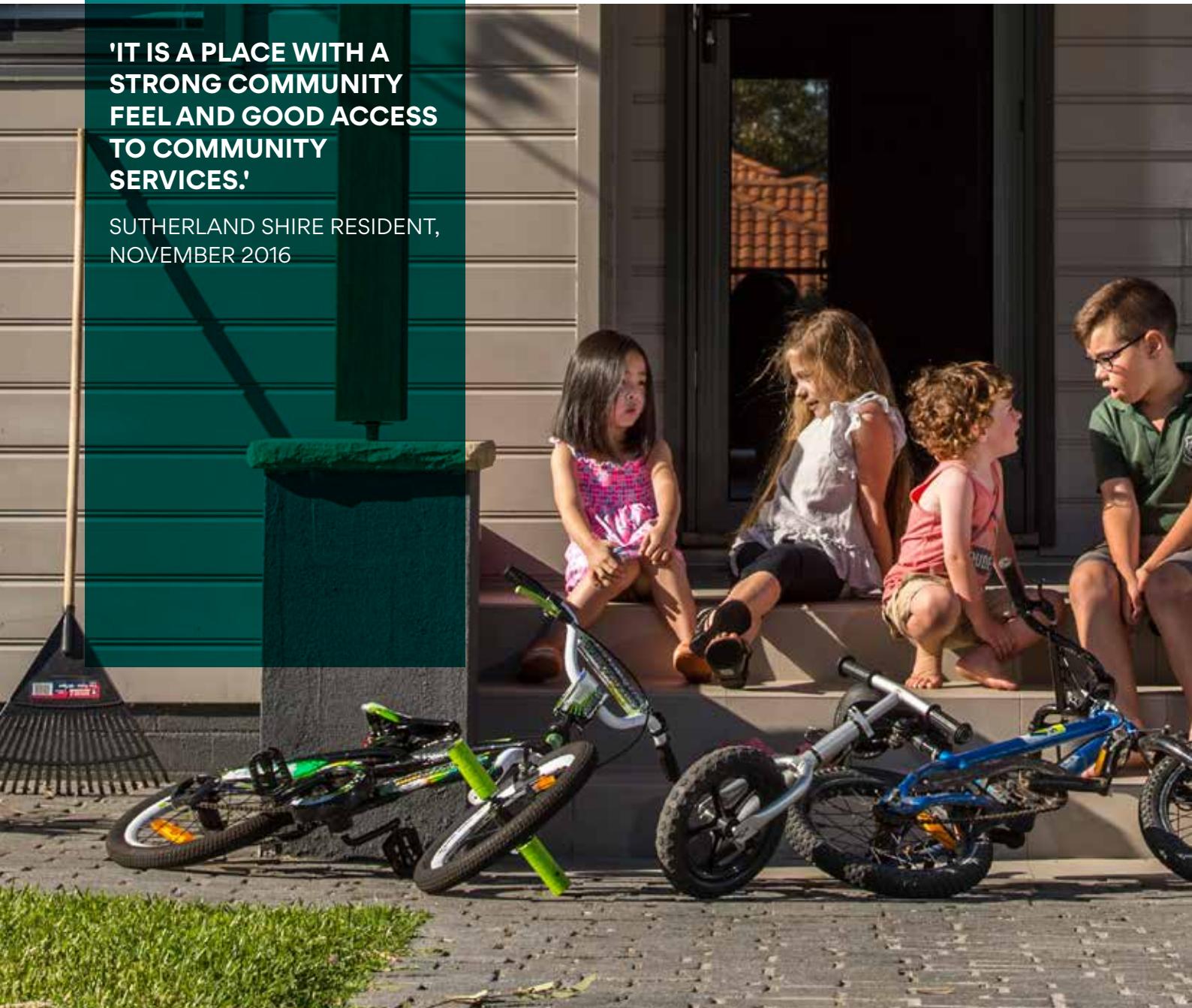
<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
2G.7	Develop and implement a floodplain management program	Program objectives and deliverables met	✓	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Floodplain management program developed and implementation commenced. The program is reducing risk of flooding to life and property</li> <li>• Program operates as a services of interlinked, multi-year projects, typically grant funded</li> </ul>
2G.8	Implement a catchment and waterway health monitoring program encompassing a water quality monitoring program	Program objectives and deliverables met 75% of sites have fair water quality or better Report outlining performance as per measures included within the plans is prepared and distributed	✓	Environmental Science	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Waterways Health Monitoring Program in place</li> <li>- 88% of waterways in a fair or better condition, 13% above target</li> </ul> </li> </ul>
2G.9	Street sweeping program delivered	Service levels met Tonnage collected Kilometres swept	✓	Waste Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Street Sweeping Program in 2017/18 resulted in: <ul style="list-style-type: none"> <li>- 90.78% of requests completed within service standard</li> <li>- 2,020 tonnes of street sweeping debris collected</li> <li>- 13,000kms of roadway swept</li> </ul> </li> </ul>
2G.10	Facilitate constructive participation in the Floodplain Risk Management Committee to ensure relevant and strategic contribution to decision making	Attendance at Advisory Committees Participant satisfaction with Advisory Committees	✓	Stormwater & Waterways Assets	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of two (2) Floodplain Risk Management Committee meetings held in 2017/18</li> </ul>
<b>2H</b>	<b>Review the Air Quality Management Plan</b>			<b>Environmental Science</b>	
2H.1	Review the need for a separate Environment Strategy within the context of the redeveloped strategic framework for environmental outcomes	Review undertaken and appropriate action undertaken	✓	Environmental Science	<ul style="list-style-type: none"> <li>• Review completed</li> <li>• Need identified however reliant on the completion of the Integrated Transport Strategy and the outcomes of the Environment and Sustainability Strategy</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>2I</b>	<b>Review the Climate Change Adaption Report</b>			<b>Environmental Science</b>	
2I.1	Prepare and present a report to consider the development of a Climate Change Mitigation and Adaption Strategy	Report presented to Council		Environmental Science	<ul style="list-style-type: none"> <li>• Research conducted in 2017/18</li> <li>• Dependent on the completion of the Environment and Sustainability Strategy</li> </ul>
2I.2	Implementation of the Sea Level Rise Policy	The Sea Level Rise Policy is implemented and communicated		Environmental Science	<ul style="list-style-type: none"> <li>• Policy adopted by Council and published on website</li> </ul>
<b>2J</b>	<b>Participate in the development and implementation of the Sutherland Shire Local Emergency Management Plan</b>			<b>Public Domain Assets</b>	
2J.1	Contribute to the finalisation of the Local Emergency Management Plan (EMPLAN)	Adoption and approval of EMPLAN at Region level		Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Plan adopted by REMC at the Regional Emergency meeting in Q2 2017/18</li> </ul>
2J.2	Provide Liaison Officer (LO) to represent Council in an Emergency Operations Centre during an actual, imminent or potential emergency	Liaison Officer performs to the requirements of Standard Operating Procedure		Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• LEMO was in attendance at the EOC throughout the recent Menai Bushfires and in attendance for all EOC operations in 2017/18</li> </ul>
2J.3	Active participation of Council's Local Emergency Management Officer (LEMO) in Local Emergency Management Committees	Attendance and support provided to committee's in accordance with requirements of State Emergency and Rescue Management Act 1989		Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• All meetings attended and supported by LEMO</li> </ul>
<b>2K</b>	<b>Implement Bate Bay Coastline Management Plan</b>			<b>Park &amp; Reserve Assets</b>	
2K.1	Redevelop management plan to comply with requirements of the Coastal Management Act 2016	Adoption of a new coastline management plan for Bate Bay		Park & Reserve Assets	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Delayed due to coastal management legislation</li> <li>• Expected completion in 2018/19</li> </ul>
2K.2	Implement year one management plan actions	Number of actions implemented		Park & Reserve Assets	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 2K.1</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>2L</b>	<b>Review and implement Corporate Energy and Water Efficiency Plan</b>			<b>Asset Planning &amp; Sustainability</b>	
2L.1	Undertake energy and water monitoring and reporting	Annual corporate report Quarterly web reviews	✓	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• Complete and ongoing           <ul style="list-style-type: none"> <li>- Annual electricity, natural gas and water consumption is reported through the State of the Environment report. Completed August/ Sept each year</li> <li>- Capability for quarterly review now in place</li> </ul> </li> </ul>
2L.2	Develop and implement energy and water efficiency guidelines for Council buildings	Specifications applied	✗	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Expected to commence in 2018/19</li> </ul>
2L.3	Investigate and implement energy efficiency initiatives to manage energy consumption, security and avoid price shock exposure	Energy savings realized through new initiatives	✓	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Active participant in SSROC PEERS (Program for Energy and Environment Risk Solutions) project</li> <li>• To date, large scale replacement of residential street lighting with energy efficient LED's to support significant energy cost savings</li> </ul>
<b>2M</b>	<b>Develop an Open Space Recycled Water Plan</b>			<b>Asset Planning &amp; Sustainability</b>	
2M.1	Deliver recycled water through user agreements	Recycled water volume Service provided within budgeted income and expenditure	✓	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Water volume monitored</li> <li>• Budget on track with allocations</li> </ul>
2M.2	Develop an inventory of all sites with recycled water infrastructure	Inventory created Timeline for plan development established	●	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Buildings sites register to be established</li> <li>• Expected completion in 2018/19</li> </ul>

**'IT IS A PLACE WITH A  
STRONG COMMUNITY  
FEEL AND GOOD ACCESS  
TO COMMUNITY  
SERVICES.'**

SUTHERLAND SHIRE RESIDENT,  
NOVEMBER 2016





## **OUTCOME 3: A CARING AND SUPPORTIVE COMMUNITY**

Through consultation we know that having a sense of community is important to our residents. We want to be connected to Sutherland Shire as a place but also be part of a community.

Demographics clearly show that we have an ageing population. We will need to deliver services that enable baby boomers to remain active and engaged, physically and intellectually. There will be an increasing demand for health care and community support services that will enable people to age in place. An increase in the number of families with children continues to drive demand for children's services, and increased costs of living create challenges across the community.

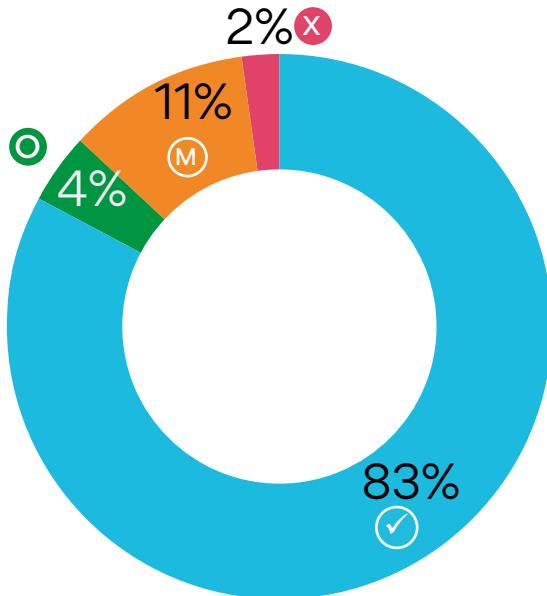
Whilst the growth in our population creates challenges, it also provides opportunities to build a stronger community through volunteering, inter-generational programs, and the delivery of services that respond to the needs of new generations. Community safety remains a high priority for residents and our youth organisations continue to identify the need to engage with and support young people as they transition to adulthood.

# OUTCOME 3

## A CARING AND SUPPORTIVE COMMUNITY

Through consultation we know that having a sense of community is important to our residents. We want to be connected to Sutherland Shire as a place but also be part of a community. Over the next 10 years we want to sustain and build a resilient and inclusive community that cares for the well-being of all.

	Complete	38
	On-Track	2
	Monitor	5
	Off-Track	1



### ACHIEVEMENTS

- Engaged with the community through events, such as 'Walk the Walls' and 'Beach to the Burbs'; seminars such as 'Get Active'; Youth Mental Health First Aid Training; and partnerships with such organisations as Mental Health Interagency and NGO.
- Developed and implemented the Disability Inclusion Action Plan (DIAP).
- Focused on delivering responsive programs which sustain healthy and active living for seniors, such as art classes and Seniors Festival Bushcare events.
- Partnered with Alzheimer's Australia to plan for dementia-friendly communities.
- Supported local community organisations through implementing the National Disability Insurance Scheme, including three sector training sessions, resulting in 98% participant satisfaction rating.
- Implemented companion animal education and regulatory activities, such as the companion animals at the libraries.
- Ensured equity of access to children's services by implementing programs to increase participation of children from vulnerable families. Commenced development of a disability strategic support plan to assist children with disabilities to access services.

### NEXT YEAR

- Develop a Sports Services Plan that promotes, informs and optimises the hire, allocation and use of our playing fields and supporting facilities.
- Implement Childrens Services Long Term Financial Plan and workforce program.
- Finalise and implement the Property Services Business Plan to support the provision of professional advice and informed decision making.
- Develop the Leisure Centre Long Term Strategy and plan.

## DELIVERY PROGRAM/OPERATIONAL PLAN DETAILED OUTCOMES

Outcome ID	Deliverables/ Activities	Measure	Status	Accountable	Commentary
3A	<b>Develop and implement Community Services Business Plan</b>			<b>Economic &amp; Community Development</b>	
3A.1	<p>Build the capacity of community sector through the provision of professional support, advice and referrals in support of key target groups including:</p> <ul style="list-style-type: none"> <li>• Young people</li> <li>• Older people</li> <li>• People with disability</li> <li>• Aboriginal and Torres Strait Islander people</li> <li>• Culturally diverse communities</li> <li>• Children and families</li> </ul>	Community sector satisfaction with Council support (%) Partnerships developed and outcomes achieved	<span style="color: #1a3d54; font-size: 2em;">✓</span>	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Outstanding level of satisfaction with 98% of participants rating good or higher</li> <li>- Two NGO / Health Partnerships</li> <li>- Wellness and re-ablement training delivered</li> <li>- Two NGO Partnerships Aged Care Shire interagencies attended and regular input provided</li> <li>- 'Abuse of older people' Collaborative' - attendance, support and input provided</li> </ul> </li> </ul>
3A.2	Advocate and maintain dialogue with key government and service agencies to ensure community service delivery meets evolving local needs	Participation in scheduled meetings, interagencies, events and communications	<span style="color: #1a3d54; font-size: 2em;">✓</span>	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Youth Mental Health First Aid Training facilitated - 50 trained council and NGO staff</li> <li>- 40 Attendees to train the trainer session for cultural awareness</li> </ul> </li> </ul>
3A.3	Facilitate and partner in events that attract, support, inspire and educate the community around key themes and weeks:	Participation in and number of events delivered Number of event applications processed parties	<span style="color: #1a3d54; font-size: 2em;">✓</span>	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Three Get Active seminars with 98% satisfaction</li> <li>- Volunteer Week - Community Education Campaign</li> <li>- Active partner in Mental Health Interagency</li> </ul> </li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3A.4	<p>Facilitate constructive participation in Advisory Committees to ensure relevant and strategic contribution to decision-making:</p> <ul style="list-style-type: none"> <li>• Access Committee</li> <li>• Youth Council</li> <li>• Aboriginal Advisory Committee</li> <li>• Seniors Reference Group</li> </ul>	<p>Attendance at Advisory Committees Participant satisfaction with Advisory Committees</p>	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Actively connecting services with high school careers advisors</li> <li>- Support for Youth Week and community events</li> <li>- Council work experience for young people supported</li> </ul> </li> </ul>
<b>3B</b>	<b>Review and implement an Active Ageing Strategy</b>			<b>Economic &amp; Community Development</b>	
3B.1	Review and revise the existing strategy in collaboration with key stakeholders	Strategy developed and communicated to all key stakeholders	●	Economic & Community Development	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft developed in consultation with key stakeholders</li> <li>• Expected completion in 2018/19</li> </ul>
3B.2	Implement year 1 actions	Year 1 actions implemented	●	Economic & Community Development	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Dependent on 3B.1 however implementing former Ageing Well Strategy until new strategy in place</li> <li>• Key actions: <ul style="list-style-type: none"> <li>- Young @ Heart short film and educational resources developed</li> <li>- Successful application for Liveable Communities grant \$60,000, to commence implementation of 12 month project</li> </ul> </li> </ul>
3B.3	Build partnership across Council to deliver responsive programs that sustain healthy and active living for seniors	Increased use of Council services by older residents	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• High demand for all activities in 2017/18. These events were all fully booked: <ul style="list-style-type: none"> <li>- Four (4) Library seminars</li> <li>- Hazelhurst Art classes for Seniors Festival</li> <li>- Bushcare - Seniors Festival Events</li> </ul> </li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3B.4	Deliver seminars, information resources and community partnerships that promote healthy and active living	Number of community events delivered Participation and satisfaction with information delivered	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of four (4) Know Your Options seminars held in 2017/18 with a 98% satisfaction rating from participants</li> </ul>
3B.5	Partner with Alzheimer's Australia to plan for dementia friendly communities	Identify and prioritise opportunities to support dementia friendly community	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Two (2) Dementia Training sessions held, in partnership, with 100% satisfaction rating from participants</li> <li>- 2nd session scheduled which is already fully booked</li> </ul> </li> </ul>
3B.6	Investigate enhanced provision of facilities in park and recreation facility upgrades that enhance physical activity and rehabilitation for the ageing community	Appropriate opportunities identified and included in Asset Management program	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Feedback provided on park seating and recreational equipment</li> <li>• Participation in planning for Cities For Us - Southern Sydney Region of Councils Seminar</li> </ul>
<b>3C</b>	<b>Develop and implement the Disability Inclusion Action Plan</b>			<b>Economic &amp; Community Development</b>	
3C.1	Develop the Disability Inclusion Action Plan (DIAP)	Strategy adopted by Council and communicated to all key stakeholders	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Plan developed. Active on council website and Local Government NSW website</li> </ul>
3C.2	Implement year 1 actions across the four domains of: <ul style="list-style-type: none"> <li>• Liveable communities</li> <li>• Employment</li> <li>• Systems and processes</li> <li>• Attitudes and behaviours</li> </ul>	Year 1 actions implemented	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Year 1 Actions implemented. Ongoing communication between People and Culture, IM&amp;T and all staff</li> <li>• Developing Disability Inclusion Training</li> </ul>
3C.3	Prioritise capital expenditure opportunities in the public domain in line with recommendations within the DIAP	Upgrades undertaken % of residents with disabilities who are satisfied with accessibility of Council services and facilities	✓	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• DIAP principles will be considered in the scoping, development and construction of all Capital projects where practical</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>3D</b>	<b>Support and plan for the implementation of the National Disability Insurance Scheme (NDIS)</b>			<b>Economic &amp; Community Development</b>	
3D.1	Support local community organisations through implementation of NDIS, including community group amalgamation opportunities supported where beneficial	Disability services satisfaction with Council support (%)	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Three (3) Sector training sessions completed with a 98% satisfaction rating from participants</li> <li>- Ongoing sector support and development via Interagency</li> </ul> </li> </ul>
3D.2	Ensure Council adherence to requirements of the NDIS	Third party verification of Council services achieved	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Third Party Verification complete.</li> </ul> <p>Adherence to standards is ongoing and performance base</p>
<b>3E</b>	<b>Review and implement the Youth Strategy</b>			<b>Economic &amp; Community Development</b>	
3E.1	Review and revise the existing strategy in collaboration with key stakeholders	Strategy developed and communicated to all key stakeholders	M	Economic & Community Development	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Consultation with young people commenced</li> <li>• Continued consultation with community groups</li> <li>• Expected completion in 2018/19</li> </ul>
3E.2	Implement year 1 actions	Year 1 actions implemented	X	Economic & Community Development	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 3E.1</li> </ul>
3E.3	Utilise existing and emerging social media platforms to engage with young people	Number of young people engaged with and informed about Council initiatives	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Growing use of social media</li> <li>• Key social campaigns in 2017/18 included:           <ul style="list-style-type: none"> <li>- Walk the Walls</li> <li>- Beach to the Burbs</li> </ul> </li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3E.4	Partner with community organisations to provide attractive and engaging facilities for young people	Partnerships developed Initiatives implemented Use of centres and facilities by young people	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Growing Partnerships in 2017/18, such as:           <ul style="list-style-type: none"> <li>- Caringbah Walk the Walls project extended well beyond community organisations to local business, police and many others</li> <li>- Thriving use of skate parks and innovative art/mural projects in Cronulla, Menai and Caringbah</li> </ul> </li> </ul>
3E.5	Support funding applications for youth facility and services upgraded	Level of funding support provided to local youth organisations	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Support to project youth for music program funding successful</li> </ul>
3E.6	Partner with community organisations to promote mentoring opportunities for young people	Partnerships developed Take up of mentoring activities	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Actively connecting services with high school careers advisors</li> <li>• Support for Youth Week and community events</li> <li>• Council work experience</li> </ul>
3E.7	Work with community partners to increase awareness of and provide pathways to address mental health concerns	Activities undertaken to promote awareness of mental health initiatives	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Continued partnership with headspace - including Jump for Joy stall at Westfield and outreach during youth week</li> </ul>
<b>3F</b>	<b>Develop and implement Crime Prevention Plan (2017 - 2022)</b>			<b>Economic &amp; Community Development</b>	
3F.2	Review and revise the existing Plan in collaboration with key stakeholders	Crime Prevention Plan endorsed and communicated to all key stakeholders	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Review complete and revised plan tabled at the Command Safety Precinct Committee</li> </ul>
3F.3	Implement Year 1 actions	Year 1 actions implemented	●	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Expected implementation in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3F.4	Sustain productive partnerships with relevant NSW Government agencies	Partnerships developed Initiatives implemented	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Partnerships developed with Sutherland Shire Police Area Command, the Office of Local Government, Sydney Trains, Ausgrid</li> <li>• Consultation government departments of support community and council initiatives such as Tonkin and Como Underpass graffiti projects and Ausgrid Cronulla Surf Lane</li> </ul>
3F.5	Support projects of and participate in the Sutherland Shire Domestic Violence Committee and White Ribbon Committee	Participation in Committee Initiatives supported	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Member and active participant in Sutherland Shire Domestic Violence Committee</li> <li>• Community education projects include planning for White Ribbon Day</li> </ul>
3F.6	Participate in Police Local Area Command Safety Precinct Committee and Local Liquor Accords	Participation in Committee Initiatives supported	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Attended two LAC Community Safety Precinct Committee and 15 Local Liquor Accord meetings in 2017/18</li> <li>• Tabled report at Safety Precinct Committee</li> </ul>
<b>3G</b>	<b>Implement Urban Planning (LEP and DCP) strategies to encourage the establishment of a concentrated medical precinct around Sutherland Hospital</b>			<b>Strategic Planning</b>	
3G.1	Approve applications for medical and residential development that comply with LEP and DCP within Sutherland Hospital medical precinct	Square metres medical floor space approved	✓	Development Assessment & Certification	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 19 development applications were issued in the new precinct. The combined medical floor space approved is 16,671m<sup>2</sup></li> </ul>
<b>3H</b>	<b>Review Squalor and Hoarding Policy and Homelessness Policy</b>			<b>Economic &amp; Community Development</b>	
3H.1	Review and revise existing policies in collaboration with key stakeholders	Review complete and policy adopted	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Review complete</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3H.2	Manage squalor, hoarding and homelessness enquiries with appropriate referrals	Number enquiries referred to appropriate community support agencies	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Referral pathways for homelessness established with Wesley Mission and Southern Community Welfare</li> </ul>
<b>3I</b>	<b>Delivery of Community Grants and Subsidies Programs</b>			<b>Economic &amp; Community Development</b>	
3I.1	Deliver 2017 / 18 Community Grants and Subsidies Programs	Grants and Subsidies programs are delivered on time and to budget All grants fully acquitted Outcomes achieved	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Grants and Subsidies program delivered on-time</li> <li>• New guidelines approved, program advertised and training program conducted</li> </ul>
<b>3J</b>	<b>Develop and Implement Children's Services Strategic Plan 2017 - 2020</b>			<b>Children's Services</b>	
3J.1	Grow and deliver a range of high quality Children's Services that meet the needs of the community: <ul style="list-style-type: none"> <li>• Early Education Centres</li> <li>• Family Day Care</li> <li>• Miranda Out of School Hours Care</li> <li>• Vacation Care</li> </ul>	All services are rated at meeting the National Quality Framework or above Children's Services Business Plan targets met	✓	Children's Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• All services were assessed as either Meeting or Exceeding the National Quality Standards</li> <li>• Draft Business Plan developed and targets identified for the respective years</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3J.2	Ensure equity of access to children's services	The percentage of the identified groups (NESB, ATSI, Disability) accessing Children's Services is comparative to the population data	✓	Children's Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• In 2017/18, all services: <ul style="list-style-type: none"> <li>• implemented programs to increase participation of children from vulnerable families</li> <li>• implemented a Language program (Early Learning Languages Australia Program ELLA)</li> <li>• worked with an external organisation (Ngroo walking together) to further expand their knowledge on how to embed Indigenous practices into the program</li> <li>• were successful in a grant from the Department of Education which supports the professional learning provided by NGROO</li> <li>• working towards creating a disability strategic support plan to help assist all children with disabilities to access their services</li> </ul> </li> <li>• Current statistics of children identified in these population groups in the local area compared with those enrolled in our services. <ul style="list-style-type: none"> <li>• NESB, Census 1.54%, Council 4.71%</li> <li>• ATSI, Census 1.11%, Council 0.22%</li> <li>• Disability, Census 2.06%, Council 1.52%</li> </ul> </li> </ul>
3J.3	Maintain Children's Services as a financially sustainable business unit within Council	Progression towards full cost recovery Occupancy rates achieve or exceed budget estimates	✓	Children's Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Occupancy % in 2017/18 for: <ul style="list-style-type: none"> <li>• Early Education Centres 97.82%</li> <li>• Vacation care 95.98%</li> <li>• Before and After School Care service (MOOSH) 91.57%</li> <li>• Family Day Care 86.51%</li> </ul> </li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>3K</b>	<b>Deliver Beach Safety and Education Program</b>			<b>Public Safety &amp; Lifeguards</b>	
3K.1	Provide Surf Survival education program	3000 young people participate 80 schools attending	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Participation numbers achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 3,624 Students</li> <li>- 144 Schools</li> </ul> </li> </ul>
3K.2	Provide seasonal seven day per week coverage of beaches by professional lifeguards	Service provided	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Service provided. Due to growing demand, community expectation and assessment by lifeguard staff, a service is now provided north of Wanda at Greenhills observation tower pending demand and at North Cronulla during the off-season also pending demand with current staffing levels. This efficiency is in addition to the Cronulla only service during the off-season</li> </ul>
3K.3	Maintain connections with surf lifesaving clubs, board riders and complementary sporting groups	Participation in scheduled meetings, events and communications	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Participation in scheduled meetings, events and communications. Joined the Sydney East Multicultural Water Safety Committee, attended meetings and provided water safety initiatives</li> </ul>
<b>3L</b>	<b>Implement applicable legislative frameworks to protect and improve the quality of community and environmental and health</b>			<b>Environment, Health &amp; Building</b>	
3L.1	Develop and implement an Environment Health and Building Business Plan	Plan developed Year 1 action plan completed	M	Environment, Health & Building	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft plan developed</li> <li>• Expected completion in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
3L.2	Implement swimming pool fencing inspection program	Number of pools certified as compliant	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 1,027 Inspections complete in 2017/18 with 455 Pool Barrier Compliants</li> </ul>
3L.3	Implement scheduled monitoring program for registered premises including: food, mobile food vending, skin penetration, beauty salons, mortuaries and cooling towers	Program prioritises high, medium and low risk premises with 90% of premises receiving 3, 2 or 1 visit respectively each year	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 1,710 Food Premises inspections complete in 2017/18</li> </ul>
3L.4	Ensure industries and business comply with environmental standards – air and water quality	Audit program implemented	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 56 cooling towers inspected</li> <li>- 129 Environmental Audits</li> <li>- 31 Solid Fuel Heater applications</li> </ul> </li> </ul>
3L.5	Ensure prompt investigation of pollution complaints minimising adverse impacts on the environment	Complaint investigated and addressed within agreed service standard	✓	Environment, Health & Building	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• All complaints to date were actioned within the service standard</li> </ul>
3L.6	Deliver companion animal education and regulatory activities	Education initiative delivered Number regulatory actions undertaken	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Education initiatives delivered in 2017/18, such as:           <ul style="list-style-type: none"> <li>- 4 libraries events</li> <li>- education talks at 4 schools</li> <li>- 7 community events attended by council staff and animal shelter volunteers</li> </ul> </li> </ul>
3L.7	Develop a Master Plan for Kareela Flying Fox Camp	Master Plan developed and adopted	○	Environmental Science	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Expected completion in Q2 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>3M</b>	<b>Develop and Implement a Property Services Business Plan</b>			<b>Property Services</b>	
3M.1	Develop and implement Property Services Business Plan that facilitates effective and best use of assets that meet the changing needs of the community	Business Plan developed Number of actions implemented Return on commercial investments		Property Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Expected completion in Q2 2018/19</li> </ul>
3M.2	Progress leasing options for Surf Life Saving Club through the Surf Life Saving Clubs Working Party	Business Case developed		Property Services	<ul style="list-style-type: none"> <li>• Business case developed</li> <li>• Working Party updated on negotiations</li> <li>• Proposed leasing terms and conditions provided to clubs</li> <li>• Briefing to Council completed in June 2018</li> <li>• Update to clubs to finalise terms complete</li> </ul>

**'I VALUE THE CULTURAL  
AND LIVE MUSIC EVENTS  
I CAN ACCESS LOCALLY!'**

SUTHERLAND SHIRE RESIDENT,  
NOVEMBER 2016





## **OUTCOME 4: A CULTURALLY RICH AND VIBRANT COMMUNITY**

Culture is a vital part of a healthy and connected community. We not only live in Sutherland Shire, but we also play here. We love our cultural centres such as Hazelhurst Regional Gallery and Arts Centre and our cultural events which celebrate and strengthen our cultural landscape and identity.

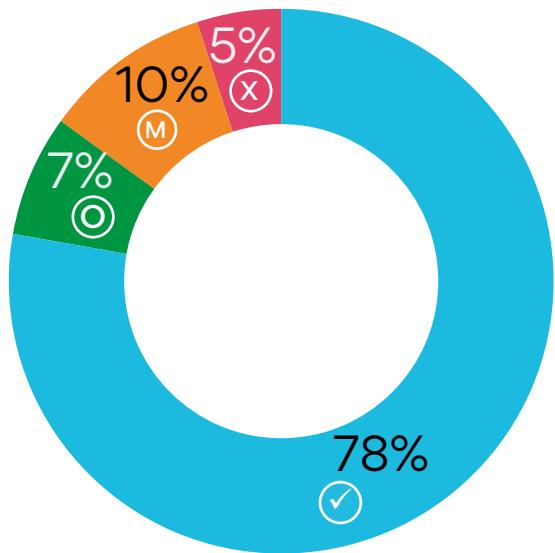
Our shared culture helps us bond and create a strong and respectful community of which we are proud. We are becoming more culturally diverse and have significant Aboriginal heritage in our area that we want to celebrate.

# OUTCOME 4

## A CULTURALLY RICH AND VIBRANT COMMUNITY

Culture is a vital part of a healthy and connected community. Over the next 10 years, we will celebrate who we are through cultural experiences, events, and facilities, by retaining local special places and by building a cohesive local identity. We will nurture creativity, celebrate our shared heritage and embrace diversity, helping us to create a sense of community identity and value what is important to all of our lives.

	Complete	46
	On-Track	4
	Monitor	6
	Off-Track	3



### ACHIEVEMENTS

- Held the Inaugural Literary Competition. This competition was extremely successful with a total of 581 entries received, including 346 were in the poetry section and 235 in the short story section, with 44% of entries submitted by residents of Sutherland Shire.
- Focused on increasing the Arts and Culture in our community through events, shows, exhibitions, installation, education and programs for everyone.
- Nurtured volunteers through the implementation of the Volunteer Rewards Program and Guide Training.
- Supported artists through employing 24 NSW artists as teachers in art classes 40 weeks per year.
- Sold out major shows at Sutherland Entertainment Centre, including Anh Do comedy, Mark Vincent concerts and MMS performances (880/performance).
- Increased community participation at key events such as Music in the Park, which saw a 400% increase in participants.
- Held Library promotions through 32 outreach and pop-up programs, which saw 2,141 participants in attendance.
- Implemented the Library Collection Management Strategy and commenced using Auslan Interpreters at relevant library events.
- Delivered programs to increase indigenous and intercultural learning.

### NEXT YEAR

- Finalise and implement the Cultural Strategy.
- Announce the winner of the Inaugural Literary Award.
- Finalise and implement the Library Service Model.
- Finalise development of Business Case for the long term development of Hazelhurst Regional Gallery and Arts Centre.
- Continue participating in planning for the 250 year anniversary of Cook's Landing event in 2020.
- Develop an inspiring and unique Events and Festivals Program.
- Progress delivery of the Sutherland Entertainment Centre upgrade.
- Plan and deliver Sutherland Library refurbishment.
- Review and develop a framework for management of Aboriginal cultural heritage.

## DELIVERY PROGRAM/OPERATIONAL PLAN DETAILED OUTCOMES

Outcome ID	Deliverables/Activities	Measure	Status	Accountable	Commentary
<b>4A</b>	<b>Develop and Implement a Cultural Plan.</b>			<b>Arts &amp; Culture</b>	
4A.1	Develop the Cultural Plan in collaboration with key stakeholders	Cultural Plan Adopted	<span style="color: orange;">M</span>	Arts & Culture	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Delayed due to Sutherland Entertainment Centre and SOA redevelopment project</li> <li>• Expected completion in 2018/19</li> </ul>
4A.2	Implement year one Cultural Plan actions	Number of actions implemented	<span style="color: red;">X</span>	Arts & Culture	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 4A.1</li> </ul>
4A.3	Undertake a Cultural Mapping study to gain a better understanding of the community's changing cultural needs	Cultural Mapping project brief completed and approved	<span style="color: red;">X</span>	Arts & Culture	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 4A.1</li> </ul>
<b>4B</b>	<b>Implement Hazelhurst Regional Gallery and Arts Centre Strategic Plan.</b>			<b>Arts &amp; Culture</b>	
4B.1	Increase the profile, attendances and reputation of Hazelhurst locally and nationally as a major arts centre, actively contributing to the local economy and cultural tourism	Increase attendances from 203,000 to 215,000 Increase number of first time visitors from 15%-20% Annual editorial value exceeds a minimum of \$130,000 pa	<span style="color: green;">✓</span>	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:               <ul style="list-style-type: none"> <li>- 221,688 visitations</li> <li>- Number of first time visitors, 13%</li> <li>- 195 Editorial placements</li> </ul> </li> </ul>
4B.2	Deliver annual exhibition and installation program which presents a diverse, dynamic and relevant artistic program, across the wide range of target audiences	6 full Gallery exhibitions Fully subscribed Community Gallery program of 24 exhibitions 4 installation projects in gardens	<span style="color: green;">✓</span>	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Successful programs implemented achieving near record attendances</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4B.3	Deliver public education programs and events to complement the exhibition program	Program events increase by 10 per annum	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Night at the Old Masters</li> <li>- 500 Attendees</li> <li>- Successful Art Fest open day with ArtExpress 25/3 (2500 visitors) and At Night 25/5 (300 visitors)</li> </ul> </li> </ul>
4B.4	Deliver active and engaging public program for the diverse community	ArtFest open days and At Night events attended by 10,000 annually 40 Early Childhood and pre-school programs with 600 participants annually Film Club membership at 500 10 Art Engage art and dementia program delivered	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Artexpress Fest (Q3) attracted 2,500 visitors on average and At Night (Q4)</li> <li>- Vanishing Point exhibition - attracted 300 visitors</li> <li>- Made by Hand market (Q2) attracted 6,000 visitors</li> </ul> </li> </ul>
4B.5	Deliver immersive education programs to engage young people and their teachers with art which combine creative learning models with art practice	Increase student and school visits from 120 to 130 schools by 2018 4 Professional development and exhibition viewing events annually	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 5,440 school students from 121 schools have visited Hazelhurst</li> </ul> </li> </ul>
4B.6	Deliver active art class program which engage our diverse audiences and maximise participation	Maintain 550 student enrolments across 50 classes Holiday program enrolments reach 2750	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 665 students enrolled on average per quarter</li> </ul> </li> </ul>
4B.7	Maintain sponsorship arrangements which support school education programs	Transdev partnership maintained providing free bus travel for schools	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Sponsorships maintained with Transdev and Eckersleys specifically targeting younger people</li> </ul>
4B.8	Maintain and nurture volunteer base and support growth in membership to Friends of Hazelhurst and Hazelhurst Ambassadors	Volunteer base maintained at minimum of 100 Fully staffed volunteer roster Friends membership grows to 1000 Grow ambassador numbers to 20	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Program implemented</li> <li>• Volunteers nurtured through rewards program</li> <li>• Guides provided with opportunity to attend AAGGO National Conference</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4B.9	Implement Volunteer Rewards Program	Volunteer rewards program implemented	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Program implemented. Rewards include complementarity coffee vouchers, volunteer only previews, birthday recognition, gallery excursions, end of year thanks</li> <li>• Excursion to Biennale full subscribed</li> </ul>
4B.10	Deliver Volunteer Guide Training program	Structured volunteer guides training delivered	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Program implemented</li> <li>- 13 Graduates, 12 Guides retained</li> <li>- Additional Art and Dementia training by National Gallery completed Q3 2017/18</li> </ul> </li> </ul>
4B.11	Nurture and maintain a diverse and proactive Board representing the community and driving future development	Board positions filled in accordance with Charter	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and Ongoing</li> <li>• Current board make up is in accordance with Deliverable/Charter</li> </ul>
4B.12	Develop partnerships and sponsorship arrangements which support and enhance the facility and its programs	Number of successful partnerships implemented	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Sponsorship \$85,000</li> <li>- Grants \$100,000 - Create NSW</li> </ul> </li> </ul>
4B.13	Maintain and strengthen relationship with external funding agencies	External funding levels sustained and acquitted on time Corporate sponsorship maintained at \$100,000pa	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- European Old Masters</li> <li>- Partnership with Art Gallery of NSW</li> <li>- 2017 \$100,000 grant acquitted April 2018</li> <li>- New \$17,000 project grant awarded March 2018 for Cottage Artist Studio</li> </ul> </li> </ul>
4B.14	Support Friends of Hazelhurst fundraising program	Friends fundraising maintained at \$20,000	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Quarterly newsletter published online showcasing activities and support from and to Hazelhurst</li> </ul>
4B.15	Continue the operation of the Gallery Shop to build visitation and support ongoing operations	Maintain shop turnover at \$150,000	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved total shop income of \$128,000 in 2017/18</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4B.16	Collaborate with artists as exhibitors, teachers and in programs connecting with the community	20 NSW Artist employed as teachers in art classes 40 weeks pa Minimum of 6 artist residencies in cottage Minimum of 4 exhibitions or projects to involve commissioned word	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 24 NSW artists employed as teachers in art classes 40 weeks in 2017/18</li> </ul>
4B.17	Provide commercial opportunities for artists through promotion and sale of work and opportunities with Strategic Partners for exhibition	Opportunity for 46 weeks of commercial exhibitions and sale of work in Broadhurst Gallery with minimum of \$50,000 in sales	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 24 exhibitions in the Broadhurst Gallery in 2017/18</li> </ul>
4B.18	Support southern Sydney artists through group exhibitions for emerging artists, career surveys for leading local artists, public and education programs	Local artists represented in a minimum of 50% community and 20% Regional Gallery exhibitions	○	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 85% of exhibitions in the Broadhurst Gallery were from local artists</li> <li>- Major career survey exhibition and publication for local artist Alexander McKenzie in development for Aug - Oct 2018</li> </ul> </li> </ul>
<b>4C</b>	<b>Implement Sutherland Entertainment Centre Business Plan.</b>			<b>Arts &amp; Culture</b>	
4C.1	Deliver annual program of diverse cultural events across a wide range of target audiences	270 events per year 150,000 attendees per year	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Major events - two Anh Do comedy nights and Mark Vincent concerts sold out</li> <li>- (880/performance) MMS performances sold out</li> <li>- Music in the Park significant increase to 250 per event vs 60 in 2016/17</li> <li>- Total attendances were 99,407</li> </ul> </li> </ul>
4C.2	Provide events and activities that would not otherwise be available in Sutherland Shire	10 events held	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Local dance schools utilised the SEC for their performances</li> <li>- Successful new Music in the Park delivered over eight weeks</li> </ul> </li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4C.3	Deliver the Local Music Talent Program to promote local performers and encourage new connections	Local talent music program delivered	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Schools Music Festival attracted 13,000 audience over three weeks</li> <li>- Innovative program of local musicians booked from 2018 onwards</li> <li>- Schools Rock Festival delivered</li> </ul> </li> </ul>
4C.4	Develop a marketing plan to build and diversify audiences and attract variety of hirers to the centre	Marketing plan developed and implemented Minimum of 2 new hirers secured	M	Arts & Culture	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Expected completion in 2018/19</li> </ul>
4C.5	Maintain and increase relationship with sponsors and external funding agencies	Increase value of sponsorship by \$10,000 over 2016/17	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 2017 Program Sponsors were maintained</li> <li>- Additional sponsorship agreements with Shire Shuttle Bus (ticket and transport packages) and Gloria Jean's Sutherland (10% discount) were developed</li> <li>- Program being reviewed</li> </ul> </li> </ul>
4C.6	Grow food and beverage business	Turnover increased by 5%	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- New food and beverage offerings being trialled - cabaret show, preshow packages</li> <li>- Music in the Park (Feb-Mar) tapas generated increased attendance and revenue as compared with 2016/17</li> <li>- Catering income increased by 30%</li> </ul> </li> </ul>
4C.7	Maximise utilisation of Box Office service	Ticketing Management Policy developed and adopted 100% utilisation of SEC Box Office for hirers with ticketed events	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Box office moved downstairs with increased customer service presence</li> </ul>
4C.8	Undertake continuous improvement upgrades on Council's Event Management Software	Feasibility study completed and findings implemented	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Upgrade completed, potential integration at Hazelhurst investigated and scheduled for 2019</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4C.9	Undertake continuous improvement upgrades on venue point of sale technologies	Non-cash sales available for all activities	M	Arts & Culture	<ul style="list-style-type: none"> <li>In progress</li> <li>New Point of Sale system project commenced</li> <li>Expected to commence in Q1 2018/19</li> </ul>
4C.10	Undertake feasibility study on Customer Relationship Management Tool	Feasibility study completed and recommendations implemented	M	Arts & Culture	<ul style="list-style-type: none"> <li>Dependent on 4C.9</li> <li>New Point of Sale system project delayed</li> <li>expected to commence in Q1 2018/19</li> </ul>
4C.12	Implement annual program of works to maintain Entertainment Centre facility	Annual works program and budgeted and undertaken	✓	Building Assets	<ul style="list-style-type: none"> <li>Annual works program completed in February 2018</li> </ul>
4C.13	Improve before and after show experience through minor facility enhancements and food and beverage offers	Replacement of high traffic carpet Replacement of ground floor seating Replacement of house lighting Installation of foyer info screens, Wi-Fi and electronic food and beverage point of sale	✓	Arts & Culture	<ul style="list-style-type: none"> <li>Building refresh completed with replacement of new carpet, painting, light fittings, move of Box Office to entrance, upgraded bars and seating areas, external banners and maintenance of dressing rooms</li> </ul>
<b>4D</b>	<b>Implement Sutherland Libraries Business Plan.</b>			<b>Library Services</b>	
4D.1	Implement Library Collection Management Strategy	Strategy completed and actions implemented	✓	Library Services	<ul style="list-style-type: none"> <li>Strategy completed and actions implemented</li> </ul>
4D.2	Implement provision of Auslan interpreters at relevant library events in response to identified need	Auslan interpreters available when required	✓	Library Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Auslan Interpreters have attended four events in 2017/18 and presented to a total of 14 people</li> </ul>
4D.3	Undertake annual consultation with customers about library resources, services and facilities and provide feedback of the outcomes to the community	Annual survey completed and feedback provided to the community Satisfaction rating of 80%+	✓	Library Services	<ul style="list-style-type: none"> <li>Community survey held in November 2017. The survey was open for four weeks and received over 1000 responses. A satisfaction rate with library services and facilities of 86% was achieved</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4D.4	Deliver a range of quality services and programs for pre-school, school age, young adult, adult and cross- generational demographics, including indigenous and CALD communities and the home library service	Number of programs and attendees for each demographic	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 2,350 programs, an increase of 4.9% from 2016/17</li> <li>- 62,634 attendees, an increase of 4% from 2016/17</li> </ul> </li> </ul>
4D.5	Provide increased opportunities for identified new and emerging communities to engage in learning and social inclusion	Establish contact with relevant local service providers and identify target stakeholders Consultation and planning undertaken	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Four programs delivered with a combined total of 99 attendees</li> <li>- Programs were delivered for the Chinese community and Nova Employment, catering to people with a disability, amongst others</li> </ul> </li> </ul>
4D.6	Ensure collections meet community need and reflect emerging trends and user expectations by reviewing collections according to demographic statistics and usage patterns	Annual loan statistics Collection and branch profiles reviewed annually	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 1,586,947 loans across the library service, a 2% reduction from 2016/17, comprising 3.18% less physical loans but an increase in digital loans of 6.53%</li> </ul>
4D.7	Investigate options for a digital repository which provides seamless online search and retrieval of the local history collections in order to encourage community collaboration in sharing our unique local stories	Software options investigated; budget sourced	M	Library Services	<ul style="list-style-type: none"> <li>• Software options investigated and evaluated. Funding source still to be identified depending on if it is just the library implementing the digital asset management system or a Council wide system</li> <li>• Expected completion in 2018/19</li> </ul>
4D.8	Provide equitable access to technology, including free access to public computers	Free access to all public computers implemented	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Free access to public computers provided from 1 July 2017</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4D.9	Develop and deliver diverse local studies collection and projects that contribute to the preservation and continued relevance of local history and community stories	Maintenance and preservation of local studies collection Number of collections digitised	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 5,259 images were digitised</li> <li>• The images were of pre-1950 and more recent decades. All newly digitised items were added as digital files to Searchtech, the library's proprietary picture database</li> </ul>
4D.10	Assist the community to develop the skills to create content, including local stories, and preserve valuable local history resources for future generations	Number of programs delivered	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing <ul style="list-style-type: none"> <li>- A total of 14 programs with 359 attendees</li> <li>- Topics included the war years, suburb history and local heritage events</li> <li>- support to community members in creating their own content</li> </ul> </li> </ul>
4D.11	Promote the Library by using pop-up libraries, outreach programs and in-house publicity	Number of pop-up libraries Number of outreach programs per year	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing <ul style="list-style-type: none"> <li>- 32 outreach and pop-up programs held with 2,141 attendees</li> <li>- Pop-up libraries were held at the Genealogy Fair at Tradies, Heritage Day and Botany Bay Family History Society, Tertiary Information Day Stall at the Entertainment Centre</li> </ul> </li> </ul>
4D.12	Provide a safe and inclusive digital environment for all customers by implementing eSmart compliant policies and learning programs	eSmart accreditation achieved and regular programs delivered	○	Library Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Customer digital literacy survey completed</li> <li>• Public computer privacy policies and settings updated and workshop for parents held</li> <li>• All requirements to achieve accreditation are met</li> <li>• Staff training underway</li> <li>• Expected completion in Q2 2018/19</li> </ul>
4D.13	Provide formal and informal programs to enhance digital literacy for community members	Number of adult digital literacy programs delivered	✓	Library Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 211 digital literacy programs delivered with 836 attendees</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>4E</b>	<b>Develop and implement a strategic framework that informs the delivery of events across the Shire.</b>			<b>Shire Services</b>	
4E.1	Facilitate and deliver a suite of events that support the key directions of the Community Strategic Plan including: Civic - Australia Day and Citizenship Cultural - NAIDOC to Surf Carnivals Community - Youth, Seniors and Disability Prosperity - Markets and Festivals	Number of events delivered Attendance Community satisfaction with event program	✓	Arts & Culture	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Events delivered ranging from significant and personal presentations to large scale events in public parks with over 3000 people in attendance, such as:               <ul style="list-style-type: none"> <li>- Australia Day events</li> <li>- Bushfire Volunteers' Thank You event</li> <li>- Citizenship events</li> </ul> </li> </ul>
4E.2	Strategic event delivery framework developed	Strategic framework implemented and delivery program revised	●	Arts & Culture	<ul style="list-style-type: none"> <li>• In progress</li> <li>• To be integrated as component of the Cultural Plan. Expected completion in 2018/19</li> </ul>
<b>4F</b>	<b>Develop a library service model that reflects the need of the community, with a focus on renewing and reshaping library facilities.</b>			<b>Library Services</b>	
4F.1	Investigate the feasibility of a new 5000sqm regional library at Kirrawee	Feasibility study completed	✓	Library Services	<ul style="list-style-type: none"> <li>• Feasibility study completed in Q2 2017/18</li> </ul>
4F.2	Library Service Model completed	Library service model completed and adopted by Council Library visitation statistics – physical and electronic	○	Library Services	<ul style="list-style-type: none"> <li>• Total visitation of 1,287,860 comprising 927,512 physical visits to all branch libraries and 360,348 electronic visits</li> <li>• This was a 3% increase in visitation over 2016-17</li> <li>• Library service model is currently being developed with a revised</li> <li>• Expected completion in Q2 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>4G</b>	<b>Progress the long term redevelopment plan for Sutherland Entertainment Centre</b>			<b>Arts &amp; Culture</b>	
4G.1	Progress Business Case for the redevelopment of the Sutherland Entertainment Centre as a Regional Performing Arts Venue	Business Case completed and presented to Council Recommendations incorporated into revised Delivery Program	✓	Arts & Culture	<ul style="list-style-type: none"> <li>Council approved redevelopment option for Entertainment Centre and project commenced</li> </ul>
<b>4H</b>	<b>Progress long term development plan for Hazelhurst Regional Gallery and Arts Centre.</b>			<b>Arts &amp; Culture</b>	
4H.1	Develop Business Case for the long term development of Hazelhurst Regional Gallery and Arts Centre	Business Case completed and presented to Council Recommendations incorporated into revised Delivery Program	✗	Arts & Culture	<ul style="list-style-type: none"> <li>On hold</li> <li>Will commence after the completion of Sutherland Entertainment Centre development</li> </ul>
<b>4I</b>	<b>Implement legislative requirements to ensure environmental, archaeological and Aboriginal heritage are conserved and valued.</b>			<b>Environmental Science</b>	
4I.1	Implement <i>National Park and Wildlife Act 1974</i> , Regulation of Aboriginal Heritage	Legislative requirements met	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Legislative requirements are met within the context of each Development Application</li> </ul>
4I.2	Implement Sutherland Shire LEP 2015 Clause 510 Heritage Conservation	Legislative requirements met	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Legislative requirements are met within the context of each Development Application</li> </ul>
4I.3	Implement Aboriginal Heritage Signage Policy	Signage program implemented	✓	Park & Reserve Assets	<ul style="list-style-type: none"> <li>Signs installed at key locations. Wally's Wharf, Burnum Burnum Sanctuary, Albert Delardes Reserve, Bonnet Bay, Roger Summers, Grays Point</li> <li>Update of website with aboriginal site information</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
4I.4	Undertake planning for the 250yr anniversary of Cook's Landing event in 2020	Participation in multi-agency planning committees	○	Arts & Culture	<ul style="list-style-type: none"> <li>In progress</li> <li>Workshops commenced with stakeholder consultation and Event consultant appointed</li> <li>Expected completion in 2020</li> </ul>
4I.5	Liaise with the Aboriginal community and the Office of Environment and Heritage to protect Aboriginal sites across Sutherland Shire	Ongoing engagement undertaken	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Legislative requirements are met within the context of each Development Application</li> </ul>
4I.6	Provide building and publication grants that assist in the conservation of heritage listed buildings and contribute to information and education to the public about the heritage of Sutherland Shire	Number of buildings conserved with grant assistance Number of publications assisted	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18           <ul style="list-style-type: none"> <li>- Grants program was successfully completed with \$29,819 allocation to 10 restoration projects</li> <li>- Applications for 2017/18 program were considered by the Heritage Subcommittee and building grants totaling \$22,045 have been awarded to eight projects</li> </ul> </li> </ul>
4I.7	Provide increased opportunities for indigenous and intercultural learning opportunities	Contact established with relevant local service providers, projects identified Consultation and planning undertaken	✓	Library Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- Four programs with a combined total of 153 attendees were held</li> <li>- Improved relationships and communication with the local indigenous community which has impacted on our programs e.g. inclusion of Acknowledgment of Country prior to events</li> <li>- Provided broad based topics on star lines, social destruction and cultural history and the community has shown great interest in learning about how Aboriginal culture informs and enriches Australian society</li> </ul> </li> </ul>



**'GOOD SCHOOLS, EASY  
ACCESS TO SHOPS AND  
GOOD PROXIMITY TO  
THE CITY.'**

SUTHERLAND SHIRE RESIDENT,  
NOVEMBER 2016





# **OUTCOME 5: A PROSPEROUS COMMUNITY FOR ALL**

While our community is relatively prosperous, with low unemployment rates and high average household incomes, there are still disadvantaged and vulnerable people in our community.

Investing in education and learning, from early childhood to later years, is not just good for individuals - but for communities as a whole. We know that quality early education services enrich the lives of children and families, and lifelong learning and engagement builds social and neighbourhood connections. Strong education and training outcomes bring more and better jobs to an area and improve local business and economic outcomes for everyone.

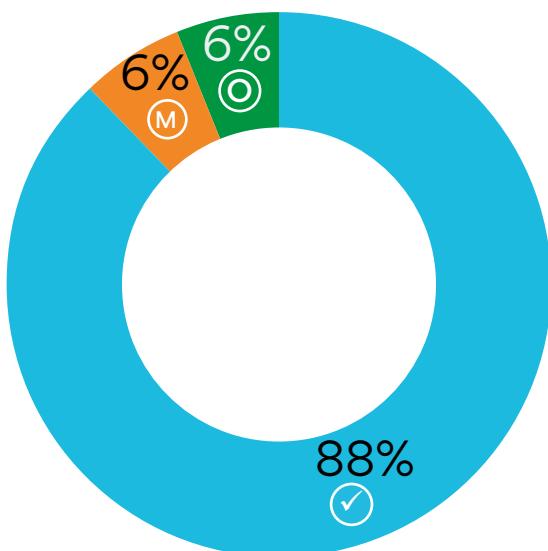
By helping our local economy grow and increasing opportunities for all in Sutherland Shire we build a strong base for our community.

# OUTCOME 5

## A PROSPEROUS COMMUNITY FOR ALL

Investing in education and learning, from early childhood to later years, is not just good for individuals – but for communities as a whole. Over the next 10 years Sutherland Shire, we want to work towards being a community in which every one of us is educated, where people can work closer to home, and where our local businesses prosper and provide increased employment opportunities.

	Complete	15
	On-Track	1
	Monitor	1
	Off-Track	0



### ACHIEVEMENTS

- Developed action plan to support the growth and development of the local film industry.
- Engaged, informed and educated local business and visitors through monthly e-newsletters, Business and Tourism Talk, and Love Sutherland Shire.
- Progressed priority recommendations in the Destination Management Plan.
- Increased lifelong learning opportunities through the delivery of more than 2,350 learning programs, which saw a total of 62,634 participants throughout 2017/18.

### NEXT YEAR

- Finalise the Economic Development Strategy and progress implementation via the Economic Development and Tourism Subcommittee.
- Develop Public Spaces Events and Activation Framework.
- Implement a structured audience feedback and visitor research regime for Arts and Culture to ensure responsiveness to audience needs for continuous improvement.

# DELIVERY PROGRAM/OPERATIONAL PLAN

## DETAILED OUTCOMES

Outcome ID	Deliverables/Activities	Measure	Status	Accountable	Commentary
5A	<b>Develop and implement an Economic Development Strategy</b>			<b>Economic &amp; Community Development</b>	
5A.1	Develop an Economic Development Strategy in collaboration with the Economic Development and Tourism Committee	Economic Development Strategy adopted	○	Economic & Community Development	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft Economic Development Strategy developed</li> <li>• Expected completion in Q2 2018/19</li> </ul>
5A.2	Maintain a diverse and proactive Committee by aligning members with the Economic Development Strategy	Committee representation within the charter is aligned and updated	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Committee continues to meet regularly and comprises consistent stakeholders</li> </ul>
5A.3	Source investment and funding opportunities for local business initiatives	Number of funding submissions made \$ amount of grants received	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Council secured a grant of \$5,000 from Department of Industry for Small Business Month in October 2018</li> </ul>
5A.4	Engage, inform and educate local business and visitors	Level of engagement Variety of events and initiatives Productive partnerships	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Council continues to produce a monthly e-newsletters, Business and Tourism Talk and Love Sutherland Shire, containing local opportunities and events</li> </ul>
5A.5	Ensure our Commercial Centres foster an environment that stimulates and supports sustainable economic growth	Regional and District shopping centres analysed and benchmarked in collaboration with other units of council Actions to support business stakeholders and encourage visitation prioritised	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Six Tourism E Newsletters</li> <li>- Six Business E Newsletters</li> </ul> </li> </ul>
5A.6	Progress priority recommendations in the Destination Management Plan	Project collaboration with stakeholders according to priorities	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Consultant engaged to assess capacity of infrastructure to celebrate 2020, and planning for educational and cultural events and activities, events progressing - Funded through TDDI grant</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>5B</b>	<b>Implement the requirements of the Local Government Filming Protocol</b>			<b>Economic &amp; Community Development</b>	
5B.1	Develop an action plan to support the growth and development of the local film industry	Action Plan developed Number of film permits issued	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Action plan complete</li> <li>• Received, facilitated and processed 46 filming applications</li> <li>• New filming promotional video launched</li> </ul>
<b>5C</b>	<b>Develop a Public Space Activation Framework which facilitates the activation of diverse public spaces across the shire</b>			<b>Shire Services, Shire Infrastructure</b>	
5C.1	Develop a process map to identify improvements in assessing event applications	Process map developed	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Processes reviewed</li> <li>• New casual lease /product sampling form developed online</li> <li>• New Event Evaluation form developed and available online</li> <li>• New invoice procedures introduced</li> </ul>
5C.2	Audit public spaces to balance and optimise activation opportunities	Public spaces audited and opportunities identified	● M	Economic & Community Development	<ul style="list-style-type: none"> <li>• In progress</li> <li>• A total of 12 sites assessed</li> <li>• Expected completion in 2018/19</li> </ul>
5C.3	Develop an events toolkit to assist event applicants	Toolkit developed	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Developed content in consultation with internal and external stakeholders</li> <li>• Live on Council website in Q2 2017/18</li> </ul>
5C.4	Source, review and facilitate requests and applications for promotions, events, casual leasing, product sampling, entertainment, and other commercial activities	Number of request and applications sourced reviewed and facilitated	✓	Economic & Community Development	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Received, facilitated and processed 43 event permits and 20 casual leasing/product sampling permits in 2017/18</li> </ul>
<b>5D</b>	<b>Review Outdoor Eating Areas' Specification 2007</b>			<b>Public Domain Assets</b>	
5D.1	Undertake a review of where outdoor eating is permitted and can be encouraged	Review of specification commenced	✓	Property Services	<ul style="list-style-type: none"> <li>• Review commenced of existing spaces in Cronulla. Spaces utilised where possible</li> <li>• Café trial extended via March to gauge longer use of existing spaces</li> <li>• Discussion with Assets regarding the upgrade of specifications for the public domain</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>5E</b>	<b>Review and implement Environmental Planning Instruments that retain and encourage employment growth</b>			<b>Strategic Planning</b>	
5E.1	Provide broad permissibility in centres and protect the employment potential of industrial zones for industrial uses and compatible urban services	Employment levels and economic diversity are improved over time	✓	Strategic Planning	<ul style="list-style-type: none"> <li>The 2015/16 planning framework incorporates planning provisions. This will be reviewed and informed by work flowing from the Economic Strategy for inclusion in Local Strategic Planning Statement and next LEP</li> </ul>
5E.2	Facilitate the growth of employment in medical services through innovative planning strategies	Increased employment in medical services achieved in targeted areas	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Plan in place through LEP, DAs approved and buildings under construction in the precinct</li> </ul>
5E.3	Review the planning framework to implement the employment targets of the Greater Sydney Commission South District	Review commenced	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Review commenced and analysis in progress</li> <li>On track for completion in Q1 2018/19</li> </ul>
<b>5F</b>	<b>Develop an Early Education Plan which responds to the communities evolving demand for early education and care services.</b>			<b>Children's Services</b>	
5F.1	Review service and age mix against demand and modify service models as required	Service and age mix review complete and recommendations incorporated into plan	✓	Children's Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Assessments made on a monthly basis on the occupancy levels at each service and the staffing establishment is adjusted accordingly wherever possible</li> </ul>
<b>5G</b>	<b>Deliver lifelong learning opportunities and initiatives through the Library Services Program.</b>			<b>Library Services</b>	
5G.1	Provide a range of learning experiences and actively engage with the community in the provision of quality information	Range of engagement and learning activities provided	✓	Library Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 2,350 programs, an increase of 4.9% from 2016/17</li> <li>- 62,634 attendees, an increase of 4% from 2016/17</li> </ul> </li> </ul>



**'IT IS A GREAT PLACE  
TO LIVE - CLOSE  
COMMUNITY FEEL  
AND EASY ACCESS TO  
EVERYTHING I NEED!'**

SUTHERLAND SHIRE RESIDENT,  
NOVEMBER 2016





## OUTCOME 6: A LIVEABLE PLACE WITH A HIGH QUALITY OF LIFE

Quality of life is important to us and overwhelmingly the community feels they have a great quality of life in Sutherland Shire. The quality of life we value is enhanced by a strong sense of connection and safety in our community and the liveability of our urban environment.

The community is concerned about the challenges presented by urban growth. We want a future where growth is balanced with environmental and social outcomes that maintain the high quality of life we value.

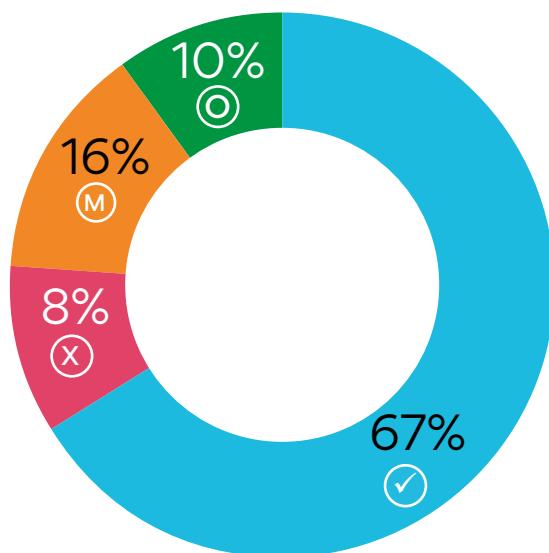
We want our urban areas to support diversity and choice in housing, effective transport networks and well-designed and accessible public spaces and places. Our roads, footpaths, playing fields, parks and leisure facilities are all important aspects of our urban environment that influence the experience of life in Sutherland Shire.

# OUTCOME 6

## A LIVEABLE PLACE WITH A HIGH QUALITY OF LIFE

Quality of life is important to us, and overwhelmingly the community feels they have a great quality of life in Sutherland Shire. The quality of life we value is enhanced by a strong sense of connection and safety in our community and liveability of our urban environment. Over the next 10 years, we want a liveable Sutherland Shire, where growth is balanced with social and environmental outcomes, where we can access a range of transport options, where we can afford a home, and where we can maintain and improve our quality of life.

	Complete	34
	On-Track	5
	Monitor	8
	Off-Track	4



### ACHIEVEMENTS

- Partnered with the State Government's Greater Sydney Commission on the development and implementation of the South District Plan.
- Implemented the *Disability Discrimination Act* requirements in all Council infrastructure works and embedded compliance in all development applications.
- Developed Wayfinding Blueprint for improved accessibility and use around centres.
- Delivered the Graffiti Removal Program in public domain, completing 1,575 customer requests and removing 10,877 m<sup>2</sup> of graffiti.
- Delivered Aquatic and Fitness programs through our Leisure Centres.
- Focused on enhancing safe and equitable access to parking through the implementation of patrol and education programs.

### NEXT YEAR

- Develop Housing Strategy.
- Progress development of the Cronulla Master Plan.
- Finalise and commence implementation of the Integrated Transport Strategy.
- Continue to implement the Transport Infrastructure Asset Class Management Plan.
- Research online lodgement systems for Development Assessment.
- Finalise and commence implementation of the Open Space Leisure and Recreation Strategy.
- Continue partnership with the Greater Sydney Commission on the development and implementation of the South District Plan.
- Finalise construction of the Water Play Park at Sutherland Leisure Centre in September 2018.

# DELIVERY PROGRAM/OPERATIONAL PLAN

## DETAILED OUTCOMES

Outcome ID	Deliverables/Activities	Measure	Status	Accountable	Commentary
<b>6A</b>	<b>Develop and implement an Integrated Transport Strategy</b>			<b>Asset Management Group</b>	
6A.1	Develop Integrated Transport Strategy in collaboration with key stakeholders	Strategy completed and presented to Council	●	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>In progress</li> <li>Project schedule refined</li> <li>Draft Integrated Transport Strategy developed</li> <li>Expected completion in Q2 2018/19</li> </ul>
6A.2	Commence year 1 initiatives	Year 1 initiatives commenced	✗	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>Yet to commence</li> <li>Dependent on 6A.1</li> <li>Expected to commence in 2018/19</li> </ul>
6A.3	Advocate and maintain dialogue with State Government to improve planning and delivery of integrated, efficient public transport	Participation in scheduled meetings, events and communications	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>All meetings attended</li> </ul>
6A.4	Implement the Transport Infrastructure Asset Class Management Plan	Asset Class Management Plan Key Performance Indicators developed and achieved Improvement plan actions progressed	●	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>In progress</li> <li>Commenced review of ACMP- Transport Infrastructure 2017-2026</li> <li>Expected completion in 2018/19</li> </ul>
6A.5	Deliver planned capital works program for transport and traffic infrastructure	Completion rate Number of reactive vs. proactive requests	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>A total of 85% completion of budgeted program</li> </ul>
6A.6	Deliver roads maintenance works to agreed levels of service for quality, function and safety	Service levels met Average tonnage of litter, organics and sediment collected Number of incidents of flooding reported annually	✓	Civil Operations	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 98% of budget committed</li> <li>- 100% contracted works completed</li> <li>- Minor carryover of program into 2018/19</li> </ul> </li> </ul>
6A.7	Deliver drainage infrastructure maintenance works to agreed levels of service for quality, function and safety	Service levels met Number of 3 year rolling insurance claims decrease Number of reactive requests vs. proactive	✓	Civil Operations	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 327 proactive works (65%) completed</li> <li>- 178 reactive works (35%) completed</li> <li>- 91% of works met service levels</li> <li>- 100% contract work delivered within budget</li> </ul> </li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
6A.8	Deliver footpath maintenance works to agreed levels of service for quality, function and safety	Service levels met	✓	Civil Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- 376 proactive works (71%) completed</li> <li>- 153 reactive works (29%) completed</li> <li>- 82% of works met service levels</li> <li>- 100% contract work delivered within budget</li> </ul> </li> </ul>
6A.9	Implement community education campaigns that encourage active transport	Number of initiatives delivered	✓	Strategy & Engagement	<ul style="list-style-type: none"> <li>• Two key initiatives delivered:           <ul style="list-style-type: none"> <li>- Bike to Beach</li> <li>- Ride to School, in partnership with local schools</li> </ul> </li> </ul>
6A.10	Facilitate constructive participation in the Sutherland Traffic and Traffic Safety Committee to ensure relevant and strategic contribution to decision making	Attendance at Advisory Committees Participant satisfaction with Advisory Committees	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 110 reports to Sutherland Traffic and Traffic Safety Committee and Consultative Traffic Forum combined</li> <li>• All meetings attended, no adverse feedback from participants</li> </ul>
<b>6B</b>	<b>Manage new and existing development within a robust and effective framework</b>			<b>Development Assessment &amp; Certification</b>	
6B.1	Partner with the Greater Sydney Commission on the development and implementation of the South District Plan	Participation in scheduled meetings, events and communications	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Active participation in all opportunities for engagement with the Greater Sydney Commission</li> </ul>
6B.2	Commence preparation of Local Strategic Planning Statements (including updated Housing Strategy) in line with legislative requirements A2	Preparation commenced	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Preparation commenced</li> <li>• Expected completion in Q3 2018/19</li> </ul>
6B.3	Commence review of LEP to ensure alignment with Greater Sydney Commission South District Plan	Review commenced	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Review commenced</li> <li>• Preparing LEP Health Check report</li> </ul>
6B.4	Consideration of planning proposals submitted to Council	% complete and initial report to Council within 90 days	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of one (1) Planning Proposal was submitted and considered by Council in 76 days</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
6B.5	Provide planning advice on heritage matters	Advice provided in line with statutory requirements	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Advice was given on 40 development applications involving heritage items . All were completed within the service standard of 14 days</li> </ul>
6B.6	Provide an effective Development Application (DA) process	Total number of application finalised Median determination time for residential (simple) development of 50 days Median determination time for projects (complex) of 90 days Total construction value of development approved (\$) Number of applications determined under delegation	✓	Development Assessment & Certification	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 2133 application were finalised in 2017/18</li> <li>• LPP/IHAP as a determining authority came into effect in March. The changed delegations from the Minister has significantly increased the number of applications requiring this level of determination. Previous years the staff delegated 98 to 99% of applications</li> </ul>
6B.7	Implement online lodgment of DAs in line with State Government legislative requirements	Implementation commenced Compliance with legislative requirements	✗	Development Assessment & Certification	<ul style="list-style-type: none"> <li>• In progress</li> <li>• It was confirmed at the end of 2017/18 the State Government online lodgement tool would not progress</li> <li>• Investigations commenced into a Council specific online solution</li> </ul>
6B.8	Implement e-submissions as part of electronic assessment of Das	e-submission platform implemented	✓	Development Assessment & Certification	<ul style="list-style-type: none"> <li>• e-submission platform implemented</li> </ul>
6B.9	Implement Developer Contribution (Section 94) Plans	Revenue collected	✓	Strategic Planning	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Revenue collected</li> <li>• Contributions totalling \$9,268,918 received in 2017/18</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>6C</b>	<b>Support enhanced housing diversity, accessibility and affordability to meet the diverse needs of the community</b>			<b>Strategic Planning</b>	
6C.1	Advocate and maintain dialogue with Government agencies to improve housing affordability and the provision of social and affordable housing that meets local needs	Participation in scheduled meetings, events and communications	✓	Strategic Planning	<ul style="list-style-type: none"> <li>Attended all forums and workshops associated with the issue, including last round on amendment to State policy. Detailed report to Council February 2018</li> <li>Council determined no further action on this matter during this Council term</li> </ul>
6C.2	Develop relationships with community and key stakeholders to inform future housing decisions	Participation in scheduled meetings, events and communications	✓	Strategic Planning	<ul style="list-style-type: none"> <li>No events scheduled. This will form part of the preparation of the next Housing Strategy to inform the Local Strategic Planning Statement due July 2019</li> </ul>
6C.3	Implement the Disability Discrimination Act requirements in all Council infrastructure works and require compliance in all development applications	100% compliance legislative requirements	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>A total of 100% compliance in all new Council infrastructure works and embedded in the development application assessment process</li> </ul>
<b>6D</b>	<b>Enhance safety and accessibility in the public domain through a range of programs and partnerships.</b>			<b>Public Safety &amp; Lifeguards</b>	
6D.1	Promote and implement Safer by Design principles through the Public Domain Design Manual	Principles implemented	✓	Project Services	<ul style="list-style-type: none"> <li>Principles incorporated into Public Domain Design Manual</li> <li>Design Manual is accessible on Council's website</li> </ul>
6D.2	Review and update the Public Domain Design Manual to reflect risk management and strategic asset management principles	Review complete	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>PDDM revision implemented and is accessible on Council's website</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
6D.3	Commence review and expansion of CX Framework to include service provision and management costing, new asset classes and areas and integrate with public domain design manual	Review commenced	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Review of CX framework commenced and scoping of the areas for priority captured (Open Space asset management)</li> </ul>
6D.4	Develop Wayfinding Blueprint for improved accessibility and use around centres	Blueprint completed	✓	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• Blueprint completed</li> <li>• On track for adoption post the Integrated Transport Strategy adoption</li> </ul>
6D.5	Work with NSW Police and key stakeholders to reduce crime hotspots in the community	Crime risk assessment undertaken at identified hotspots Crime Prevention projects implemented DAs referred to NSW Police in accordance with Memorandum of Understanding	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• A total of 15 hotspots identified with NSW Police and Risk Assessment conducted</li> <li>• CCTV and RDCs deployed Police advised</li> </ul>
6D.6	Deliver Graffiti Removal Program in public domain in accordance with policy	SqM of graffiti removed within agreed time frames Number of reactive vs. proactive requests	✓	Building Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18: <ul style="list-style-type: none"> <li>- 1,575 Customer Requests completed</li> <li>- 10,876m<sup>2</sup> of graffiti removed</li> <li>- 1,026 Graffiti removal requests were pro-actively lodged by Council staff</li> <li>- 64% of works completed within service target</li> </ul> </li> </ul>
6D.7	Participate in Police Local Area Command Safety Precinct Committee and Local Liquor Accords	Participation in Committee Initiatives supported	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Attended two LAC Community Safety Precinct Committee and 15 Local Liquor Accord meetings</li> </ul>
6D.8	Implement public place regulatory and compliance services to maximise public safety	Animal control program implemented Abandoned cars removed Number infringements issued in accordance with Prosecution and Enforcement Guidelines	✓	Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Service Provision provided across seven day spread (6am-10pm)</li> <li>• Use of website and social media to provide education and information on Animal Management and Public Off Leash areas throughout local government area</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
6D.9	Develop a Public Lighting Policy	Policy developed	<span style="color: orange;">M</span>	Asset Planning & Sustainability	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft policy complete. Delayed due to release of NSW Planning's draft public lighting code</li> <li>• Expect completion in 2018/19</li> </ul>
<b>6E</b>	<b>Progress the development of the Cronulla Public Domain Masterplan</b>			<b>Project Delivery Group</b>	
6E.1	Develop a Business case for the Cronulla Public Domain Masterplan	Business Case presented to Council Recommendations incorporated into revised Delivery Program	<span style="color: orange;">M</span>	Traffic & Public Domain Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Business case being development, in consultation with key stakeholders</li> <li>• Expected completion in 2018/19</li> </ul>
6E.2	Deliver Ocean Grove modernisation works	Works completed	<span style="color: green;">O</span>	Project Services	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Works were delayed due to adjoining development works</li> <li>• Expected completion in Q1 2018/19</li> </ul>
<b>6F</b>	<b>Develop and implement an Open Space Leisure and Recreation Strategy</b>			<b>Asset Management Group</b>	
6F.1	Develop Open Space Leisure and Recreation Strategy in collaboration with key stakeholders	Strategy completed and presented to Council Recommendations incorporated into revised Delivery Program	<span style="color: green;">O</span>	Strategic Planning	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Draft strategy developed</li> <li>• Expected completion in Q1 2018/19</li> </ul>
6F.2	Commence year one initiatives	Year one initiatives commenced	<span style="color: orange;">M</span>	Strategic Planning	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 6F.1</li> <li>• Expected to commence in Q2 2018/19</li> </ul>
6F.3	Commence open space services review	Review commenced	<span style="color: orange;">M</span>	Strategic Planning	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 6F.1</li> <li>• Expected to commence in Q2 2018/19</li> </ul>
6F.4	Review and implement Playgrounds Provision Policy	Policy implemented	<span style="color: red;">X</span>	Park & Reserve Assets	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 6F.1</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
6F.5	Implement the Open Space Asset Class Management Plan	Asset Class Management Plan Key Performance Indicators developed and achieved Improvement plan actions progressed	X	Park & Reserve Assets	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 6F.1</li> </ul>
6F.6	Deliver planned capital works program for open space infrastructure	Completion rate Number of reactive vs. proactive requests	✓	Project Services	<ul style="list-style-type: none"> <li>• Complete and ongoing A total of 103 Active projects (some planned multi-year projects) with 67 Projects completed in 2017/18</li> </ul>
6F.7	Deliver Open Space (parks, gardens, streetscapes) maintenance works to agreed levels of service for quality, function and safety	Service levels met	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Annual budget program complete</li> <li>• A total of 1,841 open space parks assets (excluding sportsfields) maintained serviced every three or six weeks</li> </ul>
<b>6G</b>	<b>Develop and implement an Integrated Sports Services Management Plan</b>			<b>Sports Services</b>	
6G.1	Develop an Integrated Sports Services Management Plan in collaboration with key stakeholders	Plan adopted Technical and community expected levels of service defined	M	Sports Services	<ul style="list-style-type: none"> <li>• Yet to commence</li> <li>• Dependent on 6F.1</li> <li>• Expected to commence in Q2 2018/19</li> </ul>
6G.2	Deliver Sport Assets (sports fields, ancillary buildings and amenities) works and maintenance program to agreed levels of service for quality, function and safety	Service levels met Regular inspections of sport fields and facilities reporting on condition assessment	✓	Parks Operations	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Overall Capex Projects and Renewals program of works completed on time and to budget</li> <li>• Weekly maintenance activities (customer service levels) managed and monitored manually for the 121 sportsfield assets</li> <li>• 93% weekly completion rate (weather dependent)</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>6H</b>	<b>Implement the Sutherland Leisure Centres Business Plan</b>			<b>Leisure Centres</b>	
6H.1	Deliver annual aquatic program (including learn to swim, squad, schools program)	No learn to swim enrolments No squad enrolments No school enrolments Customer satisfaction surveys maintain or improvement on previous year	✓	Leisure Centres	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Achieved in 2017/18:           <ul style="list-style-type: none"> <li>- LTS Enrolments were 3,025, compared to 2,713 in 2016/17.</li> <li>- Squad enrolments were 1,423, compared to 1,430 for last year</li> <li>- School program exceeded last years results for both income and school participants</li> </ul> </li> </ul>
6H.2	Deliver Health and Fitness Program	No memberships (maintain or exceed previous year) Customer satisfaction surveys maintain or improvement on previous year	✓	Leisure Centres	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Memberships were 3,397 in 2017/18, compared to 3,288 2016/17</li> </ul>
6H.3	Deliver general aquatics program	No visitation (maintain or exceed previous year) Customer satisfaction surveys maintain or improvement on previous year	✓	Leisure Centres	<ul style="list-style-type: none"> <li>• Complete and ongoing</li> <li>• Total visitations was 928,714 in 2017/18, compared to 949,379 last year</li> <li>• Result was still above four year average and utility pool and ELC program pool works have affected some numbers</li> </ul>
6H.4	Water play park constructed at Sutherland Leisure Centre	Project commenced	○	Leisure Centres	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Expected for completion in Q2 2018/19</li> </ul>
6H.5	Investigate energy efficiency measures that support long term financial security of Leisure Centre facilities	Feasibility study completed and report to Council	M	Leisure Centres	<ul style="list-style-type: none"> <li>• New energy agreement secured</li> <li>• High efficiency gas boilers and heat pumps installed at Sutherland Leisure Centre</li> <li>• Heating study to commence in 2018/19</li> </ul>
6H.6	Investigate feasibility of profit making services or activities to contribute to financial performance of Leisure Centre facilities	Feasibility study commenced	○	Leisure Centres	<ul style="list-style-type: none"> <li>• In progress</li> <li>• Feasibility study commenced</li> <li>• Expected completion in 2018/19</li> </ul>

<b>Outcome ID</b>	<b>Deliverables/ Activities</b>	<b>Measure</b>	<b>Status</b>	<b>Accountable</b>	<b>Commentary</b>
<b>6I</b>	<b>Progress the development of a Long Term Leisure Centres Strategy</b>			<b>Leisure Centres</b>	
6I.1	Develop Long Term Leisure Centres Strategy	Strategy presented to Council Recommendations incorporated into revised Delivery Program		Leisure Centres	<ul style="list-style-type: none"> <li>In progress</li> <li>Commenced development of Long Term Leisure Centre Strategy</li> <li>Expected completion in 2018/19</li> </ul>
<b>6J</b>	<b>Enhance safe and equitable access to parking through implementation of the Prosecution and Enforcement Guidelines.</b>			<b>Public Safety &amp; Lifeguards</b>	
6J.1	Parking Patrol Program implemented	Number patrols conducted Number infringements issued		Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18: <ul style="list-style-type: none"> <li>- Service Provision provided across seven day spread (6am-10pm)</li> <li>- Parking Patrol Program implemented with information provided on Residential/Strata/Free Parking</li> <li>- Use of Social media and Council website to provide education about parking rules and regulations such as the new boat trailer legislation</li> <li>- Stakeholder meetings held with Sporting Associations and residential multi-unit dwelling corporations such as Wooloware Shores to improve and educate local parking restrictions</li> </ul> </li> </ul>
6J.2	Deliver education program to promote responsible parking	Number initiatives developed Number school campaigns Number cautions issued Number courtesy speed message boards displayed		Public Safety & Lifeguards	<ul style="list-style-type: none"> <li>Complete and ongoing</li> <li>Achieved in 2017/18: <ul style="list-style-type: none"> <li>- School Safety Program implemented where each school is provided literature on safe parking around schools</li> <li>- Traffic Management Plans for schools in place and updated as requirements change</li> <li>- School safety brochure revised to ensure relevant information is current.</li> <li>- 99 school education program undertaken</li> <li>- 981 school patrols</li> <li>- 87 courtesy speed radars established</li> </ul> </li> </ul>

# 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 available on page 223.

## COUNCILLORS' EXPENSES AND PROVISION OF FACILITIES 2017/18

Allowances	\$	\$
Mayoral allowance (excluding Councillor allowance)	71,680.50	
Deputy Mayoral allowance (excluding Councillor allowance)	12,649.50	
Councillor allowance (per Councillor) - \$22,800 ea per annum (x15)	431,980.77	
<b>Total allowances for all Councillors</b>		<b>516,238.77</b>
Additional expenses (total for all Councillors):		
Telephone and Data Expenses	22,301.55	
Child care	0	
Postage allowance	0	
Printing	0	
South Sydney Planning Panel (formerly known as Joint Regional Planning Panel)	10,200.00	
Travel expenses	13,928.74,	
Dedicated home office equipment, computer and fax machine (including consumables)	2,957.62	
Attendance at conferences/seminars	13,521.99	
Overseas visits	0	
<b>Total expenses for Councillors</b>		<b>62,909.90</b>
<b>Total cost (allowances + expenditure) for all Councillors</b>		<b>\$579,148.67</b>

## SECTION 356 GRANTS

General subsidies program	\$18,991.29
Sutherland Entertainment Centre hire subsidies	\$61,454.50
Community services / seniors grants	\$520,194.69
Annual hall hire subsidies	\$94,467.09
Heritage Grants	\$15,573.00
<b>Total</b>	<b>\$710,680.57</b>

## RATES AND CHARGES WRITTEN OFF (2017/18 YEAR)

Pensioner Rebates – voluntary	-\$1,287,499.29
Pensioner Rebates – mandatory	-\$3,140,398.90
Interest	-\$1,628.49
Waste	-\$48.50
Rates – other	-\$7,537.85
Legal costs	-\$60,957.20
<b>Total</b>	<b>-\$4,498,070.23</b>

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

GIPA request types	
Open applications – GIPA Act	1,527
Informal applications – GIPA Act	49
Formal applications – GIPA Act	26
Internal review – GIPA Act	7
Review by Information Commissioner - GIPA Act	2
Review by NCAT – GIPA Act	0
Council as a Third Party – GIPA Act	2
Applications - other legislation	1
Other applications	4
Subpoenas/Notice to Produce	17
<b>Total applications</b>	<b>1,635</b>

## PUBLIC INTEREST DISCLOSURES (PID) INTERNAL REPORTING POLICY

PID Information Category	July to Dec 2017	Jan to June 2018
2 (a) Total number of disclosures made	0	0
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	0
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.

## COMPANION ANIMALS ACT AND REGULATION

Statement on activities required under cl 217 (1) (f) Local Government (General) Regulation 2005 relating to enforcing and ensuring compliance with the Companion Animals Act 1998 and Companion Animals Regulation 2008.

### Lodgement of pound data returns with the Office of Local Government

Council Seizure Activity		Cats	Dogs	Total
2017/18				
Seized		0	368	368
Returned to Owner		0	279	279
Transferred to Councils Facility		0	89	89

Council Animal Care Facility Activity		Cats	Dogs	Total
<b>Animals in and arriving at Councils facility</b>				
2017/18				
Animals in Councils Facility		297	121	418
From Seizures		0	89	89
Dumped		281	16	297
Surrendered by owners		16	16	32
<b>Animals leaving Councils facility</b>				
2017/18				
Released to owners		1	89	90
Euthanased illness/temperament		32	1	33
Euthanased Dangerous		0	2	2
Sold		282	36	318
Released to organisation to re-home		8	2	10
Died at Council Facility		0	0	0
Stolen from Council Facility		0	2	2
Escaped from Council Facility		0	0	0

### Lodgement of data relating to dog attacks with the Office of Local Government

Status 2017/18	Incidents entered	Attacking dogs	Victims (human and animal)
Commenced	14	15	15
Finalised	101	115	126
Under investigation	14	18	15
<b>Total</b>	<b>129</b>	<b>148</b>	<b>156</b>

### Lodgement of data relating to Dangerous/Menacing/Restricted/Nuisance Animals with Office of Local Government

2017/18	Cats	Dogs	Total
Dangerous	0	3	3
Control Orders	0	4	4
Menacing	0	10	10
Restricted	0	0	0
Nuisance	0	32	32

## **Lodgement of data relating to Identification and registration with Office of Local Government**

<b>2017/18</b>	<b>Cats</b>	<b>Dogs</b>	<b>Total</b>
Identified 2017/18	1,032	2,197	3,229
Registered 2017/18	1,256	2,693	3,949
Total animals in LGA	22,326	5,2728	75,054

## **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 \$732,647 of which \$441,158 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, general information on 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 has, in conjunction with, local businesses through their social media outlets sought to advertise the adoption of animals from the shelter and responsible pet ownership. During the year collaboration between Council departments has assisted in the promotion of the varying services provided by Council to a greater audience. This has allowed for the promotion of responsible pet ownership, the adoption of animals from the shelter facility along with other community services and facilities that Council provides throughout its 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 and Kindergartens providing information to on animal behaviour to children. Council has also conducted seminars at local libraries which included education presentations to both adults and children during school holiday periods. Staff and volunteers have also attended community events throughout the year including community fairs and charity events.

## **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 registration age during that monthly period to provide information on the companion animal owner's requirement to have their companion animals 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 obligations.

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 have exceeded the registration requirements and that have still not been registered. The information provided in each mail out covers the de-sexing, advising of the difference in fees for an un desexed animal versus a desexed animal. Council has developed a system that provides the option for the payment of registration fees online. This includes the provision to provide proof of desexing at the time of payment, therefore assisting the public in the reduction of time and aid in administration when registering a companion animal.

To this end Office of Local Government reports that over 95% of identified companion animals recorded as being on the Companion Animal Registry 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, vaccinated, micro-chipped and lifetime registered. All animals leave the shelter with a collar and Council made tag. Council participates in the promotion of National De-sexing Month held each year with the National De-sexing Network.

**Strategies in place to comply with the requirement under section 64 (Companion Animals Act 1998) to seek an alternative to euthanasia for 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 35 animals were euthanased at Sutherland Shire Animal Shelter throughout the year due to illness/disease or deemed as feral, out of the 418 animals that entered and were impounded at the shelter facility.

Council's animal shelter staff worked with rescue organisations that resulted in 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. This has included footage being taken of animals, whilst at Council's shelter facility, and used as promotion on some animal welfare organisations' social media outlets specifically for the purpose of encouraging a greater audience to adopt.

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

The Manager of the Council's Public Safety and Lifeguard Service was invited by the 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 met in September 2015 and continues to meet on a regular basis in order to provide advice on Companion Animals Management issues including, but not limited, to euthanasia and re-homing as well as de-sexing and education on responsible pet ownership.

Council provides a number of specialised locations throughout the local government area to assist owners with the exercise of their animals. The latest addition is in the suburb of Barden Ridge which has provided an additional facility for those who reside in the western suburbs of Council's local government area.

Specialized off- and on-leash areas provided in the Council area:

1. Wanda Beach, Wanda
2. Wanda Reserve, Wanda
3. Greenhills, Wanda
4. Gunyah Beach, Bundeena
5. Horderns Beach, Bundeena
6. Carina Bay Reserve, Tivoli Esplanade, Como
7. Helena Street Reserve, Helena Street, Kirrawee
8. Silver Beach, Kurnell
9. The Ridge Dog Off-leash Bush Park, Barden Ridge.

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.

## **OVERSEAS VISITS REPRESENTING COUNCIL**

The Mayor Cr Carmelo Pesce, Cr Carol Provan, and General Manager Scott Phillips travelled to Lakewood City, Colorado from 23 to 27 June 2018 to commemorate the 40th anniversary of the sister city relationship between Sutherland Shire and Lakewood City. The group was supported by one corporate support staff member. Councillors met their own expenses. Council covered all travel-related costs for the General Manager and corporate support staff member to the amount of \$5,790.29. The cost to Council of gifts to Lakewood City Council and the Lakewood community was \$2,044.73.

## **CAPITAL EXPENDITURE REPORTING**

Council has no projects for infrastructure facilities to report for 2017/18 under the NSW Government's Capital Expenditure Reporting Guidelines.

## **SPECIAL VARIATION EXPENDITURE**

There was no special variation expenditure in 2017/18.

## **CONTRACTS**

Information about Council's contracts is available on the Register of Council Contracts, which is on our website at [sutherlandshire.nsw.gov.au/Council/Accessing-Information/Contracts-Register](http://sutherlandshire.nsw.gov.au/Council/Accessing-Information/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 2017/18.

## **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 AND CORPORATIONS AND OTHER BODIES IN WHICH COUNCIL PARTICIPATED**

There were no corporations or other bodies in which Council held a controlling interest in 2017/18.

Council is involved with SSROC (Southern Sydney Regional Organisation of Councils). SSROC is an association of sixteen Sydney Councils serving large and diverse communities that face all the challenges of metropolitan living.

The role of SSROC is to 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. See also Note 16: in the Financial Statements on page 160.

## **WORK ON PRIVATE LAND**

No work was undertaken by Council in 2017/18 on private land under Section 67(3) of the Local Government Act.

## **FISHERIES MANAGEMENT ACT 1994**

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

## **VOLUNTARY PLANNING AGREEMENTS (VPAs)**

The following agreements were in force in 2017/18:

Parties to the Agreement	Agreement	Status	Land
Sutherland Shire Council and SUEZ Recycling and Recovery Pty Ltd, SUEZ Recycling and Recovery (NSW) Pty Ltd and SUEZ Recycling and Recovery Holdings Pty Ltd	The agreement was entered into on 17 March 2017. This VPA was entered into between Council and various Suez companies and relates to the expansion of the Lucas Heights Resource Recovery Park, while detailing public benefits flowing to Council.	Ongoing	<p>The land to which the agreement applies is some or all of the following:</p> <ul style="list-style-type: none"> <li>• Lot 3 in DP 1032102</li> <li>• Lots 101 in DP 1009354</li> <li>• Lot 2 in DP 605077</li> <li>• Lot 1 in DP 233333</li> <li>• Lot 111 in DP 1050235</li> <li>• Lot 102 in DP 1009354</li> </ul>
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 <sup>2</sup> of Sydney Turpentine Ironbark Forest (STIF)	Ongoing	<p>The land to which the agreement applies is some or all of the following (up to 5,300m<sup>2</sup>):</p> <ol style="list-style-type: none"> <li>1. Willow Place Kirrawee (475m<sup>2</sup>)</li> <li>2. 184 Oak Road Kirrawee Lot 29 DP 351150 (595m<sup>2</sup>)</li> <li>3. 32 Kirrawee Avenue Kirrawee Lot 13 DP 27731 (1,320m<sup>2</sup>)</li> <li>4. Bowie Park (2R Hotham Road) Lot 25 DP 20858 (1,235m<sup>2</sup>)</li> <li>5. 459R President Avenue, Kirrawee Part Lot 104 DP 1159806 (590m<sup>2</sup>)</li> <li>6. 10R Laurel Grove Menai Lot 74 DP 814374 (1,000m<sup>2</sup>)</li> <li>7. 2 Alison Crescent Menai Lot 978 DP 817633 (1,200m<sup>2</sup>)</li> <li>8. 29R Alison Crescent Menai Lot 554 DP 841841 (1,000m<sup>2</sup>)</li> </ol>

Parties to the Agreement	Agreement	Status	Land
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	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.
Sutherland Shire Council (Council)  Bupa ANZ Property 3 and 3A Pty Ltd as trustee for the Bupa Aged Care Property No. 3 Trust (Developer)	The agreement was entered into on 16 August 2018. The planning agreement sets out:  (i) subdivision/boundary adjustment of the developer's land and Council's land at the developer's expense to rationalise the shape of the Council land;  (ii) construction and full embellishment of a public park within the re-defined Council land at the developer's expense, generally in accordance with the plans attached to this Planning Agreement (with final design revisions and specifications to be agreed with the Council's Parks staff).	Ongoing	Lot 200 DP 1110295 - 42 Auburn Street, Sutherland (Bupa Land)  Lot 11 DP 1103619 - 99R Acacia Road, Sutherland (Council Reserve)

## **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.

<b>Stormwater Management 2017/18</b>	<b>Total budget estimate \$</b>	<b>Actual expenditure \$ Net</b>	<b>Comment</b>
Drainage construction	1,305,153.00	777,778.81	excludes overheads
Drainage studies	109,605.00	11,364.25	excludes overheads
Stormwater maintenance	409,074.00	183,815.18	excludes overheads
Stormwater reuse			
Water quality	450,359.00	69,236.00	excludes overheads
<b>Total</b>	<b>2,274,191.00</b>	<b>1,042,194.24</b>	

## **ENVIRONMENTAL UPGRADE AGREEMENTS**

No environmental upgrade agreements were entered into (under Section 406) in 2017/18.

## **SENIOR STAFF REMUNERATION 2017/18**

Annual remuneration as at 30 June 2018.

Name	Total Remuneration	Salary Component	Non Cash Benefits	Running Cost of Vehicle	total Non cash benefits	Superannuation inclusive of salary sacrifice	FBT Payable
General Manager	\$430,756	\$410,707	\$1,139	\$4,031	nil	\$20,049	\$8,115
Directors	\$1,230,000	\$1,146,310	\$2,162	\$0	nil	\$83,690	\$0

## **COMPLIANCE WITH THE NSW CARERS (RECOGNITION) ACT 2010**

Sutherland Shire Council is committed to being a family-friendly employer and providing employees with opportunities for work/life balance. This is done by providing flexibility in employment practices and work arrangements so that employees can balance the demands of work and their personal life.

A flexible workplace makes good business sense as it maximises the opportunity to retain skilled staff which reduces turnover and the associated costs relating to recruitment and training. It also reduces absenteeism and produces a happier workforce that is less stressed, has a balance in life and therefore results in a more productive and efficient workforce. Sutherland Shire Council is committed to flexible work options through providing:

- 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.

## **FAIR WORKPLACE AND EQUAL EMPLOYMENT OPPORTUNITY (EEO)**

Our 2017-2021 Workforce Strategy incorporates the EEO Management Plan. Below are some of the actions in the Strategy.

- In our Workforce Strategy one of our eight principles states: ‘We embrace diversity: we are a large workforce providing many different services to our community. Each employee is their own person and brings different talents, skills and experiences to the table. By employing a diverse workforce, it can help to foster creativity and offer a range of perspectives and ideas.’

Council remains committed to its EEO commitments. In 2017/18 examples included:

- disability training being organised for 2018/19 financial year
- our Parks area commenced a two-year trainee position for an identified Person with a Disability
- five females successfully applied to complete Springboard, a women's personal development program, supported by five internal female managers
- two female employees nominated and awarded to Womens Leadership Summit; the Mayor presented at the Summit
- rolling out an employee engagement tool across council, Officevibe, which provides an anonymous forum for employees to provide feedback about their workplace, and provides metrics regarding engagement which managers and team leaders utilise to improve the workplace and recognise our strengths
- continuing to progress towards a constructive culture that is underpinned by our values of respect, collaboration, active and evolve
- NAIDOC was celebrated with Aboriginal employees attending NAIDOC celebrations
- a working group created with many focus areas in working towards celebrating 2020
- the Aboriginal Advisory Committee continues as a great resource to council
- the Workplace Behaviours Policy continues to be reinforced across council setting the important inclusive behaviours for all staff to follow
- our Well-Being program was reviewed with a focus on engagement, health and communicating benefits to our workforce
- a Disability Inclusion Action Plan (DIAP) education session occurred within the People and Culture Management team to increase knowledge of DIAP and actions.
- research into conducting a capability skills audit to identify technology skills gaps, provider agreed upon, with consideration given to ensure accessibility to all employees
- rolling out Timekeeper - online timesheet system, adaptable to all needs and ensuring flexibility for all employees to access
- continuing to provide flexible working options to cater for a variety of needs for our employees
- the Recruitment Team utilising flexible options within the recruitment process eg. Practical testing to ensure no barriers
- our plan for gender neutral restrooms in the lower ground working space
- Language Aides utilised at the Customer Service Counter supporting our various language needs of the community.
- the Translating and Interpreting Service was used for 17 Mandarin and 1 Italian customer services transactions.

## IMPLEMENTATION OF DISABILITY INCLUSION ACTION PLAN

Our Disability Inclusion Action Plan 2017-2020 outlines our commitment to ensuring that people with disability are provided with the facilities and services that enable them to participate fully in the community. Below is a report on outcomes achieved during 2017/18:

<b>Community Strategic Plan Strategy</b>	<b>2017/18 update</b>
Improve the design and accessibility of our spaces and places	<p>Our libraries are providing Auslan interpreter services at their key events. Hearing loops have been installed at Sutherland Entertainment Centre. We investigated providing a platform lift at Sutherland Leisure Centre, however we already have mobile wheelchair lifts at all pools which negated the need for a separate platform lift.</p> <p>A ‘planning accessible events’ checklist is included in our events tool kit, available on our website to assist event planners. The event application also includes reference to recognition of the Companion Card.</p>
Increase access to local employment and training opportunities	<p>We have a varied range of employment types and employees to add diversity to Council’s makeup. Meaningful employment opportunity is provided, giving a sense of purpose, belonging and value.</p> <p>Through our annual Community and Inclusion Award, run prior to International Day of Disability, Shire businesses are motivated to consider access and inclusion and a diverse workforce as good for business. The number of nominations is increasing annually.</p>
Support and enable all in our community	<p>Customers can communicate with Council via the National Relay Service. We are looking to have language aides with Auslan capacity into the future.</p> <p>Economic and Community Development staff give advice and guidance regarding issues related to access and inclusion. Role of Community workers specialising in Access and Inclusion is well informed to all staff.</p> <p>An inclusion guideline has been developed within our Children’s Services, to inform daily practices.</p>
Opportunities will be fostered that help build a sense of community	<p>Action items from the Access Committee are investigated and outcomes reported back to the Committee in a timely manner. The Committee is resourced and its recommendations are valued and actioned as required. Our future surveys of local businesses will also include accessibility and inclusion.</p> <p>Council’s Children’s Services staff continue to provide quality inclusive practices so that children’s needs are being met and responded to appropriately. We work collaboratively with the Inclusion Support program agency to embed inclusion strategies and practices, increase knowledge, skills and confidence of educators.</p> <p>Funding is available through the NDIS for specialised support for our Children’s Services. We continue to strengthen our connection with disability services in the local area and investigate ways we can respond proactively to the NDIS via the Disability Interagency.</p>

## **SWIMMING POOL INSPECTIONS**

During 2017/18, there were 1,027 pool barrier inspections carried out for the purpose of 2018 Swimming Pools Regulation 2018 (Section 23).

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

### **Land and Environment Court Cases for the Period 01/07/2017 to 30/06/2018**

Type of Case	Upheld	Dismissed	Settled after Amendments	Discontinued	Undetermined	Total
Class 1	9	4	5		21	40
Class 4		1		1		2
Class 6					1	1

### **Local Court 1/07/2017 to 30/06/2018**

Companion Animals Act 1998	7	1	8		4	20
Environmental Planning and Assessment Act 1979		4	4	1	5	14
Food Act 2003		2				2
Local Government Act 1993		1	2			3
Protection of the Environment Operations Act 1997		5	1			6
Road Transport (General) Regulation 2013			1			1
Road Transport Act 2013			2			2
Swimming Pools Act 1992			4			4
Road Rules 2014		27		1	5	33
<b>Total</b>	<b>7</b>	<b>40</b>	<b>22</b>	<b>2</b>	<b>14</b>	<b>85</b>

### **Risk and Audit Legal Matters**

Risk legal costs for 2017/18, exclusive of GST, Settlements and disbursements: \$46,863.73.

### **Industrial Staff Legal Matters**

The services of People & Culture Strategies Pty Ltd have been utilised during the last 12 months. Costing for their services for this period total \$22,261.16.

# **AUDIT, RISK AND IMPROVEMENT COMMITTEE**

## **CHAIRPERSON ANNUAL PERFORMANCE REPORT**

**FOR THE PERIOD 24 MAY TO 13 DECEMBER 2017**

### **PURPOSE**

The purpose of this performance report is tabled under Section 5 of the Audit, Risk and Improvement Committee Charter which requires that:

In the last quarter of the calendar each year, the Chairperson will provide a performance report to the Committee. The report should include the following matters:

1. a summary of the work the Committee performed to discharge its functions and responsibilities during the preceding year
2. a summary of the Committee's assessment of the entity's: risk control framework; external audit; performance measurement and reporting arrangements; Integrated Planning and Reporting outcomes; legislative compliance and details of emerging risks facing the Council
3. a summary of key issues the Committee dealt with during the year, including a summary of the status of outstanding audit recommendations
4. details of meetings held during the year.

This report addresses the above requirements for the period that the Committee has been operating, from 24 May to 13 December 2017.

### **BACKGROUND AND CONTEXT**

During 2016/17, Sutherland Shire Council took a pre-emptive decision to establish an Audit, Risk and Improvement Committee, replacing an existing Internal Audit Committee. This occurred as a result of amendments to the Local Government Act 1993 (by the Local Government Amendment (Governance and Planning) Act 2016). These amendments mandate that by 2021 all councils must have an Audit, Risk and Improvement Committee (Committee) which has specified membership requirements and responsibilities. While these changes are not required to be implemented until 2021, as they reflect best practice governance, Council elected to implement the Committee in 2017.

The new Committee has been established as a sub-committee of Council.

## **MEMBERSHIP**

The Committee is made up of two (2) councillors and three (3) independent, external members. The members are:

- Councillor Tom Croucher
- Councillor Ray Plibersek
- Cliff Haynes (elected Chairperson 2017/18)
- John Gordon
- Greg Smith

## **RESPONSIBILITIES**

To give authority and responsibility to the Committee, an Audit, Risk and Improvement Committee Charter (Charter) was adopted by Council in June 2017.

At the inaugural meeting of the Committee, members of the Committee minuted a number of recommendations to amend the Charter. These revisions were subsequently approved by Council on the 20 November 2017.

Under the Charter, the objective of the Committee is 'to enhance the Council's existing governance framework, risk management practices, control, strategy and performance environment by providing independent assurance and assistance to Council on key aspects of its operations'.

The Charter includes the primary responsibility of the Committee to oversight the following aspects of Council's operations:

- Risk Management
- Compliance
- Fraud Control
- Financial Management
- Governance
- Implementation of Strategic Plan, Delivery Program and Strategies
- Service Reviews
- Collection of Performance Measurement Data by the Council
- any other matters prescribed by regulations.

The Committee has adopted an 18-month forward calendar, to align with its quarterly meeting schedule, to ensure all responsibilities are considered via a rolling program.

## **1. SUMMARY OF THE WORK PERFORMED BY THE COMMITTEE IN 2017**

The following table indicates the comprehensive program of work the Committee undertook during 2017. This includes items contained in the December 2017 meeting agenda. There has been coverage of all the broad responsibilities areas that the Committee has oversight for.

<b>Charter Responsibility/ Meeting Date</b>	<b>24 May 2017</b>	<b>11 October 2017</b>	<b>13 December 2017</b>
ARIC Charter 4.1, Financial Management	Review of NSW Audit Office Client Service Plan	Audited Financial Statements	Audited Financial Statements- Representation Letter and Audit Opinion
		External Audit - In Camera Briefing	
		Related Party Determination and Procedures (Accounting Standard)	
		Summary of Debt Recovery Processes	
		Internal Audits Report - Fees and Charges	
ARIC Charter 4.2, Implementation of Strategic Plan, Delivery Program and Strategies	Integrated Planning and Reporting Status		
ARIC Charter 4.3, Risk Management and Fraud Control	Enterprise Risk Management Framework Implementation Status		
	Strategic Risk Management Plan Status	Strategic Risks - Status Update	Strategic Risks - Status Update
	Top 5 Business Risks Status -Asset Management	Top 5 Business Risks Status Update -Asset Management	Business Continuity Management - Status
	Top 5 Business Risks Status -Financial Services	Top 5 Business Risks Status Update	
-Financial Services			
	Top 5 Business Risks Status -Information Management and Technology	Top 5 Business Risks Status Update -Information Management and Technology	
		NSW Audit Office Fraud Control Improvement Kit Status	
ARIC Charter 4.4, Governance, Compliance and Service Review	Corporate Governance-Health Check Status	NSW Audit Office Lighthouse Checklist Status	Legislative Compliance Framework Status

<b>Charter Responsibility/ Meeting Date</b>	<b>24 May 2017</b>	<b>11 October 2017</b>	<b>13 December 2017</b>
		Governance Framework Implementation Status	
		Update on Oversight Agencies	
-ICAC Operation Ricco Investigation Review	Update on Oversight Agencies		
-OLG Draft Model Code of Conduct			
		Contract Management and Procurement Status	Contract Management and Procurement- Status Update
		Internal Audit - RMS DRIVES System	Internal Audit Report-Development Applications Conditions of Consent
			Assurance Review- WHS Framework
			Assurance Review- WHS Due Diligence to Principal Contractor
			Assurance Review - Internal Network and Wireless Penetration Test
ARIC Charter 4.5, Other functions	Election of Chairperson- Cliff Haynes		
	Internal Audit-3 Year Plan endorsement	Internal Audit Program - Status Update	Internal Audit Program - Status Update
		Internal Audit Resourcing, Capacity and Capability	Internal Audit Resourcing Benchmarking
5. REPORTING			Chair ARIC - Performance Report
6. OTHER ITEMS	Review of Internal Audit Charter	Review of Internal Audit Charter	
	Review of Audit, Risk and Improvement Committee Charter	Review of Audit, Risk and Improvement Committee Charter	
	Forward Audit, Risk and Improvement Meeting Schedule	Committee Responsibility and Activity Calendar (18 months coverage)	

## 2. SUMMARY OF COMMITTEE'S ASSESSMENT OF KEY RESPONSIBILITY AREAS

The Committee has assessed the key responsibility areas as follows:

Key Responsibility Area	Assessment
External Audit	Satisfactory Outcome.  The process of completion of the Financial Statement needs review to allow ARIC more time to consider the Financial Reports to enable its feedback to be incorporated in the final product.
Risk Control Framework	
Performance Measurement and Reporting Arrangements	
Integrated Planning and Reporting outcomes	
Legislative Compliance	
Emerging Risks-details	

## 3. SUMMARY OF KEY ISSUES DEALT WITH BY THE COMMITTEE, INCLUDING THE STATUS OF OUTSTANDING AUDIT RECOMMENDATIONS

The key issues dealt with by the committee during 2017 were:

- Audit, Risk and Improvement Committee Charter
- Internal Audit Charter
- understanding and becoming familiar with the Integrated Planning Framework
- development of Risk Management Strategies
- External Audit Program
- review of Financial Statements.

The status of recommendations for audits that have been presented to and endorsed by the Committee during 2017 are as follows:

Audit Name	Date of Audit Completion 2017	Total No. of Recs..	No of Outstanding Recs.	Comments
RMS Drives Annual Compliance Audit	30 June	0	0	Compliance requirement met.  No recommendations.
Fees and Charges	11 September	14	0	1 recommendation due and completed  13 recommendations not yet due
Development Assessment- Conditions of Consent	17 November	8	0	Recommendation target dates for March and June 2018
<b>Total 2017</b>		<b>22</b>	<b>0</b>	

## **4. MEETINGS HELD DURING 2017**

During 2017, three (3) meetings were scheduled and held on the following dates:

- 24 May – Inaugural meeting with all members in attendance
- 11 October – one apology (Greg Smith)
- 13 December

The meeting of the 11 October was divided into two distinct segments. The first segment was dedicated to reviewing the 2016/17 Financial Statements for endorsement. The second segment was to review and consider the normal Agenda items as included in the Committee Responsibility Calendar.

In the upcoming year, 2018, four (4) meetings have been scheduled.

## **CONCLUSION**

The Committee has fulfilled its responsibilities under the Audit, Risk and Improvement Committee Charter for 2017 and has a plan to continue to do so, via the adoption of a rolling responsibility calendar, in 2018.

The Committee has operated cooperatively to provide feedback and assurance to management and Council.

I would like to take this opportunity to thank my fellow Committee members, management and staff for their forthrightness and cooperation in the operation and outcomes of the Committee during 2017.

**Cliff Haynes  
Chairperson 2017  
Sutherland Shire Council – Audit, Risk and Improvement Committee**

# **FINANCIAL STATEMENTS**

**for year ended 30 June 2018**

**General Purpose, Special  
Purpose and associated  
Special Schedules**

**24 October 2018**

**SOUTH  
WANSI-  
SHIRE**

# Sutherland Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2018

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## Sutherland Shire Council

### General Purpose Financial Statements for the year ended 30 June 2018

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#### Overview

Sutherland Shire Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

4-20 Eton Street  
SUTHERLAND NSW 2232

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website:  
<http://www.sutherland.nsw.gov.au>.

# Sutherland Shire Council

## General Purpose Financial Statements for the year ended 30 June 2018

### 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 2018.

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**

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**

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

##### **3. The Statement of Financial Position**

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

##### **4. The Statement of Changes in Equity**

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

#### **5. The Statement of Cash Flows**

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

#### **About the Notes to the Financial Statements**

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

#### **About the Auditor's Reports**

Council's annual financial statements are required to be audited by the NSW Audit Office. 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 2018

#### 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 other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

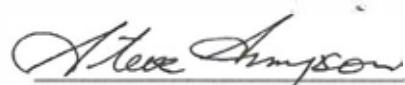
- present fairly the Council's operating result and financial position for the year,
- accord with Council's accounting and other records.

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

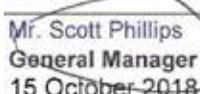
**Signed in accordance with a resolution of Council made on 15 October 2018.**



Councillor Carmelo Pesce  
**Mayor**  
15 October 2018



Councillor Steve Simpson  
**Deputy Mayor**  
15 October 2018



Mr. Scott Phillips  
**General Manager**  
15 October 2018



Mr. Greg Hayes  
**Responsible Accounting Officer**  
15 October 2018

# Sutherland Shire Council

## Income Statement for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
<b>Income from continuing operations</b>				
<i>Revenue:</i>				
152,521	Rates and annual charges	3a	153,125	150,158
38,961	User charges and fees	3b	40,638	34,274
2,693	Interest and investment revenue	3c	4,131	3,710
18,840	Other revenues	3d	15,594	15,090
11,048	Grants and contributions provided for operating purposes	3e,f	12,805	21,324
12,259	Grants and contributions provided for capital purposes	3e,f	27,926	41,623
<i>Other income:</i>				
–	Fair value increment on investment property	11	–	3,630
<b>236,322</b>	<b>Total income from continuing operations</b>		<b>254,219</b>	<b>269,809</b>
<b>Expenses from continuing operations</b>				
103,212	Employee benefits and on-costs	4a	101,776	99,438
286	Borrowing costs	4b	274	339
43,569	Materials and contracts	4c	43,343	37,691
31,587	Depreciation and amortisation	4d	34,982	30,579
39,584	Other expenses	4e	38,604	36,094
500	Net losses from the disposal of assets	5	72	959
–	Fair value decrement on investment property	11	193	–
<b>218,738</b>	<b>Total expenses from continuing operations</b>		<b>219,244</b>	<b>205,100</b>
<b>17,584</b>	<b>Operating result from continuing operations</b>		<b>34,975</b>	<b>64,709</b>
<b>17,584</b>	<b>Net operating result for the year</b>		<b>34,975</b>	<b>64,709</b>
17,584	Net operating result attributable to Council		<b>34,975</b>	<b>64,709</b>
<hr/>				
5,325	Net operating result for the year before grants and contributions provided for capital purposes		7,049	23,086

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

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## Sutherland Shire Council

### Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	2017
<b>Net operating result for the year</b> (as per Income Statement)		<b>34,975</b>	<b>64,709</b>
<b>Other comprehensive income:</b>			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	217,963	304,664
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>217,963</b>	<b>304,664</b>
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
<b>Total other comprehensive income for the year</b>		<b>217,963</b>	<b>304,664</b>
<b>Total comprehensive income for the year</b>		<b>252,938</b>	<b>369,373</b>
Total comprehensive income attributable to Council		252,938	369,373

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

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## Sutherland Shire Council

### Statement of Financial Position as at 30 June 2018

\$ '000	Notes	2018	2017
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	13,412	9,184
Investments	6b	134,941	107,959
Receivables	7	12,009	16,006
Inventories	8	6,826	7,403
Other	8	2,579	2,480
Non-current assets classified as 'held for sale'	10	5,364	—
<b>Total current assets</b>		<b>175,131</b>	<b>143,032</b>
<b>Non-current assets</b>			
Investments	6b	5,000	2,000
Receivables	7	944	1,149
Infrastructure, property, plant and equipment	10	2,445,879	2,224,485
Investment property	11	54,955	55,075
<b>Total non-current assets</b>		<b>2,506,778</b>	<b>2,282,709</b>
<b>TOTAL ASSETS</b>		<b>2,681,909</b>	<b>2,425,741</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	12	27,434	22,997
Income received in advance	12	1,510	944
Borrowings	12	1,959	2,064
Provisions	13	33,877	34,269
<b>Total current liabilities</b>		<b>64,780</b>	<b>60,274</b>
<b>Non-current liabilities</b>			
Borrowings	12	4,700	6,571
Provisions	13	4,593	3,998
<b>Total non-current liabilities</b>		<b>9,293</b>	<b>10,569</b>
<b>TOTAL LIABILITIES</b>		<b>74,073</b>	<b>70,843</b>
<b>Net assets</b>		<b>2,607,836</b>	<b>2,354,898</b>
<b>EQUITY</b>			
Accumulated surplus	14	1,390,786	1,355,811
Revaluation reserves	14	1,217,050	999,087
<b>Total equity</b>		<b>2,607,836</b>	<b>2,354,898</b>

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 2018

	Notes	2018	IPP&E revaluation reserve	Total equity	2017	IPP&E revaluation reserve	Total equity
\$ '000		Accumulated surplus			Accumulated surplus		
<b>Opening balance</b>		1,355,811	999,087	<b>2,354,898</b>	1,291,102	694,423	<b>1,985,525</b>
<b>Net operating result for the year</b>		<b>34,975</b>	–	<b>34,975</b>	<b>64,709</b>	–	<b>64,709</b>
<b>Other comprehensive income</b>							
– Gain (loss) on revaluation of IPP&E	10	–	217,963	<b>217,963</b>	–	304,664	<b>304,664</b>
<b>Other comprehensive income</b>		<b>–</b>	<b>217,963</b>	<b>217,963</b>	<b>–</b>	<b>304,664</b>	<b>304,664</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>34,975</b>	<b>217,963</b>	<b>252,938</b>	<b>64,709</b>	<b>304,664</b>	<b>369,373</b>
<b>Equity – balance at end of the reporting period</b>		<b>1,390,786</b>	<b>1,217,050</b>	<b>2,607,836</b>	<b>1,355,811</b>	<b>999,087</b>	<b>2,354,898</b>

# Sutherland Shire Council

## Statement of Cash Flows

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
152,521	Rates and annual charges		153,130	150,197
38,961	User charges and fees		42,797	34,098
2,693	Investment and interest revenue received		4,577	2,774
22,307	Grants and contributions		40,135	62,208
15,479	Other		19,820	16,395
<b>Payments:</b>				
(106,810)	Employee benefits and on-costs		(102,707)	(99,709)
(43,569)	Materials and contracts		(47,564)	(38,751)
(286)	Borrowing costs		(274)	(339)
(39,578)	Other		(31,590)	(34,846)
<b>41,718</b>	<b>Net cash provided (or used in) operating activities</b>	15b	<b>78,324</b>	<b>92,027</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
80,421	Sale of investment securities		139,500	72,750
1,000	Sale of real estate assets		735	–
20	Sale of infrastructure, property, plant and equipment		436	1,275
–	Deferred debtors receipts		19	–
<b>Payments:</b>				
(76,300)	Purchase of investment securities		(169,482)	(116,300)
–	Purchase of investment property		(73)	–
(45,683)	Purchase of infrastructure, property, plant and equipment		(43,124)	(55,764)
–	Deferred debtors and advances made		–	(177)
<b>(40,542)</b>	<b>Net cash provided (or used in) investing activities</b>		<b>(71,989)</b>	<b>(98,216)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
500	Proceeds from finance leases		–	1,137
<b>Payments:</b>				
(1,362)	Repayment of borrowings and advances		(1,362)	(1,386)
(500)	Repayment of finance lease liabilities		(745)	(719)
<b>(1,362)</b>	<b>Net cash flow provided (used in) financing activities</b>		<b>(2,107)</b>	<b>(968)</b>
<b>(186)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>4,228</b>	<b>(7,157)</b>
77,089	Plus: cash and cash equivalents – beginning of year	15a	9,184	16,341
<b>76,903</b>	<b>Cash and cash equivalents – end of the year</b>	15a	<b>13,412</b>	<b>9,184</b>
Additional Information:				
plus: Investments on hand – end of year				
		6b	139,941	109,959
<b>Total cash, cash equivalents and investments</b>				
			<b>153,353</b>	<b>119,143</b>

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 2018

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## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 1. Basis of preparation

---

These financial statements were authorised for issue by Sutherland Shire Council (herein "Council") on 15/10/2018.

Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Full dollars have been used in Note 22 Related party disclosures.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 20 – Material budget variations

and are clearly marked.

#### **(a) New and amended standards adopted by Council**

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

#### **(b) Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

#### **(c) Significant accounting estimates and judgements**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

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 the Council and that are believed to be reasonable under the circumstances.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 1. Basis of preparation (continued)

---

##### **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 include:

- (i) estimated fair values of investment properties –refer Note 11,
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 10,
- (iii) employee benefit provisions – refer Note 13.

##### **Significant judgements in applying the Council's accounting policies**

- (iv) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

#### **Monies and other assets received by Council**

##### **(a) The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and other assets received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of 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
- Child Care Operations – 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
- Maianbar Community Hall
- Oyster Bay Oval
- Sandy Point Community Hall

##### **(b) The Trust Fund**

In accordance with the provisions of Section 411 of the Local Government Act 1993 (NSW) (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 1. Basis of preparation (continued)

---

The following Trust monies and other assets are held by Council but are not considered to be under the control of Council and therefore are excluded from these financial statements:

▪ Bushfire Trust	\$2,429,388
▪ State Emergency Services Trust	\$ 2,518

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority are presented as operating cash flows.

#### New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

As at the date of authorisation of these financial statements, Council considers that the standards and interpretations listed below will have an impact upon future published financial statements ranging from additional and / or revised disclosures to actual changes as to how certain transactions and balances are accounted for.

#### Effective for annual reporting periods beginning on or after 1 July 2018

- AASB 9 *Financial Instruments*

This replaces AASB 139 *Financial Instruments: Recognition and Measurement*, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses.

Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

#### Effective for annual reporting periods beginning on or after 1 July 2019

- AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-Profit Entities* and AASB 2016-8 *Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 *Revenue*, AASB 111 *Construction Contracts* and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 *Contributions*.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 1. Basis of preparation (continued)

---

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

While Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards, these standards may affect the timing of the recognition of some grants and donations.

- **AASB 16 Leases**

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

Council has not elected to apply any pronouncements before their operative date in these financial statements.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 2(a). Council functions/activities – financial information

\$ '000  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 and non-current)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Corporate Support	2,522	5,203	32,807	36,712	(30,285)	(31,509)	6,375	8,690	156,334	122,626
Executive Office	–	–	809	825	(809)	(825)	–	–	–	–
Non Divisional	130,847	153,809	7,365	1,182	123,482	152,627	–	–	–	–
Shire Infrastructure	65,673	60,519	107,597	106,673	(41,924)	(46,154)	9,190	10,630	2,017,985	1,915,133
Shire Planning	6,522	5,977	15,152	14,653	(8,630)	(8,676)	–	22	3,004	2,686
Shire Services	48,655	44,301	55,514	45,055	(6,859)	(754)	1,987	6,611	504,586	385,296
<b>Total functions and activities</b>	<b>254,219</b>	<b>269,809</b>	<b>219,244</b>	<b>205,100</b>	<b>34,975</b>	<b>64,709</b>	<b>17,552</b>	<b>25,953</b>	<b>2,681,909</b>	<b>2,425,741</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### 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:**

##### **Corporate Support**

Includes Governance, Risk and Compliance; People and Culture; Financial Services; Strategy and Engagement; and Information Management and Technology.

##### **Executive Office**

Includes the Office of the General Manager.

##### **Non Divisional**

Includes Revenue from Rating; Financial Assistance Grants; Local Roads Grants; and Expenditure for Superannuation and Financing Costs.

##### **Shire Infrastructure**

Includes Assets Management Services, Traffic and Public Domain Services; Project Services; Design Services; Operational Services (Parks Operations; Civil Operations; Building Operations; Fleet and Workshops).

##### **Shire Planning**

Includes Strategic Planning; Environmental Science; Major Development Assessment; Development Assessment and Certification; and Environment, Health and Building.

##### **Shire Services**

Includes Leisure Facilities; Childrens Services; Arts and Culture; Property Services; Public Safety and Lifeguards; Library Services; and Business, Sport and Community Services.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 3. Income from continuing operations

\$ '000	2018	2017
<b>(a) Rates and annual charges</b>		
<b>Ordinary rates</b>		
Residential	100,029	98,028
Business	16,246	15,806
Less: pensioner rebates (mandatory)	(2,210)	(2,277)
Less: pensioner rebates (Council policy)	(908)	(935)
<b>Total ordinary rates</b>	<b>113,157</b>	<b>110,622</b>
<b>Special rates</b>		
Cronulla beach CBD	564	555
<b>Total special rates</b>	<b>564</b>	<b>555</b>
<b>Annual charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	38,592	38,233
Stormwater management services	2,043	2,028
Section 611 charges	79	85
Less: pensioner rebates (mandatory)	(930)	(970)
Less: pensioner rebates (Council policy)	(380)	(395)
<b>Total annual charges</b>	<b>39,404</b>	<b>38,981</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>	<b>153,125</b>	<b>150,158</b>

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

#### Accounting policy for rates and annual charges

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

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.

	2018	2017
<b>(b) User charges and fees</b>		
<b>Specific user charges</b> (per s.502 – specific 'actual use' charges)		
Waste management services (non-domestic)	1,266	1,200
<b>Total specific user charges</b>	<b>1,266</b>	<b>1,200</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>		
Building control	3,520	3,488
Lifetime registrations	525	355
Regulatory/ statutory fees	1,651	1,237
Town planning	18	53
Other	438	333
<b>Total fees and charges – statutory/regulatory</b>	<b>6,152</b>	<b>5,466</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
<b>(b) User charges and fees (continued)</b>		
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>		
Administration and inspection – health	373	357
Beach control	57	59
Building cleaning	–	44
Building control	2,032	1,512
Business undertakings	239	211
Child care **	12,169	7,097
Community centres	1,002	933
Engineering works	1,737	1,230
Family day care	218	256
Leisure facilities	8,942	9,145
Libraries	191	232
Other cultural activities	833	842
Other family and children	381	539
Parks and gardens	67	51
Private works	6	–
Public halls	1,064	1,030
Restoration charges	786	696
Sport and recreation	2,731	2,625
Sporting grounds	298	386
Other	94	363
<b>Total fees and charges – other</b>	<b>33,220</b>	<b>27,608</b>
<b>TOTAL USER CHARGES AND FEES</b>	<b>40,638</b>	<b>34,274</b>

\*\* Child Care recognised as User Charges and Fees (Child Care Benefit [CCB]).

#### Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
<b>(c) Interest and investment revenue (including losses)</b>		
<b>Interest</b>		
– Overdue rates and annual charges (incl. special purpose rates)	440	449
– Cash and investments	3,623	2,988
Investment loss recoveries	(17)	60
<b>Fair value adjustments</b>		
– Fair valuation movements in investments (at fair value or held for trading)	–	199
<b>Other</b>	<b>85</b>	<b>14</b>
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>	<b>4,131</b>	<b>3,710</b>

**Interest revenue is attributable to:**

**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	440	449
General Council cash and investments	2,057	1,808

**Restricted investments/funds – external:**

Development contributions

– Section 7.11	1,634	1,453
<b>Total interest and investment revenue recognised</b>	<b>4,131</b>	<b>3,710</b>

**Accounting policy for interest and investment revenue**

Interest income is recognised using the effective interest rate at the date that interest is earned.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018	2017
<b>(d) Other revenues</b>			
Rental income – investment property	11	4,000	4,030
Ex gratia rates		57	54
Fines		5,641	5,504
Legal fees recovery – rates and charges (extra charges)		616	469
Legal fees recovery – other		73	93
Art gallery merchandise		152	282
Bonus pool		11	72
Business undertakings		36	98
Bus shelters		982	777
Commissions and agency fees		167	257
Cronulla beach CBD festivals casual leasing		86	146
Diesel rebate		125	174
Geographical information		30	34
Insurance claim recoveries		52	255
Lease rentals		2,113	1,940
Recycling income (non-domestic)		128	–
Reimbursements		279	265
Sales – general		489	407
Sponsorships		115	168
Other Lucas Heights Additional Tonnage		88	–
Other		354	65
<b>TOTAL OTHER REVENUE</b>		<b>15,594</b>	<b>15,090</b>

#### Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

### Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	2,284	4,527	–	–
Financial assistance – local roads component	987	1,933	–	–
<b>Payment in advance – future year allocation</b>				
Financial assistance – general component	2,401	2,340	–	–
Financial assistance – local roads component	1,027	992	–	–
<b>Other</b>				
Pensioners' rates subsidies – general component	1,690	1,823	–	–
<b>Total general purpose</b>	<b>8,389</b>	<b>11,615</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Bushfire and emergency services	178	80	–	–
Child care **	742	5,389	–	–
Engineering and works	53	62	–	–
Environmental protection	–	22	–	–
Family day care	691	670	–	–
Library – per capita	554	552	–	–
Parks and gardens	330	259	298	7
RMS works	2	–	2,082	3,194
Street lighting	375	367	–	–
Transport (roads to recovery)	–	–	1,350	2,015
Transport (other roads and bridges funding)	123	120	–	–
Urban stormwater drainage	54	–	185	16
Waste and sustainability	230	468	200	(4)
Other Waterways	–	–	737	–
Other	538	549	441	572
<b>Total specific purpose</b>	<b>3,870</b>	<b>8,538</b>	<b>5,293</b>	<b>5,800</b>
<b>Total grants</b>	<b>12,259</b>	<b>20,153</b>	<b>5,293</b>	<b>5,800</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	7,589	15,445	1,364	2,015
– State funding	4,544	4,571	3,819	3,785
– Other funding	126	137	110	–
	<b>12,259</b>	<b>20,153</b>	<b>5,293</b>	<b>5,800</b>

\*\* Child Care recognised as User Charges and Fees (Child Care Benefit [CCB]).

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 3. Income from continuing operations (continued)

	Notes	2018 Operating	2017 Operating	2018 Capital	2017 Capital
\$ '000					
<b>(f) Contributions</b>					
<b>Developer contributions:</b> (s7.4 & s7.11 – EP&A Act, s64 of the LGA):					
<b>Cash contributions</b>					
S 7.11 – contributions towards amenities/services		–	–	18,434	13,680
<b>Total developer contributions – cash</b>		–	–	<b>18,434</b>	<b>13,680</b>
<b>Total developer contributions</b>	23	–	–	<b>18,434</b>	<b>13,680</b>
<b>Other contributions:</b>					
<b>Cash contributions</b>					
Building Infrastructure Bate Bay Depot		–	–	–	388
Contributions to works	47	46	25	–	–
Drainage		–	–	–	182
Emergency services		–	–	651	368
Kurnell VPA		320	485	28	–
Lucas Heights Resource Recovery Park (Refer Note 6)		–	–	2,419	10,000
Other cultural	20	–	–	–	–
Parks and gardens	5	16	–	–	–
Sporting grounds		85	(216)	2,001	–
Tipping of bulk fill at ridge	242	270	–	–	–
Urban roads		–	–	5	7
Other Cronulla Wastewater	96	–	–	–	–
Other Golf Course	107	–	–	–	–
Other	29	434	308	463	–
<b>Total other contributions – cash</b>		<b>546</b>	<b>1,171</b>	<b>3,677</b>	<b>13,437</b>
<b>Non-cash contributions</b>					
Dedications		–	–	482	–
Dedications – subdivisions (other than by s7.11)		–	–	40	8,706
<b>Total other contributions</b>		<b>546</b>	<b>1,171</b>	<b>4,199</b>	<b>22,143</b>
<b>Total contributions</b>		<b>546</b>	<b>1,171</b>	<b>22,633</b>	<b>35,823</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b>12,805</b>	<b>21,324</b>	<b>27,926</b>	<b>41,623</b>

#### Accounting policy for contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

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 un-discharged at reporting date, the unused grant or contribution is disclosed above.

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

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
<b>(g) Unspent grants and contributions</b>		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	28	30
<b>Add:</b> operating grants recognised in the current period but not yet spent	1,447	—
<b>Less:</b> operating grants recognised in a previous reporting period now spent	—	(2)
<b>Unexpended and held as restricted assets (operating grants)</b>	<u>1,475</u>	<u>28</u>
<b>Capital grants</b>		
<b>Add:</b> capital grants recognised in the current period but not yet spent	345	—
<b>Unexpended and held as restricted assets (capital grants)</b>	<u>345</u>	<u>—</u>
<b>Contributions</b>		
Unexpended at the close of the previous reporting period	66,393	44,369
<b>Add:</b> contributions recognised in the current period but not yet spent	32,035	34,918
<b>Less:</b> contributions recognised in a previous reporting period now spent	(12,368)	(12,894)
<b>Unexpended and held as restricted assets (contributions)</b>	<u>86,060</u>	<u>66,393</u>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 4. Expenses from continuing operations

\$ '000	2018	2017
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	77,710	76,391
Employee termination costs – redundancies	1,279	917
Travel expenses	21	33
Employee leave entitlements (ELE)	16,648	16,480
Superannuation	8,711	9,150
Workers' compensation insurance	2,651	1,333
Fringe benefit tax (FBT)	107	65
Training costs (other than salaries and wages)	542	604
Protective clothing	117	180
<b>Total employee costs</b>	<b>107,786</b>	<b>105,152</b>
Less: capitalised costs	(6,010)	(5,714)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>101,776</b>	<b>99,438</b>

#### Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

#### 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.

#### Superannuation 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.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, when sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 18 for more information.

(b) Borrowing costs	2018	2017
<b>Interest bearing liability costs</b>		
Interest on loans	246	294
Charges relating to finance leases	28	45
<b>Total interest bearing liability costs expensed</b>	<b>274</b>	<b>339</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>	<b>274</b>	<b>339</b>

#### Accounting policy for borrowing costs

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

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
<b>(c) Materials and contracts</b>		
Raw materials and consumables	21,016	19,379
Contractor and consultancy costs	17,220	13,055
Auditors remuneration <sup>(2)</sup>	145	135
Legal expenses:		
– Legal expenses: planning and development	115	84
– Legal expenses: debt recovery	591	478
– Legal expenses: other	426	592
Operating leases:		
– Operating lease rentals: minimum lease payments <sup>(1)</sup>	3,830	3,969
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>43,343</b>	<b>37,691</b>

#### Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee 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.

#### 1. Operating lease payments are attributable to:

Computers	195	(33)
Motor vehicles	474	709
Heavy plant	3,042	2,977
Other	119	316
	<b>3,830</b>	<b>3,969</b>

#### 2. Auditor remuneration

During the year the following fees were paid or payable for services provided by the auditor of Council, related practices and non-related audit firms

#### Auditors of the Council – NSW Auditor-General:

##### (i) Audit and other assurance services

Audit and review of financial statements : Auditor-General	137	135
<b>Remuneration for audit and other assurance services</b>	<b>137</b>	<b>135</b>
<b>Total Auditor-General remuneration</b>	<b>137</b>	<b>135</b>

#### Non NSW Auditor-General audit firms:

##### (i) Audit and other assurance services

Other audit and assurance services - Intervention Support Audit (PwC)	8	–
<b>Remuneration for audit and other assurance services</b>	<b>8</b>	<b>–</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>8</b>	<b>–</b>
<b>Total Auditor remuneration</b>	<b>145</b>	<b>135</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
<b>(d) Depreciation, amortisation and impairment</b>		
<b>Depreciation and amortisation</b>		
Plant and equipment	1,516	1,550
Office equipment	144	154
Furniture and fittings	370	396
Property, plant and equipment – leased	791	670
Land improvements (depreciable)	–	911
<b>Infrastructure:</b>		
– Buildings	6,701	4,490
– Other structures	283	320
– Roads	12,619	10,998
– Bridges	106	114
– Footpaths	893	1,032
– Stormwater drainage	7,235	6,281
– Swimming pools	334	67
– Other open space/recreational assets	2,900	2,461
– Other infrastructure	607	510
<b>Other assets:</b>		
– Library books	801	859
<b>Total gross depreciation and amortisation costs</b>	<b>35,300</b>	<b>30,813</b>
Less: capitalised costs	(318)	(234)
<b>Total depreciation and amortisation costs</b>	<b>34,982</b>	<b>30,579</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED</b>	<b>34,982</b>	<b>30,579</b>

#### Accounting policy for depreciation, amortisation and impairment expenses

##### **Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets.

##### **Impairment of non-financial assets**

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

##### **Impairment of financial assets**

Council assesses at the end of each reporting period 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.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
<b>(e) Other expenses</b>		
Advertising	472	491
Artist fees – Hazelhurst	359	403
Bad and doubtful debts	51	33
Bank charges	519	464
Building maintenance	–	47
Companion animals payments	268	238
Computer operations	2,376	2,760
<b>Contributions/levies to other levels of government</b>		
– Department of planning	425	415
– NSW Fire and Rescue	3,059	3,023
– NSW rural fire service levy	667	650
– NSW State Emergency Services	364	408
– Waste levy section 88	8,132	8,088
Councillor expenses – mayoral fee	84	63
Councillor expenses – councillors' fees	432	356
Councillors' expenses (incl. mayor) – other (excluding fees above)	59	43
Donations, contributions and assistance to other organisations (Section 356)	575	806
Entertainment hire / service	645	498
Family day care payments	678	660
Hire of plant, vehicles and equipment	896	441
Insurance	2,486	2,749
Labour hire	2,853	1,948
Office expenses (including computer expenses)	659	226
Postage	479	499
Printing and stationery	453	349
Property management	354	308
Sponsorships	50	79
State debt recovery office payments	639	648
Statutory fees	3	8
Street lighting	3,616	3,517
Subscriptions and publications	717	686
Telephone and communications	795	533
Utilities – electricity	1,820	1,668
Utilities – gas	1,101	629
Utilities – water	1,587	1,097
Valuation fees – land and property management	382	375
Valuations other than government	37	12
Other	512	876
<b>TOTAL OTHER EXPENSES</b>	<b>38,604</b>	<b>36,094</b>

#### Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	2017
<b>Property</b> (excl. investment property)	10		
Proceeds from disposal – property		44	–
Less: carrying amount of property assets sold/written off		(338)	(431)
<b>Net gain/(loss) on disposal</b>		<b>(294)</b>	<b>(431)</b>
<b>Plant and equipment</b>	10		
Proceeds from disposal – plant and equipment		392	1,272
Less: carrying amount of plant and equipment assets sold/written off		(313)	(1,800)
<b>Net gain/(loss) on disposal</b>		<b>79</b>	<b>(528)</b>
<b>Real estate assets held for sale</b>	8		
Proceeds from disposal – real estate assets		735	–
Less: carrying amount of real estate assets sold/written off		(592)	–
<b>Net gain/(loss) on disposal</b>		<b>143</b>	<b>–</b>
<b>Financial assets <sup>(1)</sup></b>	6		
Proceeds from disposal/redemptions/maturities – financial assets		139,500	72,750
Less: carrying amount of financial assets sold/redeemed/matured		(139,500)	(72,750)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(72)</b>	<b>(959)</b>

#### Accounting policy for disposal of assets

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

#### Note 6(a). Cash and cash equivalent assets

Cash and cash equivalents			
Cash on hand and at bank		1,912	134
Cash-equivalent assets			
– Deposits at call		11,500	9,050
<b>Total cash and cash equivalents</b>		<b>13,412</b>	<b>9,184</b>

#### Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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 which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 6(b). Investments

\$ '000	2018 Current	2018 Non-current	2017 Current	2017 Non-current
<b>Investments</b>				
a. 'At fair value through the profit and loss'				
– 'Held for trading'	34,841	–	29,759	–
b. 'Held to maturity'	100,100	5,000	78,200	2,000
<b>Total investments</b>	<b>134,941</b>	<b>5,000</b>	<b>107,959</b>	<b>2,000</b>
 <b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>				
	<b>148,353</b>	<b>5,000</b>	<b>117,143</b>	<b>2,000</b>
 <b>Financial assets at fair value through the profit and loss</b>				
NCD's, FRN's (with maturities > 3 months)	34,841	–	29,759	–
<b>Total</b>	<b>34,841</b>	<b>–</b>	<b>29,759</b>	<b>–</b>
 <b>Held to maturity investments</b>				
Long term deposits	100,100	5,000	78,200	2,000
<b>Total</b>	<b>100,100</b>	<b>5,000</b>	<b>78,200</b>	<b>2,000</b>

#### Accounting policy for investments

##### Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

##### (a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

##### (b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

##### Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

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

\$ '000	2018 Current	2018 Non-current	2017 Current	2017 Non-current
<b>Total cash, cash equivalents and investments</b>	<b>148,353</b>	<b>5,000</b>	<b>117,143</b>	<b>2,000</b>
<b>attributable to:</b>				
External restrictions (refer below)	82,880	5,000	64,421	2,000
Internal restrictions (refer below)	58,391	–	46,306	–
Unrestricted	7,082	–	6,416	–
	<b>148,353</b>	<b>5,000</b>	<b>117,143</b>	<b>2,000</b>

\$ '000	2018	2017
<b>Details of restrictions</b>		
<b>External restrictions – other</b>		
Developer contributions – general *	(A)	55,045
Specific purpose unexpended grants	(B)	1,820
Domestic waste management	(C)	25,209
Stormwater management	(C)	1,482
Lucas Heights Resource Recovery (Sita/Suez) (D)		3,841
Australand Wetland Deed of Agreement (E)		483
<b>External restrictions – other</b>	<b>87,880</b>	<b>66,421</b>
<b>Total external restrictions</b>	<b>87,880</b>	<b>66,421</b>

\* Statement of developer contributions includes Investment Properties \$6,000,000

- A. Development contributions which are not yet expended for the provision of services and amenities in accordance with contribution plans (Note : Statement of developer contributions).
- B. Grants which are not yet expended for the purpose for which the grants were obtained.
- C. Domestic Waste Management (DWM) and other Special Rates/Levies/ Charges are externally restricted assets and must be applied for , for the purpose for which they are raised.
- D. Monies from a Voluntary Planning Agreement with SUEZ.
- E. Monies from a Deed of Agreement with Breen Holdings.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

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

\$ '000	2018	2017
<b>Internal restrictions</b>		
Anzac Youth and Recreation Centre fund (F)	42	50
Building damage deposits (G)	17,580	13,507
Business accelerator IT and furniture (H)	70	70
Capital works reserve (I)	2,901	3,354
Community facilities fund (J)	477	505
Cronulla plaza refurbishment (K)	1,047	534
Cronulla wastewater reuse scheme (L)	130	110
Elections (M)	270	–
Emergency services infrastructure (N)	269	295
Employees leave entitlement (O)	5,490	6,199
Energy audit upgrade (P)	3,103	3,057
Future budgets reserve (Q)	5,008	532
Hazelhurst gallery upgrade (R)	80	155
Kindergarten upgrades (S)	166	166
Land acquisitions/ easements (T)	85	85
Leisure facilities (U)	1,922	1,991
Library improvement (V)	1,539	1,303
Childrens Services (W)	3,373	3,087
Office automation (X)	2,160	1,764
Parks capital (Y)	34	44
Plant replacement reserve (Z)	1,495	1,726
Prepaid Financial Assistance Grant (AA)	3,427	–
Property fund (AB)	2,364	2,641
Property internal funding restrictions (AC)	442	–
Sporting facilities development fund (AD)	846	823
Surf club infrastructure works (AE)	144	213
Sutherland entertainment centre redevelopment (AF)	57	257
Tennis facilities (AG)	129	170
Works in progress/unspent allocations (AH)	2,717	3,668
Contributions to Works Reserve (AI)	1,024	–
<b>Total internal restrictions</b>	<b>58,391</b>	<b>46,306</b>
<b>TOTAL RESTRICTIONS</b>	<b>146,271</b>	<b>112,727</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

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

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- F. Funds are set aside for Anzac Youth & Recreation Centre to assist in future upgrades & maintenance of community halls.
- G. Reserve represents the accumulated bonds , deposits and retentions held by Council in relation to private building works, contract retention to cover possible rectification works, miscellaneous bonds for activities such as hall hire.
- H. A proportion of the rent paid by SSHED tenants is taken to reserve to assist with the future IT upgrades & furniture at the facility.
- I. 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.
- J. Funds are set aside from community management committees to assist in future upgrades & maintenance of community halls.
- K. Reserve established for the ongoing minor upgrades at Cronulla Plaza until a major upgrade is undertaken.
- L. Reserve established for future capital works and replacements in relation to the Cronulla Wastewater Reuse Scheme.
- M. An amount is set aside each year for 4 years to raise sufficient funds for the quadrennial Council elections.
- N. Reserve created from savings in the construction of Rural Fire Service buildings for future building works.
- O. Council policy to maintain in reserve at least 10% of ELE liability for a future “buffer”.
- P. Funds for the purpose of undertaking energy audit upgrades to reduce energy consumption across the organisation.
- Q. The surplus funds from the 2009/10 financial year are reserved to assist in meeting future budget shortfalls or specific project funding.
- R. Excess funds from sponsorship are reserved each year to assist funding ongoing equipment replacement at Hazelhurst Gallery.
- S. Council decision to reserve the insurance proceeds from Talara Rd Scout Hall fire to assist in funding 3 kindergarten upgrades across the shire.
- T. Balance reserved for funding recreation space land acquisitions and unidentified drainage easements when required.
- U. 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.
- V. Reserve established (LRS024-14) for library refurbishments. The purpose of these works is to increase visitor capacity at the Central Library.
- W. Conditions tied to grant funding commits any surplus to be reserved to meet future centre upgrades, improvements or major maintenance: Childrens Services.
- X. Funds from IM&T Operations and IM&T projects uncompleted are set aside to meet future technology upgrades.
- Y. Reserve established from unspent allocations for specific parks capital works that can only be undertaken under specific circumstances or at a particular time.
- Z. Reserve for the provision of Plant Replacement.
- AA. Reserve for prepayment of the Financial Assistance Grants from Commonwealth Government.  
Reserve for the prepayment of the 2018/19 instalments of grant funds received in 2017/18.
- AB. Funds from the Property Fund have been utilised to refinance an external debt. Payment timeframe 20 years (including interest).
- AC. 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.
- AD. Reserve established (MM04/14-15) for the purpose of providing sporting groups low interest loans for the development of sporting facilities within the Shire.
- AE. Reserve for the provision of infrastructure works at Surf Clubs
- AF. Reserve established from unexpended funds for the upgrade of the Sutherland Entertainment Centre.
- AG. Reserve established for future upgrade works at Tennis facilities upon the determination of the future use and arrangement of the Tennis Facilities.
- AH. The General Revenue funded portion of works in progress & unspent allocations is reserved each year & released in the next year for continuation of works.
- AI. Reserve established from Contributions to works for future infrastructure works.

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

### Note 7. Receivables

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
<b>Purpose</b>				
Rates and annual charges	4,238	807	4,049	992
Interest and extra charges	894	—	794	—
Accrued revenues				
– Interest on investments	1,068	—	1,614	—
– Other income accruals	1	—	—	—
Deferred debtors	21	137	20	157
Government grants and subsidies	949	—	1,944	—
Net GST receivable	1,155	—	1,644	—
Section 611 (AGL/Telstra/Optus)	122	—	130	—
Sundry debtors	4,270	—	6,537	—
Other debtors	26	—	89	—
<b>Total</b>	<b>12,744</b>	<b>944</b>	<b>16,821</b>	<b>1,149</b>
<b>Less: provision for impairment</b>				
Rates and annual charges	(218)	—	(209)	—
Other debtors	(517)	—	(606)	—
<b>Total provision for impairment – receivables</b>	<b>(735)</b>	<b>—</b>	<b>(815)</b>	<b>—</b>
<b>TOTAL NET RECEIVABLES</b>	<b>12,009</b>	<b>944</b>	<b>16,006</b>	<b>1,149</b>
<b>Externally restricted receivables</b>				
Domestic waste management	1,268	—	1,220	—
Stormwater management	80	—	81	—
Other				
Developer Contribution	420	—	—	—
<b>Total external restrictions</b>	<b>1,768</b>	<b>—</b>	<b>1,301</b>	<b>—</b>
<b>Unrestricted receivables</b>	<b>10,241</b>	<b>944</b>	<b>14,705</b>	<b>1,149</b>
<b>TOTAL NET RECEIVABLES</b>	<b>12,009</b>	<b>944</b>	<b>16,006</b>	<b>1,149</b>
<b>Movement in provision for impairment of receivables</b>				
Balance at the beginning of the year			2018	2017
+ new provisions recognised during the year			815	1,347
– amounts already provided for and written off this year			10	25
– previous impairment losses reversed			(90)	(22)
<b>Balance at the end of the year</b>			<b>735</b>	<b>815</b>

### Accounting policy for receivables

#### Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other assets (Note 8) and receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 7. Receivables (continued)

##### **Impairment**

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable 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.

#### Note 8. Inventories and other assets

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
<b>(a) Inventories</b>				
<b>Inventories at cost</b>				
Real estate for resale (refer below)	6,639	—	7,232	—
Stores and materials	187	—	171	—
<b>Total inventories at cost</b>	<b>6,826</b>	<b>—</b>	<b>7,403</b>	<b>—</b>
<b>TOTAL INVENTORIES</b>	<b>6,826</b>	<b>—</b>	<b>7,403</b>	<b>—</b>
<b>(b) Other assets</b>				
Prepayments	2,579	—	2,480	—
<b>TOTAL OTHER ASSETS</b>	<b>2,579</b>	<b>—</b>	<b>2,480</b>	<b>—</b>
<b>Externally restricted assets</b>				
<b>Domestic waste management</b>				
Prepayments	403	—	367	—
<b>Total domestic waste management</b>	<b>403</b>	<b>—</b>	<b>367</b>	<b>—</b>
<b>Total externally restricted assets</b>	<b>403</b>	<b>—</b>	<b>367</b>	<b>—</b>
<b>Total unrestricted assets</b>	<b>9,002</b>	<b>—</b>	<b>9,516</b>	<b>—</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>	<b>9,405</b>	<b>—</b>	<b>9,883</b>	<b>—</b>

Sutherland Shire Council

## **Notes to the Financial Statements**

for the year ended 30 June 2018

## Note 8. Inventories and other assets (continued)

\$ '000	Notes	2018		2017	
		Current	Non-current	Current	Non-current
<b>Other disclosures</b>					
<b>(a) Details for real estate development</b>					
Residential		—	—	593	—
Industrial/commercial		6,479	—	6,479	—
Other properties		160	—	160	—
<b>Total real estate for resale</b>		<b>6,639</b>	<b>—</b>	<b>7,232</b>	<b>—</b>
(Valued at the lower of cost and net realisable value)					
<b>Represented by:</b>					
Acquisition costs		6,050	—	6,643	—
Development costs		429	—	429	—
Other properties – book value		160	—	160	—
<b>Total real estate for resale</b>		<b>6,639</b>	<b>—</b>	<b>7,232</b>	<b>—</b>
<b>Movements:</b>					
Real estate assets at beginning of the year		7,232	—	7,235	—
– Purchases and other costs		(5,365)	—	(3)	—
– Transfers in from (out to) Note 9		5,364	—	—	—
– WDV of sales (expense)	5	(592)	—	—	—
<b>Total real estate for resale</b>		<b>6,639</b>	<b>—</b>	<b>7,232</b>	<b>—</b>
<b>(b) Current assets not anticipated to be settled within the next 12 months</b>					
The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;					
Real estate for resale		6,639	—	7,232	—
		<b>2018</b>	<b>2017</b>		
		<b>6,639</b>	<b>7,232</b>		
		<b>6,639</b>	<b>7,232</b>		

## Accounting policy

### **Raw materials and stores, work in progress and finished goods**

#### **Inventory held for distribution**

**Inventory held for distribution**  
Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 9. Non-current assets classified as held for sale (and disposal groups)

\$ '000	2018 Current	2018 Non-current	2017 Current	2017 Non-current
<b>Non-current assets and disposal group assets</b>				
<b>Non-current assets 'held for sale'</b>				
Land	5,364	—	—	—
<b>Total non-current assets 'held for sale'</b>	<b>5,364</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'</b>	<b>5,364</b>	<b>—</b>	<b>—</b>	<b>—</b>

Council is disposing of land at 9 The Kingsway, Cronulla. This land parcel is surplus to Council's requirements.

It is currently being used as an unofficial carpark for adjoining commercial properties.

This sale is expected to be completed by March 2019.

#### Accounting policy for non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets; assets arising from employee benefits; financial assets; and investment property that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

## Note 10. Infrastructure, property, plant and equipment

Asset class \$ '000	as at 30/6/2017			Asset movements during the reporting period									as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Amalgamations transfers in/out)	Tfrs from/to real estate assets (Note 9)	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)			
Capital work in progress	2,128	–	2,128	840	1,270	–	–	(1,672)	–	–	–	–	2,565	–	2,565
Plant and equipment	34,727	21,419	13,308	1,913	82	(286)	(1,516)	1,918	335	–	–	–	37,117	22,034	15,083
Office equipment	3,985	3,185	800	–	–	–	(144)	–	–	–	–	–	3,985	3,329	656
Furniture and fittings	12,231	9,548	2,683	10	–	–	(370)	139	137	–	–	–	12,300	9,975	2,325
Plant and equipment (under finance lease)	2,510	1,130	1,380	131	–	–	(791)	–	–	–	–	–	2,320	1,600	720
<b>Land:</b>															
– Operational land	108,213	–	108,213	–	–	–	–	117	–	(5,364)	–	112,085	215,050	–	215,050
– Community land	222,008	–	222,008	–	541	(1)	–	(157)	–	–	–	–	222,391	–	222,391
– Land under roads (post 30/6/08)	12,554	–	12,554	–	482	–	–	40	–	–	–	(7)	13,069	–	13,069
Land improvements – non-depreciable	2,446	–	2,446	–	–	–	–	(2,446)	–	–	–	–	–	–	–
Land improvements – depreciable	12,473	4,600	7,873	–	203	(13)	–	(12,653)	(4,590)	–	–	–	–	–	–
<b>Infrastructure:</b>															
– Buildings	502,258	162,013	340,245	5,437	128	(338)	(6,701)	1,182	–	–	–	–	508,513	168,560	339,953
– Other structures	12,064	8,559	3,505	354	–	–	(283)	168	76	–	–	–	12,586	8,917	3,669
– Roads	970,678	255,315	715,363	18,299	703	–	(12,619)	–	–	–	–	–	989,680	267,933	721,747
– Bridges	14,324	7,520	6,804	393	–	–	(106)	–	–	–	–	–	14,717	7,626	7,091
– Footpaths	97,654	25,522	72,132	3,134	666	–	(893)	–	–	–	–	–	101,454	26,416	75,038
– Bulk earthworks (non-depreciable)	152,097	–	152,097	441	–	–	–	(1,294)	–	–	–	–	151,244	–	151,244
– Stormwater drainage	714,995	250,005	464,990	524	338	–	(7,235)	1,294	–	–	(10,947)	116,832	904,427	338,631	565,796
– Swimming pools	16,667	12,057	4,610	51	–	–	(334)	–	–	–	–	–	16,718	12,391	4,327
– Other open space/recreational assets	126,606	53,876	72,730	2,578	2,880	(5)	(2,900)	12,218	3,833	–	–	–	144,278	60,608	83,670
– Other infrastructure	28,692	12,762	15,930	2,221	–	–	(607)	1,146	209	–	–	–	32,060	13,579	18,481
<b>Other assets:</b>															
– Heritage collections	353	–	353	–	41	–	–	–	–	–	–	–	394	–	394
– Library books	10,032	7,874	2,158	–	1,086	–	(801)	–	–	–	–	–	11,119	8,676	2,443
– Other	182	7	175	–	–	(8)	–	–	–	–	–	–	167	–	167
<b>TOTAL INFRASTRUCTURE PROPERTY, PLANT AND EQUIP.</b>	<b>3,059,877</b>	<b>835,392</b>	<b>2,224,485</b>	<b>36,326</b>	<b>8,420</b>	<b>(651)</b>	<b>(35,300)</b>	<b>–</b>	<b>–</b>	<b>(5,364)</b>	<b>(10,947)</b>	<b>228,910</b>	<b>3,396,154</b>	<b>950,275</b>	<b>2,445,879</b>

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

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 10. Infrastructure, property, plant and equipment (continued)

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##### **Accounting policy for infrastructure, property, plant and equipment**

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

Council's assets have been progressively revalued to fair value in accordance with a staged implementation advised by the Office of Local Government. At reporting date, the following classes of IPPE were state at their fair value :

##### **Externally valued**

- Operational land

##### **Internally valued**

- Community land
- Buildings
- Roads assets including roads, bridges and footpaths
- Bulk earthworks
- Stormwater drainage
- Swimming pools

##### **As approximated by depreciated historical cost:**

- Plant and equipment
- Other structures
- Other open space/recreational assets
- Other infrastructure
- Other assets

Non-specialised assets with short useful lives are measured at depreciated historical cost as at an approximation of fair value. Council has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

For all other asset classes, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying value 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 revalue the asset to that amount. Full revaluations are undertaken for all assets on a five-year cycle.

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

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 2018

#### Note 10. Infrastructure, property, plant and equipment (continued)

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##### **Accounting policy for infrastructure, property, plant and equipment (continued)**

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	15	Playground equipment	15
Office furniture	15	Benches, seats etc.	30 to 40
Computer equipment	3		
Light vehicles	3		
Heavy vehicles	4 to 7	<b>Other infrastructure assets</b>	
Heavy plant/road making equipment	5 to 8	Bulk earthworks	Infinite
Other plant and equipment	3 to 15	Swimming pools shells	50
		Other open space/recreational assets	5 to 50
		Other Structures	10 to 100
		Other	10 to 100
<b>Transportation assets</b>			
Sealed roads: surface	40	<b>Stormwater assets</b>	
Sealed roads: structure base	110	Drains	100
Sealed roads: structure sub-base	130	Culverts	100
Bridges: foot	80	Headwalls	98
Bridges: road	150	Water quality devices	28
Road pavements carparks	55	Rehab. Creeks & Wetland Struct. Wrk	150
Kerb and gutter	120		
Footpaths on roads	110	<b>Buildings</b>	
Pathways not on roads	50	Buildings	75

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

##### **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.

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

##### **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.

##### **Rural Fire Service assets**

Under section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed".

Council is of the view that despite the vesting of fire fighting equipment, it does not have primary control of this equipment. Council does not make decisions in relation to the purchase, insurance, operation and usage or disposal of these assets.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 11. Investment property

\$ '000	2018	2017
<b>(a) Investment properties at fair value</b>		
<u>Investment properties on hand</u>	<u>54,955</u>	<u>55,075</u>
<b>Reconciliation of annual movement:</b>		
Opening balance	55,075	51,445
– Capitalised expenditure – this year	73	–
– Net (loss)/gain from fair value adjustments	(193)	3,630
<b>CLOSING BALANCE – INVESTMENT PROPERTIES</b>	<b>54,955</b>	<b>55,075</b>

#### (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 2018 revaluations were based on independent assessments made by:  
Robert Randall Registered Practicing Valuer AAPI 67869 McLennan Steege Smith & Associates.

#### (c) Contractual obligations at reporting date

Refer to Note 17 for disclosures relating to any capital and service obligations that have been contracted.

\$ '000	2018	2017
<b>(d) Leasing arrangements – Council as lessor</b>		
The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.		
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	3,362	3,362
Later than 1 year but less than 5 years	8,926	8,926
Later than 5 years	94,883	96,460
<b>Total minimum lease payments receivable</b>	<b>107,171</b>	<b>108,748</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 11. Investment property (continued)

\$ '000	2018	2017
<b>(e) Investment property income and expenditure – summary</b>		
<b>Rental income from investment properties:</b>		
– Minimum lease payments	4,000	4,030
<b>Direct operating expenses on investment properties:</b>		
– that generated rental income	(246)	(183)
<b>Net revenue contribution from investment properties</b>	<b>3,754</b>	<b>3,847</b>
plus:		
<b>Fair value movement for year</b>	<b>(193)</b>	<b>3,630</b>
<b>Total income attributable to investment properties</b>	<b>3,561</b>	<b>7,477</b>

#### Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the income statement as part of other income.

Properties that are under construction for future use as investment property are regarded as investment property. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 12. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
<b>Payables</b>				
Goods and services	9,173	—	9,044	—
Accrued expenses:				
– Other expenditure accruals	658	—	223	—
Security bonds, deposits and retentions (>12 months)	12,381	—	9,478	—
Security bonds, deposits and retentions (<12 months)	4,635	—	3,803	—
Other Sundry Bonds (>12 months)	414	—	162	—
Other Sundry Bonds (<12 months)	150	—	70	—
Other	23	—	217	—
<b>Total payables</b>	<b>27,434</b>	<b>—</b>	<b>22,997</b>	<b>—</b>
Income received in advance				
Payments received in advance	1,510	—	944	—
<b>Total income received in advance</b>	<b>1,510</b>	<b>—</b>	<b>944</b>	<b>—</b>
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	1,398	4,599	1,362	5,997
Finance lease liabilities	561	101	702	574
<b>Total borrowings</b>	<b>1,959</b>	<b>4,700</b>	<b>2,064</b>	<b>6,571</b>
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>30,903</b>	<b>4,700</b>	<b>26,005</b>	<b>6,571</b>

#### (a) Payables and borrowings relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>				
Domestic waste management	582	—	524	—
Payables and borrowings relating to externally restricted assets	582	—	524	—
<b>Total payables and borrowings relating to restricted assets</b>	<b>582</b>	<b>—</b>	<b>524</b>	<b>—</b>
<b>Total payables and borrowings relating to unrestricted assets</b>	<b>30,321</b>	<b>4,700</b>	<b>25,481</b>	<b>6,571</b>
<b>TOTAL PAYABLES AND BORROWINGS</b>	<b>30,903</b>	<b>4,700</b>	<b>26,005</b>	<b>6,571</b>

<sup>1</sup>. 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 19.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 12. Payables and borrowings (continued)

\$ '000	2018	2017
<b>(b) Current payables and borrowings not anticipated to be settled within the next twelve months</b>		
The following payables and borrowings, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	12,795	9,640
	<b>12,795</b>	<b>9,640</b>

#### (c) Changes in liabilities arising from financing activities

Class of borrowings	Opening balance as at 1/7/17	Cash flows	Non-cash changes			Closing balance as at 30/6/18
			Acquisition	Fair value changes	Other non-cash movements	
Loans – secured	7,359	(1,362)	–	–	–	5,997
Finance lease liabilities	1,276	(745)	131	–	–	662
<b>TOTAL</b>	<b>8,635</b>	<b>(2,107)</b>	<b>131</b>	<b>–</b>	<b>–</b>	<b>6,659</b>

\$ '000	2018	2017
<b>(d) Financing arrangements</b>		
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>		
Bank overdraft facilities <sup>(1)</sup>	750	750
Credit cards/purchase cards	120	120
<b>Total financing arrangements</b>	<b>870</b>	<b>870</b>
<b>Undrawn facilities as at balance date:</b>		
– Bank overdraft facilities	750	750
– Credit cards/purchase cards	120	120
<b>Total undrawn financing arrangements</b>	<b>870</b>	<b>870</b>

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

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 12. Payables and borrowings (continued)

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##### **Accounting policy for payables and borrowings**

###### **Payables**

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

###### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

###### **Finance leases**

Leases of property, plant and equipment where Council, as lessee, 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 fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged 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.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 13. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
<b>Provisions</b>				
<b>Employee benefits:</b>				
Annual leave	10,001	—	10,158	—
Sick leave	1,706	—	1,835	—
Long service leave	19,383	1,020	19,560	1,249
Gratuities	937	—	1,176	—
<b>Sub-total – aggregate employee benefits</b>	<b>32,027</b>	<b>1,020</b>	<b>32,729</b>	<b>1,249</b>
<b>Other provisions:</b>				
Self insurance – workers compensation <sup>(1)</sup>	1,512	3,399	1,322	2,506
Self insurance – public liability	200	174	82	243
Other – audit	138	—	136	—
<b>Sub-total – other provisions</b>	<b>1,850</b>	<b>3,573</b>	<b>1,540</b>	<b>2,749</b>
<b>TOTAL PROVISIONS</b>	<b>33,877</b>	<b>4,593</b>	<b>34,269</b>	<b>3,998</b>

#### (a) Provisions relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>				
Domestic waste management				
	2,841	—	1,990	—
Self insurance	—	490	180	700
<b>Provisions relating to externally restricted assets</b>	<b>2,841</b>	<b>490</b>	<b>2,170</b>	<b>700</b>
<b>Total provisions relating to restricted assets</b>	<b>2,841</b>	<b>490</b>	<b>2,170</b>	<b>700</b>
<b>Total provisions relating to unrestricted assets</b>	<b>31,036</b>	<b>4,103</b>	<b>32,099</b>	<b>3,298</b>
<b>TOTAL PROVISIONS</b>	<b>33,877</b>	<b>4,593</b>	<b>34,269</b>	<b>3,998</b>

\$ '000	2018	2017

#### (b) Current provisions not anticipated to be settled within the next twelve months

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	19,934	20,688
	<b>19,934</b>	<b>20,688</b>

<sup>1</sup>. Workers Compensation information is provided by David G. Hart Consulting Pty Ltd., Consulting Actuary.

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

### Note 13. Provisions (continued)

\$ '000

#### (c) Description of and movements in provisions

2018	ELE provisions				Other employee benefits - Gratuities	Total
	Annual leave	Sick leave	Long service leave			
At beginning of year	10,158	1,835	20,809		1,176	33,978
Additional provisions	8,302	90	2,668		(1)	11,059
Amounts used (payments)	(8,469)	(206)	(3,057)		(244)	(11,976)
Remeasurement effects	10	(3)	(16)		(4)	(13)
Other	–	(10)	(1)		10	(1)
<b>Total ELE provisions at end of year</b>	<b>10,001</b>	<b>1,706</b>	<b>20,403</b>		<b>937</b>	<b>33,047</b>
 <b>2017</b>						
At beginning of year	9,914	2,066	21,129		1,140	34,249
Additional provisions	8,326	190	3,128		349	11,993
Amounts used (payments)	(8,008)	(321)	(2,490)		(261)	(11,080)
Remeasurement effects	(74)	(100)	(958)		(52)	(1,184)
<b>Total ELE provisions at end of year</b>	<b>10,158</b>	<b>1,835</b>	<b>20,809</b>		<b>1,176</b>	<b>33,978</b>
 <b>Other provisions</b>						
2018	Other	Self-insurance			Total	
At beginning of year	136	4,153			4,289	
<b>Changes to provision:</b>						
Additional provisions	2	791			793	
Amounts used (payments)	–	(251)			(251)	
Other	–	592			592	
<b>Total other provisions at end of year</b>	<b>138</b>	<b>5,285</b>			<b>5,423</b>	
 <b>2017</b>						
At beginning of year	358	5,308			5,666	
<b>Changes to provision:</b>						
Additional provisions	79	274			353	
Amounts used (payments)	(301)	(1,429)			(1,730)	
<b>Total other provisions at end of year</b>	<b>136</b>	<b>4,153</b>			<b>4,289</b>	

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 13. Provisions (continued)

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##### **Nature and purpose of non-employee benefit provisions**

###### **Self-insurance**

To recognise liabilities for outstanding claims (uninsured losses) arising from Council's decision to undertake self-insurance for certain risks faced.

###### **Accounting policy for provisions**

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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.

##### **Employee benefits**

###### **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

###### **Other long-term employee benefit obligations**

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

##### **Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries**

###### **Restoration**

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and 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 which are expected to arise from future disturbance. The 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, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 13. Provisions (continued)

---

##### **Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries**

###### **Rehabilitation**

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 reporting 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 reporting date. These costs are charged to the Income Statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwinding 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.

Other movements in the provisions for close down and restoration 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.

Close down and restoration 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.

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#### Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

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##### 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.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 15. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	13,412	9,184
<b>Balance as per the Statement of Cash Flows</b>		<b>13,412</b>	<b>9,184</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>34,975</b>	<b>64,709</b>
Adjust for non-cash items:			
Depreciation and amortisation		34,982	30,579
Net losses/(gains) on disposal of assets		72	959
Non-cash capital grants and contributions		(1,172)	(300)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as ‘at fair value’ or ‘held for trading’		–	(199)
– investment property		193	(3,630)
<i>+/- Movement in operating assets and liabilities and other cash items:</i>			
Decrease/(increase) in receivables		4,263	700
(Decrease)/increase in provision for doubtful debts		(80)	(532)
(Increase)/decrease in inventories		(16)	5
(Increase)/decrease in other assets		(99)	(964)
Increase/(decrease) in payables		129	(1,065)
(Decrease)/increase in other accrued expenses payable		435	(33)
Increase/(decrease) in other liabilities		4,439	3,446
(Decrease)/increase in employee leave entitlements		(931)	(271)
<b>Increase/(decrease) in other provisions</b>		<b>1,134</b>	<b>(1,377)</b>
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>78,324</b>	<b>92,027</b>
<b>(c) Non-cash investing and financing activities</b>			
Acquisition of plant and equipment by means of finance lease		131	1,137
Other dedications		482	–
Land dedications (other than s94)		40	300
<b>Other non-cash items Investment Properties</b>		<b>650</b>	<b>–</b>
<b>Total non-cash investing and financing activities</b>		<b>1,303</b>	<b>1,437</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 16. Interests in other entities (continued)

\$ '000

##### 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.

	2018	2017
Losses (or expenses) incurred by Council relating to the Structured Entity	95	64

#### Note 17. Commitments for expenditure

\$ '000

**(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	—	68
Plant and equipment	—	721
Other – incl. works/construction of public amenities	2,433	4,753
<b>Total commitments</b>	<b>2,433</b>	<b>5,542</b>

##### **These expenditures are payable as follows:**

Within the next year	2,433	5,542
<b>Total payable</b>	<b>2,433</b>	<b>5,542</b>

##### **Sources for funding of capital commitments:**

Unrestricted general funds	2,433	5,542
<b>Total sources of funding</b>	<b>2,433</b>	<b>5,542</b>

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

### Note 17. Commitments for expenditure (continued)

	\$ '000	2018	2017
<b>(b) Finance lease commitments</b>			
<b>(i) Commitments under finance leases at the reporting date are payable as follows:</b>			
Within the next year	571	729	
Later than one year and not later than 5 years	103	583	
<b>Total minimum lease payments</b>	<b>674</b>	<b>1,312</b>	
Less: future finance charges	(12)	(36)	
<b>Amount recognised as a liability</b>	<b>662</b>	<b>1,276</b>	
<b>(ii) Finance lease liability recognised represent;</b>			
Current liabilities	561	1,011	
Non-current liabilities	101	265	
<b>Total finance lease liabilities disclosed</b>	<b>662</b>	<b>1,276</b>	
<b>(iii) General details</b>			
Council leases the following property, plant and equipment under finance leases:			
Computers – carrying value	555	1,166	
Other equipment/assets	107	110	
<b>Total carrying value at year end</b>	<b>662</b>	<b>1,276</b>	
<b>(c) Operating lease commitments (non-cancellable)</b>			
<b>a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:</b>			
Within the next year	3,167	3,196	
Later than one year and not later than 5 years	6,110	5,803	
<b>Total non-cancellable operating lease commitments</b>	<b>9,277</b>	<b>8,999</b>	
<b>b. Non-cancellable operating leases include the following assets:</b>			
Garbage Compactors, Tractors, Road Sweepers, Leisure Centre Equipment & other Plant & Equipment.			
<b>Conditions relating to finance and operating leases:</b>			
– 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.			

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 18. Contingencies and other liabilities/assets not recognised

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The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and 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 2017 the bank guarantee held by State Insurance Regulatory Authority (SIRA) was in the amount of \$3,240,000. At 30 June 2018, 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. Council's actuary is David G Hart Consulting Pty Ltd.

###### **(ii) Elouera Surf Life Saving Club**

As at 30 June 2018, a security deposit was held by National Australia Bank Ltd totalling \$600,000 on behalf of Elouera Surf Life Saving Club for a loan to undertake Club building improvements. No loss is anticipated.

###### **(iii) Wanda Surf Life Saving Club**

As at 30 June 2018, a loan guarantee was held by ANZ Ltd totalling \$1,500,000 on behalf of Wanda Surf Life Saving Club for a loan to undertake Club building improvements. No loss is anticipated.

###### **(iv) 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.

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

The standard employer contributions were determined using the new entrant rate method under which a contributions rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are :

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 18. Contingencies and other liabilities/assets not recognised (continued)

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##### **LIABILITIES NOT RECOGNISED:** (continued)

###### **1. Guarantees** (continued)

###### **(iv) Defined benefit superannuation contribution plans** (continued)

As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up of the plan.

There are no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

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 its 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.

Reference : Mr. Richard Boyfield, Mercer Consulting (Australia) Pty.Ltd. AFT Licence 411770.

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.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 18. Contingencies and other liabilities/assets not recognised (continued)

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##### **LIABILITIES NOT RECOGNISED:** (continued)

###### **1. Guarantees** (continued)

###### **(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) Statement of Developer Contributions (s7.4 & S7.11 EP&A)**

Council levies contributions upon various development across the Council area through the required Contribution Plans.

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

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

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

###### **(iii) Potential land acquisitions due to planning restrictions imposed by Council**

Council has 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 (and 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.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 18. Contingencies and other liabilities/assets not recognised (continued)

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##### **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 and including 30/6/08.

###### **(ii) Infringement notices/fines**

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's 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.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 19. 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.

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	
	2018	2017	2018	2017
<b>Financial assets</b>				
Cash and cash equivalents	13,412	35,884	13,412	35,884
Investments				
– 'Held for trading'	34,841	29,759	34,841	29,759
– 'Held to maturity'	105,100	80,200	105,100	80,200
Receivables	12,953	17,155	12,953	17,155
<b>Total financial assets</b>	<b>166,306</b>	<b>162,998</b>	<b>166,306</b>	<b>162,998</b>
<b>Financial liabilities</b>				
Payables	28,024	22,997	28,024	22,985
Loans/advances	5,997	7,359	5,997	7,359
Lease liabilities	662	1,276	662	1,431
<b>Total financial liabilities</b>	<b>34,683</b>	<b>31,632</b>	<b>34,683</b>	<b>31,775</b>

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.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 19. 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.

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 these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **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.

##### (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
<b>2018</b>				
Possible impact of a 10% movement in market values	3,484	3,484	(3,484)	(3,484)
Possible impact of a 1% movement in interest rates	1,185	1,185	(1,185)	(1,185)
<b>2017</b>				
Possible impact of a 10% movement in market values	2,976	2,976	(2,976)	(2,976)
Possible impact of a 1% movement in interest rates	893	893	(893)	(893)

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 19. 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 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:

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
<b>(i) Ageing of receivables – %</b>				
Current (not yet overdue)	0%	64%	0%	86%
Overdue	100%	36%	100%	14%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

	2018	2017
<b>(ii) Ageing of receivables – value</b>		
<b>Rates and annual charges</b>		
Current	5,045	5,041
	<b>5,045</b>	<b>5,041</b>
<b>Other receivables</b>		
Current	5,598	2,005
0 – 30 days overdue	2,070	9,140
31 – 60 days overdue	24	685
61 – 90 days overdue	647	155
> 91 days overdue	304	944
	<b>8,643</b>	<b>12,929</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 19. 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.

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 by borrowing long term and fixing the interest rate on a 4-year renewal basis. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 – 5 Years	> 5 Years		
<b>2018</b>							
Trade/other payables	0.00%	–	27,434	–	–	27,434	27,434
Loans and advances	3.66%	–	1,603	4,905	–	6,508	5,997
Lease liabilities	2.48%	–	571	103	–	674	662
<b>Total financial liabilities</b>		<u>–</u>	<u>29,608</u>	<u>5,008</u>	<u>–</u>	<u>34,616</u>	<u>34,093</u>
<b>2017</b>							
Trade/other payables	0.00%	–	22,985	–	–	22,985	22,985
Loans and advances	3.68%	–	1,617	6,184	323	8,124	7,359
Lease liabilities	2.60%	–	729	583	–	1,312	1,276
<b>Total financial liabilities</b>		<u>–</u>	<u>25,331</u>	<u>6,767</u>	<u>323</u>	<u>32,421</u>	<u>31,620</u>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 20. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 21 June 2017 and is not required to be audited.

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	2018 Budget	2018 Actual	----- Variance* -----		
<b>REVENUES</b>					
Rates and annual charges	<b>152,521</b>	<b>153,125</b>	<b>604</b>	0%	<b>F</b>
User charges and fees	<b>38,961</b>	<b>40,638</b>	<b>1,677</b>	4%	<b>F</b>
Interest and investment revenue	<b>2,693</b>	<b>4,131</b>	<b>1,438</b>	53%	<b>F</b>
Actual interest received on investments, both income and coupon payments, were higher than anticipated which saw a favourable position compared to the original budget. The main contributor to this result was higher than anticipated levels of restricted assets at 01 July 2017 were held, notably Domestic Waste which provided a larger pool of funds for investment purposes.					
Other revenues	<b>18,840</b>	<b>15,594</b>	<b>(3,246)</b>	(17%)	<b>U</b>
Included in the original estimate for other revenue was an amount of \$3.4 million for the fair value increment of investment properties held by Council. This was based on historical adjustments. The revaluation for 30 June 2018 revealed a decrement to the assets held, hence the variation to the budget.					
Operating grants and contributions	<b>11,048</b>	<b>12,805</b>	<b>1,757</b>	16%	<b>F</b>
In many instances, the actual amount of grants received depends on decisions made by the State and Commonwealth Government, after the original budget has been adopted. Grants received that were not originally included in the estimates came from, but not limited to, the NSW Rural Fire Service, State Library NSW, additional federal child care grants and various state government/agency based Bushcare grants.					
Capital grants and contributions	<b>12,259</b>	<b>27,926</b>	<b>15,667</b>	128%	<b>F</b>
In many instances, the actual amount of grants received depends on decisions made by the State and Commonwealth Government, after the original budget has been adopted. In the 2017/18 financial year, Council has received capital funding from various additional sources.					

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 20. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	-----	2018 Variance*	-----
<b>EXPENSES</b>					
Employee benefits and on-costs	103,212	101,776	1,436	1%	<b>F</b>
Borrowing costs	286	274	12	4%	<b>F</b>
Materials and contracts	43,569	43,343	226	1%	<b>F</b>
Depreciation and amortisation	31,587	34,982	(3,395)	(11%)	<b>U</b>
For the 2016/17 financial year, all infrastructure asset classes were revalued (including building, transport assets, drainage and open space). During the 2017/18 year, assets held in the drainage class were again revalued. The increase in the fair value of assets held from 01 July 2017 and 31 March 2018, combined with a revision condition assessment, has led to an increase to the depreciation charge when compared to the estimate in the original budget.					
Other expenses	39,584	38,604	980	2%	<b>F</b>
Net losses from disposal of assets	500	72	428	86%	<b>F</b>
The estimate for the Net loss from the disposal of assets is only a general allocation in the original budget each year as it is difficult to forecast the level of sales and acquisition of fixed assets for the coming year.					
Fair value decrement on investment property	—	193	(193)	0%	<b>U</b>

#### Budget variations relating to Council's Cash Flow Statement include:

Cash flows from operating activities	41,718	78,324	36,606	87.7%	<b>F</b>
The combination of higher grants and contributions, increased investment income, a decrement to the fair value of investment properties and under expenditure in the area of other expenses have contributed to the favourable variance of actuals compared to the original estimate.					
Cash flows from investing activities	(40,542)	(71,989)	(31,447)	77.6%	<b>U</b>
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	(1,362)	(2,107)	(745)	54.7%	<b>U</b>
In the original adopted budget, Council included an amount for proceeds to be received from finance leases. During the 2017/18 financial year, these did not eventuate and are the main contributor to the variance.					

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 21. 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:**

2018	Recurring fair value measurements	Date of latest valuation	Fair value measurement hierarchy			Total
			Level 1	Level 2	Level 3	
	<b>Investment property</b>					
Various	Various	30/06/18	–	54,955	–	54,955
	<b>Total investment property</b>		–	54,955	–	54,955
	<b>Infrastructure, property, plant and equipment</b>					
Operational land	Operational land	30/06/18	–	215,050	–	215,050
Community land	Community land	30/06/16	–	–	222,766	222,766
Buildings	Buildings	30/06/17	–	–	339,953	339,953
Other Structures	Other Structures	Historical	–	–	3,669	3,669
Roads	Roads	30/06/17	–	–	721,747	721,747
Bridges	Bridges	30/06/17	–	–	7,091	7,091
Footpaths	Footpaths	30/06/17	–	–	75,038	75,038
Stormwater drainage	Stormwater drainage	30/06/18	–	–	565,796	565,796
Land under roads	Land under roads	30/06/18	–	–	13,069	13,069
Bulk earthworks non depreciable	Bulk earthworks non depreciable	30/06/15	–	–	151,245	151,245
Swimming Pools	Swimming Pools	30/06/17	–	–	4,327	4,327
Other open space/recreational	Other open space/recreational	Historical	–	–	83,669	83,669
Other Infrastructure	Other Infrastructure	Historical	–	–	18,481	18,481
	<b>Total infrastructure, property, plant and equipment</b>		–	215,050	2,206,851	2,421,901

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

### Note 21. Fair value measurement (continued)

\$ '000

**(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:** (continued)

2017	Recurring fair value measurements	Date of latest valuation	Fair value measurement hierarchy			Total
			Level 1	Level 2	Level 3	
<b>Investment property</b>						
Various		30/06/17	—	55,075	—	55,075
	<b>Total investment property</b>		—	55,075	—	55,075
<b>Infrastructure, property, plant and equipment</b>						
Operational land		30/06/13	—	108,213	—	108,213
Community land		30/06/16	—	222,008	222,008	
Land improvements (depreciable)		Historical	—	—	7,873	7,873
Buildings		30/06/17	—	—	340,245	340,245
Other Structures		Historical	—	—	3,505	3,505
Roads		30/06/17	—	—	715,363	715,363
Bridges		30/06/17	—	—	6,804	6,804
Footpaths		30/06/17	—	—	72,132	72,132
Stormwater drainage		30/06/17	—	—	464,990	464,990
Land under roads		30/06/17	—	—	12,554	12,554
Land improvements (non depreciable)		Historical	—	—	2,446	2,446
Bulk earthworks non depreciable		30/06/15	—	—	152,097	152,097
Swimming Pools		Historical	—	—	4,610	4,610
Other open space/recreational		Historical	—	—	72,730	72,730
Other Infrastructure		Historical	—	—	15,930	15,930
	<b>Total infrastructure, property, plant and equipment</b>		—	108,213	2,093,287	2,201,500

**(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 2018

#### Note 21. Fair value measurement (continued)

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##### (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).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

##### **Investment Properties (Level 2)**

Council engages an external, independent and qualified valuers to determine the fair value of Council's investments properties.. Investment properties were revalued as at 30 June 2018 (by Robert Randall Registered Practicing Valuer AAPI 67869 McLennan Steege Smith & Associates.)

##### **Infrastructure, property, plant and equipment (IPP&E)**

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.

Condition based assessments have been carried out on these assets to determine fair value, the rate of consumption of service potential and the residual life for valuation purposes.

##### **Buildings**

Council engages external, independent and qualified valuers to determine the fair value of Council's buildings.

The gross value of each building is obtained by applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology.

Buildings were last revalued as at 30 June 2017 by Scott Fullarton Valuation Pty Ltd., in accordance with the fair valuation policy as mandated by the Office of Local Government.

The key unobservable input is the rate per square metre which was benchmarked to construction costs of similar properties across the industry.

If there are changes in valuation techniques from prior years, these and the reasons for change also need to be listed.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 21. Fair value measurement (continued)

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### **Infrastructure Assets (Roads, Bulk Earthworks, Parks, Stormwater Drainage, Open Space, Recreational Facilities and Other Infrastructure Assets)**

This asset class includes bridges, bus shelters, carparks, footpaths, kerb and gutter, sealed roads, traffic management devices, cycleways, open space, furniture, park lighting, play equipment, playground facilities, recreational facilities, irrigation and other structures, culverts, stormwater quality improvement devices (creeks and wetlands), open channels, stormwater pits/pipes and structures.

Council's road assets are componentised into surface, base, sub-base and formation and further separated into segments for inspection and valuation. The formation of road bulk earthworks are non-depreciable.

The valuation of this asset class was performed internally as there is not active market for assets of this nature. The fair value of these assets was based on their current replacement cost using internal unit rates and condition assessment. These assets were last revalued 30 June 2017 (Roads); 30 June 2018 (Drainage).

This asset class is categorised as Level 3 as some of the inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

The fair value of these assets was determined based on their current replacement cost.

###### **Land (Operational, Community and Land under roads)**

###### Community land

Council's Community Land valuations have been performed internally based on Valuer General's valuations for rating purposes where available, or the average total Value General rate divided by the total land area to derive a unit rate. (Average Shire Rate). For parcels not in the Valuer General report, the value is derived from the average of the community land parcels rather than the average shire rate.

Council's Community Land was last revalued 30 June 2016 in accordance with the fair valuation policy as mandated by the Office of Local Government.

###### Operational land (Level 2)

Operational land is valued externally. Where this information is not available, current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences are considered.

Council's Operational Land was last revalued 30 June 2018 in accordance with the fair valuation policy as mandated by the Office of Local Government.

###### Land under roads

The fair value for Land under Roads has been performed internally using a unit rate per square metre, derived from the Valuer General's valuation performed for rating purposes. Given the nature of Land under Roads, comparable sales data is not available. As the Valuer General considers land in all zoning, average unit rates derived from the Valuer General's valuation is considered the most practicable approach to valuing Land under Roads. Council excludes all areas relating to National Parks in this calculation.

Land under roads reflects the Office of Local Government discounting policy (adopted 2017).

The key unobservable input to the valuation is the rate per square metre.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 21. 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.

	Community land	Land Improvem't Deprec.	Buildings	Total
<b>Opening balance – 1/7/16</b>	221,235	81,773	135,141	438,149
Purchases (GBV)	716	2,025	4,031	6,772
Disposals (WDV)	–	–	(431)	(431)
Depreciation and impairment	–	(911)	(4,490)	(5,401)
FV gains – other comprehensive income	–	–	–	–
Revaluation	–	–	89,306	89,306
Transfers/Adjustments	57	(75,014)	116,688	41,731
<b>Closing balance – 30/6/17</b>	<b>222,008</b>	<b>7,873</b>	<b>340,245</b>	<b>570,126</b>
Purchases (GBV)	541	203	5,565	6,309
Disposals (WDV)	(1)	(13)	(338)	(352)
Depreciation and impairment	–	–	(6,701)	(6,701)
Revaluation	–	–	–	–
Adjustments Transfers	(157)	(12,653)	1,182	(11,628)
Change in Classification	–	4,590	–	4,590
<b>Closing balance – 30/6/18</b>	<b>222,391</b>	<b>–</b>	<b>339,953</b>	<b>562,344</b>
	Other Infrastr.	Roads	Bridges	Footpaths
<b>Opening balance – 1/7/16</b>	–	616,591	7,972	70,403
Purchases (GBV)	794	18,486	1,248	3,416
Depreciation and impairment	(510)	(10,998)	(114)	(1,032)
Transfers/adjustments	–	7,719	–	194
Revaluation Increments to Equity	15,646	83,565	(2,302)	(849)
<b>Closing balance – 30/6/17</b>	<b>15,930</b>	<b>715,363</b>	<b>6,804</b>	<b>72,132</b>
Purchases (GBV)	2,221	19,002	393	3,799
Depreciation and impairment	(607)	(12,618)	(106)	(893)
Adjustments Transfers	1,146	–	–	–
Change in Classification	(209)	–	–	(209)
<b>Closing balance – 30/6/18</b>	<b>18,481</b>	<b>721,747</b>	<b>7,091</b>	<b>75,038</b>
				<b>822,357</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 21. 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)

	Stormwater drainage	Swimming Pools	Other Open Space Recreational	Other Structures	Total
<b>Opening balance – 1/7/16</b>	356,988	20,195	–		377,183
Transfers from/(to) another asset class	–	–	76,409	3,165	79,574
Purchases (GBV)	7,097	2	10,680	660	18,439
Depreciation and impairment	(6,281)	(67)	–	(320)	(6,668)
Transfers/adjustments	2,478	(19,343)	(13,390)	–	(30,255)
Revaluation Increments to Equity	104,708	3,823	(969)	–	107,562
<b>Closing balance – 30/6/17</b>	<b>464,990</b>	<b>4,610</b>	<b>72,730</b>	<b>3,505</b>	<b>545,835</b>
Purchases (GBV)	862	51	5,458	354	6,725
Disposals (WDV)	–	–	(5)	(282)	(287)
Depreciation and impairment	(7,235)	(334)	(2,900)	–	(10,469)
Revaluation	105,885	–	–	–	105,885
Adjustments Transfers	1,294	–	12,218	168	13,680
Change in Classification	–	–	(3,832)	(76)	(3,908)
<b>Closing balance – 30/6/18</b>	<b>565,796</b>	<b>4,327</b>	<b>83,669</b>	<b>3,669</b>	<b>657,461</b>
	Land Under Roads	Land Improvem't Non Dep.	Bulk Earthworks Non Deprec		Total
<b>Opening balance – 1/7/16</b>	12,554	14,430	151,876		178,860
Purchases (GBV)	–	–	221		221
Transfers/adjustments	–	(11,984)	–		(11,984)
<b>Closing balance – 30/6/17</b>	<b>12,554</b>	<b>2,446</b>	<b>152,097</b>	<b>2,446</b>	<b>167,097</b>
Purchases (GBV)	482	–	441		923
Revaluation	(7)	–	–		(7)
Adjustments Transfers	40	(2,446)	(1,293)		(3,699)
<b>Closing balance – 30/6/18</b>	<b>13,069</b>	<b>–</b>	<b>151,245</b>	<b>–</b>	<b>164,314</b>

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 22. Related party transactions

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\$

##### a. Key management personnel

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

KMP are the Mayor, Deputy Mayor, Councillors, General Manager and Directors.

The aggregate amount of KMP compensation included in the Income Statement is:

**Compensation:**

Short-term benefits

2018

2017

2,237,745

2,007,000

Post-employment benefits

6,676

14,000

Other long-term benefits

114,334

9,300

Total

**2,358,755**

**2,030,300**

# Sutherland Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2018

### Note 23. Statement of developer contributions

\$ '000

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

#### 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	33,548	13,164	335	1,376	(5,366)	—	42,722	—
Community facilities	4,028	1,779	82	131	(36)	—	5,902	—
Contributions (investment property)**	5,350	—	—	—	650	—	6,000	—
S7.11 contributions – under a plan	42,926	14,943	417	1,507	(4,752)	—	54,624	—
S7.12 levies – under a plan	2,114	3,072	2	91	(251)	—	5,026	—
Total S7.11 and S7.12 revenue under plans	45,040	18,015	419	1,598	(5,003)	—	59,650	—
S7.11 not under plans	1,359	—	—	36	—	—	1,395	—
<b>Total contributions</b>	<b>46,399</b>	<b>18,015</b>	<b>419</b>	<b>1,634</b>	<b>(5,003)</b>	<b>—</b>	<b>61,045</b>	<b>—</b>

\*\* Increase in Valuation of Investment Properties.

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 23. Statement of developer contributions (continued)

\$ '000

##### S7.11 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	25,775	11,243	144	1,147	(4,974)	–	33,191	–
	5,350	–	650	–	–	–	6,000	–
<b>Total</b>	<b>31,125</b>	<b>11,243</b>	<b>794</b>	<b>1,147</b>	<b>(4,974)</b>	–	<b>39,191</b>	–

###### 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	4,028	1,779	82	131	(36)	–	5,902	–
<b>Total</b>	<b>4,028</b>	<b>1,779</b>	<b>82</b>	<b>131</b>	<b>(36)</b>	–	<b>5,902</b>	–

###### Section 94 2016 Plans (2016)

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	7,773	1,921	191	229	(392)	–	9,531	–
<b>Total</b>	<b>7,773</b>	<b>1,921</b>	<b>191</b>	<b>229</b>	<b>(392)</b>	–	<b>9,531</b>	–

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 23. Statement of developer contributions (continued)

\$ '000

#### S7.12 LEVIES – UNDER A PLAN

##### Section 94A

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	2,114	3,072	2	91	(251)	–	5,026	–
<b>Total</b>	<b>2,114</b>	<b>3,072</b>	<b>2</b>	<b>91</b>	<b>(251)</b>	<b>–</b>	<b>5,026</b>	<b>–</b>

#### S7.11 CONTRIBUTIONS – NOT UNDER A PLAN

##### Pre 1993 Woronora Northern Access Road

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	1,359	–	–	36	–	–	1,395	–
<b>Total</b>	<b>1,359</b>	<b>–</b>	<b>–</b>	<b>36</b>	<b>–</b>	<b>–</b>	<b>1,395</b>	<b>–</b>

# Sutherland Shire Council

## Notes to the Financial Statements for the year ended 30 June 2018

### Note 24(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2018	Indicator 2018	Prior periods 2017	2016	Benchmark
<b>Local government industry indicators – consolidated</b>					
<b>1. Operating performance ratio</b>					
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<u>7,314</u>	3.23%	9.25%	7.10%	> 0.00%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	<u>226,293</u>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>213,488</u>	83.98%	76.39%	85.39%	> 60.00%
Total continuing operating revenue <sup>(1)</sup>	<u>254,219</u>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions <sup>(2)</sup>	<u>83,441</u>	2.91x	2.36x	1.70x	> 1.5x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	<u>28,628</u>				
<b>4. Debt service cover ratio</b>					
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>42,570</u>	17.88x	21.17x	10.65x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>2,381</u>				
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	<u>5,721</u>	3.58%	3.59%	3.56%	< 5% metro
Rates, annual and extra charges collectible	<u>159,807</u>				
<b>5a. Rates, annual charges, interest and extra charges outstanding percentage</b>					
The Rates and Annual Charges outstanding includes an amount of \$2,014,988.48 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>2,015</u>	1.26%	2.38%	2.31%	
Rates, annual and extra charges collectible	<u>159,807</u>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<u>x12</u>	118,512	7.72 mths	6.1 mths	4.5 mths
Payments from cash flow of operating and financing activities	<u>15,354</u>				> 3 mths

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 24(a). Statement of performance measures – consolidated results (continued)

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##### Notes on the ratios from the previous page

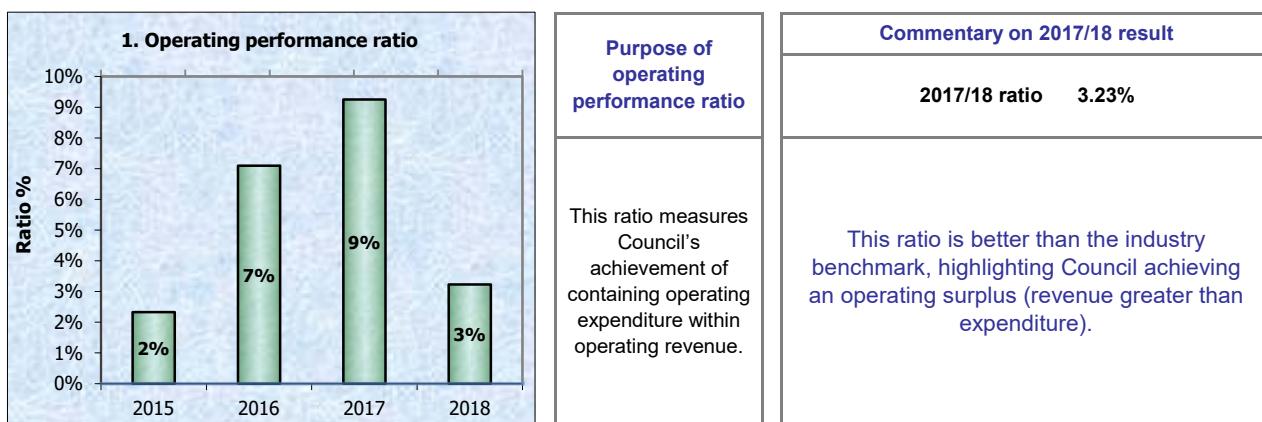
- (<sup>1</sup>) Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.
- (<sup>2</sup>) Refer Notes 6-8 inclusive.  
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.
- (<sup>3</sup>) Refer to Notes 12 and 13.
- (<sup>4</sup>) Refer to Note 12(b) and 13(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

**END OF AUDITED FINANCIAL STATEMENTS**

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 24(b). Statement of performance measures – consolidated results (graphs)

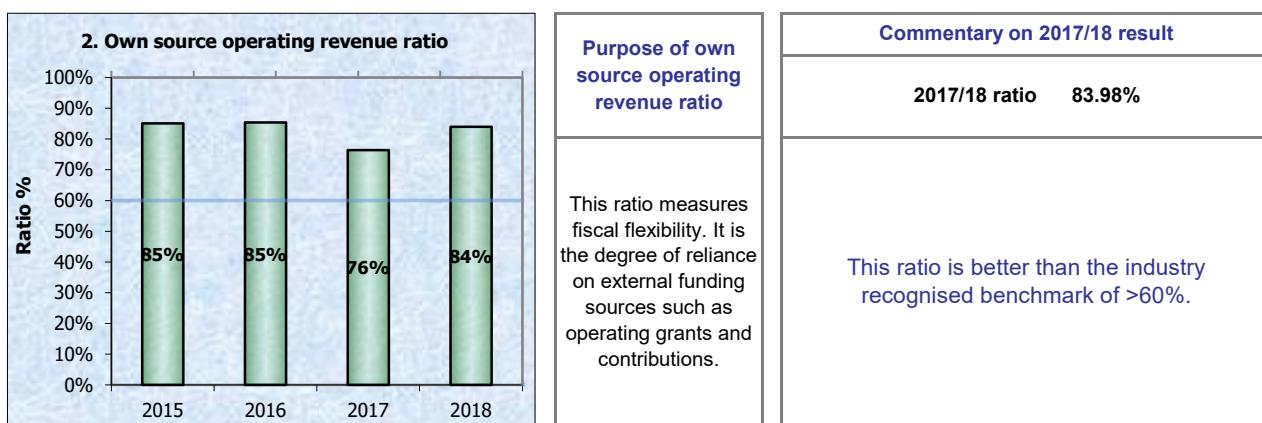


Benchmark:  Minimum >=0.00%

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark

 Ratio is outside benchmark

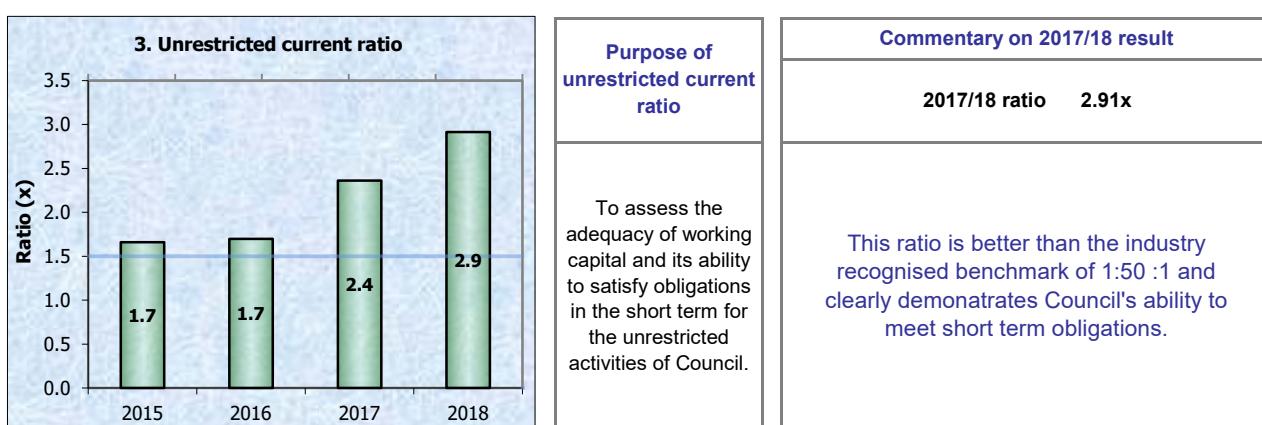


Benchmark:  Minimum >=60.00%

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark

 Ratio is outside benchmark



Benchmark:  Minimum >=1.50

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

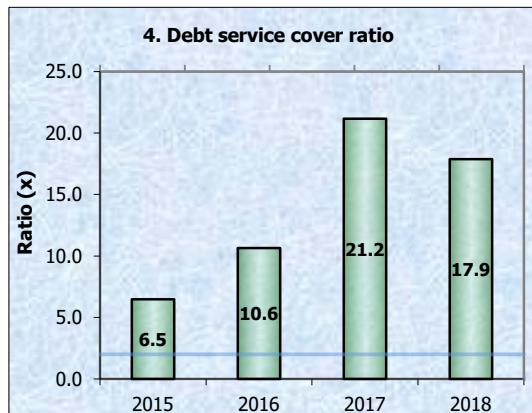
 Ratio achieves benchmark

 Ratio is outside benchmark

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 24(b). Statement of performance measures – consolidated results (graphs)



**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 2017/18 result**

**2017/18 ratio 17.88x**

This result provides an indication that Council can adequately service 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 #26

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 2017/18 result**

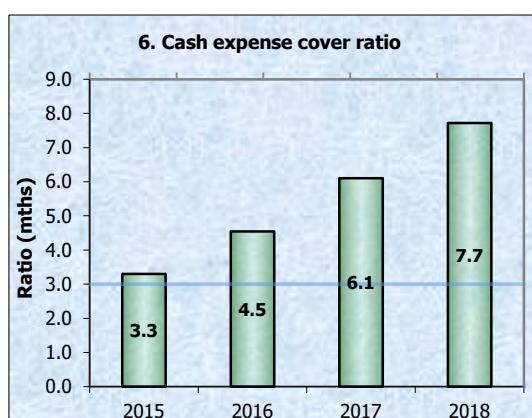
**2017/18 ratio 3.58%**

This ratio is better than the industry benchmark of 5%. Council does not pursue eligible pensioners and arrangements under hardship. These debtors are included in the figures presented.

Benchmark: ————— Maximum <5.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting #26

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 2017/18 result**

**2017/18 ratio 7.72 mths**

This ratio is better than the benchmark of 3 months. This indicates that Council has the ability to continue to meet its immediate commitment for 7.8 months without additional cashflows.

Benchmark: ————— Minimum >=3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Ratio achieves benchmark  
 Ratio is outside benchmark

## Sutherland Shire Council

### Notes to the Financial Statements for the year ended 30 June 2018

#### Note 25. Council information and contact details

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**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](mailto:ssc@ssc.nsw.gov.au)

**Officers**

**GENERAL MANAGER**

Mr. Scott Phillips

**RESPONSIBLE ACCOUNTING OFFICER**

Mr. Greg Hayes

**PUBLIC OFFICER**

Mr. Anton Usher

**AUDITORS**

Audit Office of New South Wales

15/1 Margaret Street

SYDNEY NSW 2000

**Elected members**

**MAYOR**

Councillor Carmelo 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 Carole Provan  
Clr John Riad  
Clr Peter Scaysbrook  
Clr Marie Simone  
Clr Steve Simpson  
Clr Deidree Steinwall

**Other information**

**ABN:** 52 018 204 808



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial report

Sutherland Shire Council

To the Councillors of the Sutherland Shire Council

#### Opinion

I have audited the accompanying financial report of Sutherland Shire Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- 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)
- the financial report:
  - has been presented, in all material respects, in accordance with the requirements of this Division
  - is consistent with the Council's accounting records
  - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Other Information**

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule 2 - Permissible income for general rates.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Report**

The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards 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 report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

## **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis  
Director, Financial Audit Services

24 October 2018  
SYDNEY

Cr Carmelo Pesce  
Mayor  
Sutherland Shire Council  
4-20 Eton Street  
SUTHERLAND NSW 2232

Contact: Caroline Karakatsanis  
Phone no: 02 9275 7134  
Our ref: D1814453/1790

24 October 2018

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2018  
Sutherland Shire Council**

I have audited the general purpose financial statements of the Sutherland Shire Council (the Council) for the year ended 30 June 2018 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2018 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

**SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

I did not identify any significant audit issues and observations during my audit of the Council's financial statements.

## INCOME STATEMENT

### Operating result

	2018 \$m	2017 \$m	Variance %
<b>Rates and annual charges revenue</b>	153.1	150.2	 1.9
<b>Grants and contributions revenue</b>	40.7	62.9	 -35.3
<b>Operating result for the year</b>	35.0	64.7	 -45.9
<b>Net operating result before capital amounts</b>	7.0	23.1	 -69.7

The rates increase is in line with the annual rate increase percentage prescribed by IPART.

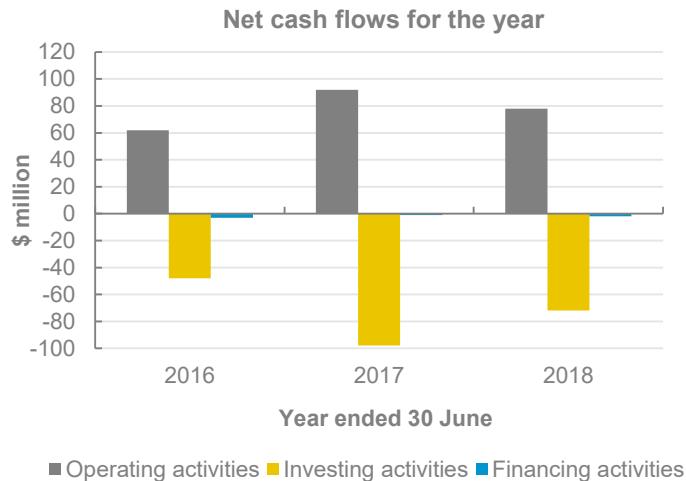
The significant decrease in grants and contribution is due to the reclassification of the childcare subsidy of \$5 million to user charges and fees revenue, reduction of Lucas Height Resource Recovery Park contribution by \$7.6 million and a \$8.8 million decrease in other dedications.

The Operating result for the year decreased by 45.9 per cent. This is mainly due to the significant decrease in grants and contributions revenue with increases in operating expenses including depreciation.

## STATEMENT OF CASH FLOWS

The increase in cash and cash equivalents form \$9.1 million in 2017 to \$13.4 million in 2018 is due to net operating cash inflows of \$78 million netted off by:

- the net purchase (cash outflow) of security investments of \$30 million
- payments of \$43 million for purchases of new assets.



## FINANCIAL POSITION

### Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	87.9	66.4	The increase in external and internal restricted cash and investments are due to more receipts from contributions than expenditure that has specific dedicated uses.
Internal restrictions	58.4	46.3	
Unrestricted	7.1	6.4	
<b>Cash and investments</b>	<b>153.4</b>	<b>119.1</b>	Unrestricted balances provide liquidity for day-to-day operations.

## PERFORMANCE RATIOS

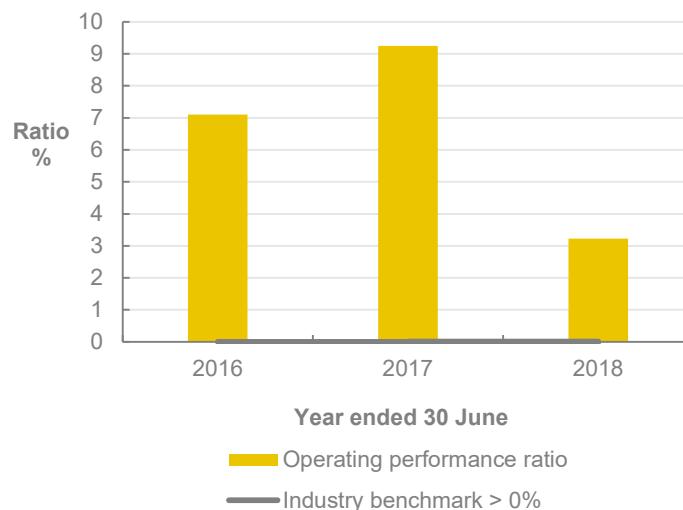
The definition of each ratio analysed below (except for the ‘building and infrastructure renewals ratio’) is included in Note 24 of the Council’s audited general purpose financial statements. The ‘building and infrastructure renewals ratio’ is defined in Council’s Special Schedule 7 which has not been audited.

### Operating performance ratio

- While Councils ratio decreased in 2018 from 2017 it still exceeded the benchmark due to the council’s ability to contain operating expenditure below operating revenue.

The ‘operating performance ratio’ measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent.

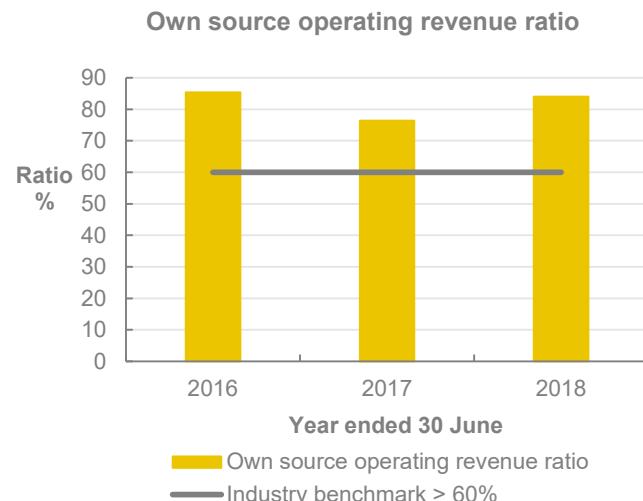
Operating performance ratio



## Own source operating revenue ratio

- The council met the own source benchmark of 60 per cent due to increase in revenue from rates and charges.
- The slight increase in 2017–18 is due to the decrease in receipt of grants and contributions.

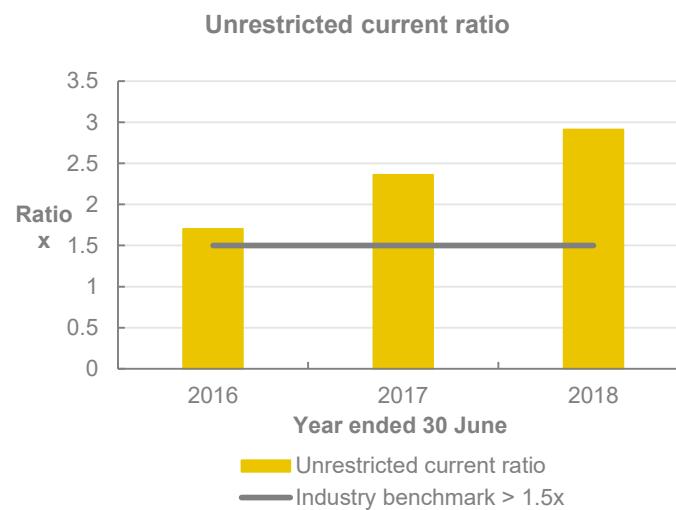
The ‘own source operating revenue ratio’ measures council’s fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



## Unrestricted current ratio

- Council continues to exceed the benchmark due to cash reserves accumulated over the years.
- Unrestricted current ratio increased due to the positive operating cash flows that have not been fully utilised in 2017–18.

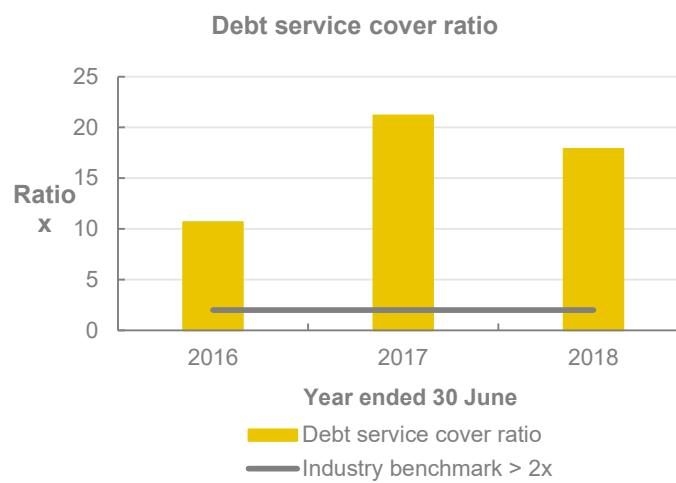
The ‘unrestricted current ratio’ is specific to local government and represents council’s ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



## Debt service cover ratio

- the Council continues to meet the debt service cover ratio due to significant operating cash inflows over the years.
- the slight decrease in 2017–18 is mainly due to the increase in principal repayments.

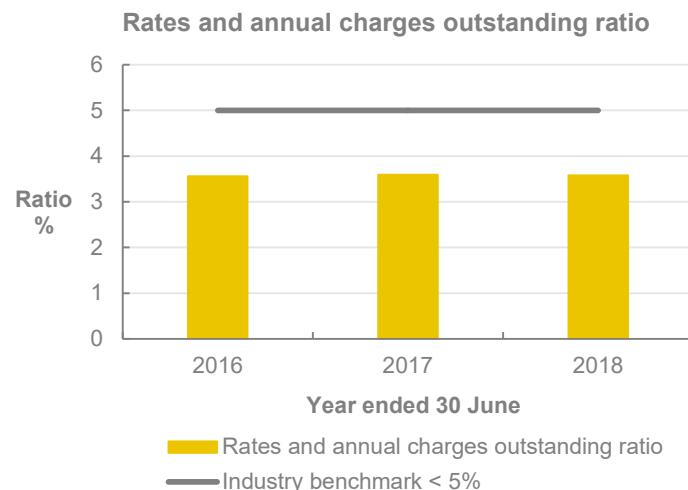
The ‘debt service cover ratio’ measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



## Rates and annual charges outstanding ratio

Performance better than benchmark (<5 per cent for metro councils) and remains relatively consistent.

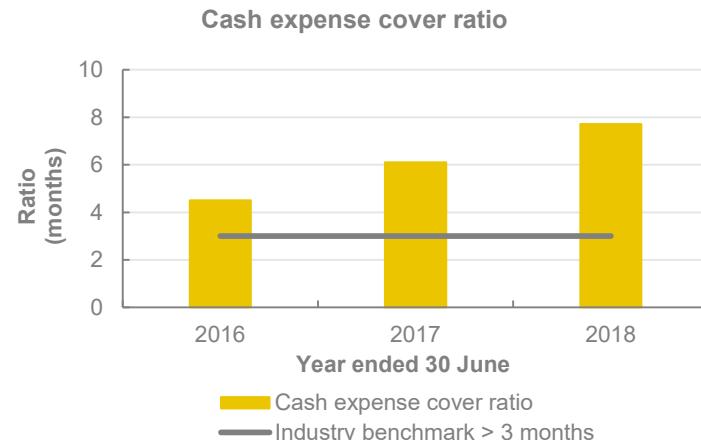
The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 5 per cent for metro councils.



## Cash expense cover ratio

- Council continues to exceed the benchmark of greater than three months balances at the end of the year.
- Increase in the ratio over the years due to significant developer contributions.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

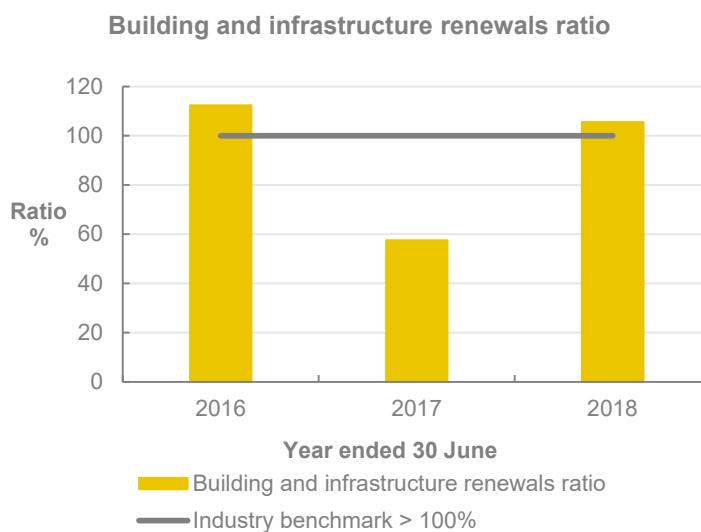


## Building and infrastructure renewals ratio (unaudited)

- Council exceeded the benchmark of greater than 100 per cent due to more investment in renewal assets in 2017–18.

The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from council's Special Schedule 7 which has not been audited.



## OTHER MATTERS

### New accounting standards implemented

#### AASB 2016-2 'Disclosure Initiative – Amendments to AASB 107'

Effective for annual reporting periods beginning on or after 1 January 2017

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 12.

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.



Caroline Karakatsanis  
Director, Financial Audit Services

cc: Scott Phillips, General Manager  
Cliff Haynes, Chair of the Audit, Risk and Improvement Committee  
Tim Hurst, Chief Executive of the Office of Local Government

# Sutherland Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2018

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# Sutherland Shire Council

## Special Purpose Financial Statements for the year ended 30 June 2018

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### 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 2018

**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,

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 15 October 2018.



Councillor Carmelo Pesce  
**Mayor**  
15 October 2018



Councillor Steve Simpson  
**Deputy Mayor**  
15 October 2018

Mr. Scott Phillips  
**General Manager**  
15 October 2018



Mr. Greg Hayes  
**Responsible Accounting Officer**  
15 October 2018

## Sutherland Shire Council

### Income Statement of Council's Other Business Activities for the year ended 30 June 2018

	Long Day Care		Operational Property	
	Category 1		Category 1	
\$ '000	2018	2017	2018	2017
<b>Income from continuing operations</b>				
User charges	12,498	11,538	–	–
Fees	–	–	678	730
Grants and contributions provided for non-capital purposes	693	1,038	–	–
Profit from the sale of assets	–	–	45	435
Other income	57	51	5,677	5,797
<b>Total income from continuing operations</b>	<b>13,248</b>	<b>12,627</b>	<b>6,400</b>	<b>6,962</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	9,843	8,447	89	93
Materials and contracts	912	1,270	73	79
Depreciation, amortisation and impairment	42	52	158	105
Calculated taxation equivalents	475	442	1,001	966
Internal rent	1,343	1,339	–	–
Other notional internal expenses	1,777	1,725	177	171
Other expenses	2,444	2,025	1,044	1,175
<b>Total expenses from continuing operations</b>	<b>16,836</b>	<b>15,300</b>	<b>2,542</b>	<b>2,589</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(3,588)</b>	<b>(2,673)</b>	<b>3,858</b>	<b>4,373</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(3,588)</b>	<b>(2,673)</b>	<b>3,858</b>	<b>4,373</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(3,588)</b>	<b>(2,673)</b>	<b>3,858</b>	<b>4,373</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	–	–	(1,157)	(1,312)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(3,588)</b>	<b>(2,673)</b>	<b>2,701</b>	<b>3,061</b>
<b>Plus opening retained profits</b>	<b>4,213</b>	<b>3,380</b>	<b>50,879</b>	<b>50,999</b>
<b>Plus adjustments for amounts unpaid:</b>				
– Taxation equivalent payments	475	442	1,001	966
– Internal rent	1,343	1,339	–	–
– Other notional internal expenses	1,777	1,725	177	171
– Corporate taxation equivalent	–	–	1,157	1,312
<b>Less:</b>				
– Dividend paid	–	–	(686)	(5,630)
<b>Closing retained profits</b>	<b>4,220</b>	<b>4,213</b>	<b>55,229</b>	<b>50,879</b>
<b>Return on capital %</b>	<b>-1708.6%</b>	<b>-492.3%</b>	<b>4.6%</b>	<b>5.9%</b>
<b>Subsidy from Council</b>	<b>3,594</b>	<b>2,686</b>	<b>–</b>	<b>–</b>

## Sutherland Shire Council

### Income Statement of Council's Other Business Activities for the year ended 30 June 2018

	Entertainment Centre		Commercial Waste	
	Category 2		Category 2	
\$ '000	2018	2017	2018	2017
<b>Income from continuing operations</b>				
User charges	1,181	1,036	1,266	1,182
Interest	2	—	—	—
Other income	327	407	18	51
<b>Total income from continuing operations</b>	<b>1,510</b>	<b>1,443</b>	<b>1,284</b>	<b>1,233</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	1,535	1,309	51	52
Materials and contracts	280	355	203	525
Depreciation, amortisation and impairment	62	112	—	—
Calculated taxation equivalents	38	30	—	—
Internal rent	974	958	1	1
Other notional internal expenses	275	267	113	109
Other expenses	685	657	206	12
<b>Total expenses from continuing operations</b>	<b>3,849</b>	<b>3,688</b>	<b>574</b>	<b>699</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(2,339)</b>	<b>(2,245)</b>	<b>710</b>	<b>534</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(2,339)</b>	<b>(2,245)</b>	<b>710</b>	<b>534</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(2,339)</b>	<b>(2,245)</b>	<b>710</b>	<b>534</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	—	—	(213)	(160)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(2,339)</b>	<b>(2,245)</b>	<b>497</b>	<b>374</b>
<b>Plus opening retained profits</b>	<b>(6,494)</b>	<b>(5,504)</b>	<b>4,585</b>	<b>3,940</b>
<b>Plus adjustments for amounts unpaid:</b>				
– Taxation equivalent payments	38	30	—	—
– Internal rent	974	958	1	1
– Other notional internal expenses	275	267	113	110
– Corporate taxation equivalent	—	—	213	160
<b>Closing retained profits</b>	<b>(7,546)</b>	<b>(6,494)</b>	<b>5,409</b>	<b>4,585</b>
<b>Return on capital %</b>	<b>-903.1%</b>	<b>-542.3%</b>	<b>n/a</b>	<b>n/a</b>
<b>Subsidy from Council</b>	<b>2,346</b>	<b>2,255</b>	<b>—</b>	<b>—</b>

## Sutherland Shire Council

### Statement of Financial Position – Council's Other Business Activities as at 30 June 2018

	Long Day Care		Operational Property	
	Category 1		Category 1	
\$ '000	2018	2017	2018	2017
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	–	2	2,641	2,641
Investments	3,373	2,644	649	616
Receivables	245	198	–	–
Non-current assets classified as held for sale	–	–	6,639	7,232
<b>Total Current Assets</b>	<b>3,618</b>	<b>2,844</b>	<b>9,929</b>	<b>10,489</b>
<b>Non-current assets</b>				
Receivables	–	–	11,269	10,639
Infrastructure, property, plant and equipment	210	543	83,288	74,483
Other	2,786	2,810	–	–
<b>Total non-current assets</b>	<b>2,996</b>	<b>3,353</b>	<b>94,557</b>	<b>85,122</b>
<b>TOTAL ASSETS</b>	<b>6,614</b>	<b>6,197</b>	<b>104,486</b>	<b>95,611</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	293	260	21	20
Provisions	2,081	1,635	–	–
<b>Total current liabilities</b>	<b>2,374</b>	<b>1,895</b>	<b>21</b>	<b>20</b>
<b>Non-current liabilities</b>				
Provisions	20	89	–	–
Other Liabilities	–	–	49,236	44,712
<b>Total non-current liabilities</b>	<b>20</b>	<b>89</b>	<b>49,236</b>	<b>44,712</b>
<b>TOTAL LIABILITIES</b>	<b>2,394</b>	<b>1,984</b>	<b>49,257</b>	<b>44,732</b>
<b>NET ASSETS</b>	<b>4,220</b>	<b>4,213</b>	<b>55,229</b>	<b>50,879</b>
<b>EQUITY</b>				
Accumulated surplus	4,220	4,213	55,229	50,879
<b>TOTAL EQUITY</b>	<b>4,220</b>	<b>4,213</b>	<b>55,229</b>	<b>50,879</b>

## Sutherland Shire Council

### Statement of Financial Position – Council's Other Business Activities as at 30 June 2018

	Entertainment Centre		Commercial Waste	
	Category 2		Category 2	
\$ '000	2018	2017	2018	2017
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	4	4	–	–
Investments	57	–	–	–
Receivables	77	14	–	–
<b>Total Current Assets</b>	<b>138</b>	<b>18</b>	<b>–</b>	<b>–</b>
<b>Non-current assets</b>				
Infrastructure, property, plant and equipment	259	414	–	–
Other	–	–	5,480	4,659
<b>Total non-current assets</b>	<b>259</b>	<b>414</b>	<b>5,480</b>	<b>4,659</b>
<b>TOTAL ASSETS</b>	<b>397</b>	<b>432</b>	<b>5,480</b>	<b>4,659</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	165	125	29	37
Provisions	280	187	42	37
<b>Total current liabilities</b>	<b>445</b>	<b>312</b>	<b>71</b>	<b>74</b>
<b>Non-current liabilities</b>				
Provisions	–	4	–	–
Other Liabilities	7,498	6,610	–	–
<b>Total non-current liabilities</b>	<b>7,498</b>	<b>6,614</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>7,943</b>	<b>6,926</b>	<b>71</b>	<b>74</b>
<b>NET ASSETS</b>	<b>(7,546)</b>	<b>(6,494)</b>	<b>5,409</b>	<b>4,585</b>
<b>EQUITY</b>				
Accumulated surplus	(7,546)	(6,494)	5,409	4,585
<b>TOTAL EQUITY</b>	<b>(7,546)</b>	<b>(6,494)</b>	<b>5,409</b>	<b>4,585</b>

## Sutherland Shire Council

### Special Purpose Financial Statements for the year ended 30 June 2018

#### Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	8

## Sutherland Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

#### Note 1. Significant accounting policies

---

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements 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 these Special Purpose Financial Statements 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 prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW government policy statement titled '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 a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with *Pricing 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.*

## Sutherland Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

#### Note 1. Significant accounting policies (continued)

---

##### 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.

###### (i) Taxation-equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose 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 \$629,000 of combined land values attracts **0%**. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$3,846,000 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 the business activities.

Whilst 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.

## Sutherland Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

#### Note 1. Significant accounting policies (continued)

---

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

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

Since the 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 the SPFS.

The rate applied of 30% is/is not the equivalent company tax rate prevalent at reporting 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.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

##### *(iii) Return on investments (rate of return)*

The NCP 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 actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

## Sutherland Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

#### Note 1. Significant accounting policies (continued)

---

The rate of return is calculated as follows:

$$\frac{\text{Operating result before capital income + interest expense}}{\text{Written down value of I,PP&E as at 30 June}}$$

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.63% at 30/6/18.

##### *(iv) Dividends*

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

**END OF AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS**



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial report

Sutherland Shire Council

To the Councillors of the Sutherland Shire Council

#### Opinion

I have audited the accompanying special purpose financial report (the financial report) of Sutherland Shire Council's (the Council) Declared Business Activities, which comprise the Income Statement of each Declared Business Activity for the year ended 30 June 2018, the Statement of Financial Position of each Declared Business Activity as at 30 June 2018, notes comprising a summary of Significant accounting policies and other explanatory information for the Business Activities declared by the Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Long Day Care Centres
- Operational Property
- Sutherland Entertainment Centre
- Commercial Waste.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2018, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial report may not be suitable for another purpose.

### **Other Information**

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 2 - Permissible income for general rates.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

### **The Councillors' Responsibilities for the Financial Report**

The Councillors are responsible for the preparation and fair presentation of the financial report and for determining that the accounting policies, described in Note 1 to the financial report, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objectives are to:

- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.



Caroline Karakatsanis  
Director, Financial Audit Services

24 October 2018  
SYDNEY

# Sutherland Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2018

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# Sutherland Shire Council

## Special Schedules for the year ended 30 June 2018

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<b>Special Schedule 2</b>	Independent Auditors Report
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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 2).

---

### 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 2018

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>10,813</b>	<b>1,485</b>	–	<b>(9,328)</b>
<b>Administration</b>	<b>33,946</b>	<b>699</b>	<b>1,636</b>	<b>(31,611)</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	4,384	199	651	(3,534)
Beach control	2,127	80	110	(1,937)
Enforcement of local government regulations	7,579	5,622	–	(1,957)
Animal control	657	713	–	56
Other	1,411	104	14	(1,293)
<b>Total public order and safety</b>	<b>16,158</b>	<b>6,718</b>	<b>775</b>	<b>(8,665)</b>
<b>Health</b>	<b>1,479</b>	<b>428</b>	–	<b>(1,051)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	1,331	131	485	(715)
Other environmental protection	1,587	1,777	–	190
Solid waste management	29,783	38,120	–	8,337
Street cleaning	2,095	3	–	(2,092)
Drainage	8,542	59	2	(8,481)
Stormwater management	1,378	2,122	186	930
<b>Total environment</b>	<b>44,716</b>	<b>42,212</b>	<b>673</b>	<b>(1,831)</b>
<b>Community services and education</b>				
Administration and education	137	190	–	53
Social protection (welfare)	454	65	–	(389)
Children's services	13,715	14,336	–	621
<b>Total community services and education</b>	<b>14,306</b>	<b>14,591</b>	–	<b>285</b>
<b>Housing and community amenities</b>				
Public conveniences	1,836	–	–	(1,836)
Street lighting	3,616	423	–	(3,193)
Town planning	2,279	529	–	(1,750)
Other community amenities	211	245	–	34
<b>Total housing and community amenities</b>	<b>7,942</b>	<b>1,197</b>	–	<b>(6,745)</b>
<b>Water supplies</b>	–	–	–	–
<b>Sewerage services</b>	–	–	–	–

## Sutherland Shire Council

### Special Schedule 1 – Net Cost of Services (continued) for the year ended 30 June 2018

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	7,964	837	–	(7,127)
Art galleries	2,863	1,348	–	(1,515)
Community centres and halls	3,158	856	–	(2,302)
Performing arts venues	2,259	1,122	2	(1,135)
Other cultural services	614	82	–	(532)
Sporting grounds and venues	3,740	3,285	606	151
Swimming pools	11,030	9,017	10	(2,003)
Parks and gardens (lakes)	18,513	2,213	19,146	2,846
Other sport and recreation	1,498	163	–	(1,335)
<b>Total recreation and culture</b>	<b>51,639</b>	<b>18,923</b>	<b>19,764</b>	<b>(12,952)</b>
<b>Fuel and energy</b>				
<b>Agriculture</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Mining, manufacturing and construction</b>				
Building control	7,626	5,909	–	(1,717)
<b>Total mining, manufacturing and const.</b>	<b>7,626</b>	<b>5,909</b>	<b>–</b>	<b>(1,717)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	23,270	2,394	2,993	(17,883)
Parking areas	63	102	34	73
Footpaths	2,130	–	5	(2,125)
Other transport and communication	509	1,407	1,266	2,164
<b>Total transport and communication</b>	<b>25,972</b>	<b>3,903</b>	<b>4,298</b>	<b>(17,771)</b>
<b>Economic affairs</b>				
Other economic affairs	4,647	6,128	780	2,261
<b>Total economic affairs</b>	<b>4,647</b>	<b>6,128</b>	<b>780</b>	<b>2,261</b>
<b>Totals – functions</b>	<b>219,244</b>	<b>102,193</b>	<b>27,926</b>	<b>(89,125)</b>
<b>General purpose revenues <sup>(1)</sup></b>				
Share of interests – joint ventures and associates using the equity method	–	124,100	–	124,100
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>219,244</b>	<b>226,293</b>	<b>27,926</b>	<b>34,975</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose

(2) As reported in the Income Statement

grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

## Sutherland Shire Council

### Special Schedule 2 – Permissible income for general rates for the year ended 30 June 2019

		Calculation 2018/19	Calculation 2017/18
\$'000			
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	116,883	114,463
Plus or minus adjustments <sup>(2)</sup>	b	118	692
<b>Notional general income</b>	c = (a + b)	<b>117,001</b>	<b>115,155</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
Or rate peg percentage	e	0.00%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	2.38%	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	–	1,727
Or plus Crown land adjustment and rate peg amount	j = c x f	2,785	–
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>119,786</b>	<b>116,882</b>
Plus (or minus) last year's carry forward total	l	1	1
Less valuation objections claimed in the previous year	m	–	–
<b>Sub-total</b>	n = (l + m)	<b>1</b>	<b>1</b>
<b>Total permissible income</b>	o = k + n	<b>119,787</b>	<b>116,883</b>
Less notional general income yield	p	119,691	116,883
<b>Catch-up or (excess) result</b>	q = o – p	<b>96</b>	<b>(0)</b>
Plus income lost due to valuation objections claimed <sup>(4)</sup>	r	–	–
Less unused catch-up <sup>(5)</sup>	s	–	–
<b>Carry forward to next year</b>	t = q + r – s	<b>96</b>	<b>(0)</b>

#### 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 2 in the financial data return (FDR) to administer this process.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule 2 - Permissible Income for general rates

Sutherland Shire Council

To the Councillors of Sutherland Shire Council

#### Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Sutherland Shire Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Emphasis of Matter – Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule had been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

## **Other Information**

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Schedule**

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

## **Auditor's Responsibilities for the Audit of the Schedule**

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Caroline Karakatsanis  
Director, Financial Audit Services

24 October 2018  
SYDNEY

## Sutherland Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard <sup>b</sup>	Estimated cost to bring to the agreed level of service set by Council <sup>c</sup>	2017/18 Required maintenance <sup>a</sup>	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Buildings	3,181	4,917	7,623	7,621	339,953	508,513	7%	72%	21%	0%	0%
	<b>Sub-total</b>	<b>3,181</b>	<b>4,917</b>	<b>7,623</b>	<b>7,621</b>	<b>339,953</b>	<b>508,513</b>	<b>6.9%</b>	<b>72.3%</b>	<b>20.7%</b>	<b>0.1%</b>	<b>0.0%</b>
<b>Other structures</b>	Fencing, Memorials Flagpoles	761	468	234	–	3,669	12,586	4%	24%	44%	24%	4%
	<b>Sub-total</b>	<b>761</b>	<b>468</b>	<b>234</b>	<b>–</b>	<b>3,669</b>	<b>12,586</b>	<b>4.0%</b>	<b>24.0%</b>	<b>44.0%</b>	<b>24.0%</b>	<b>4.0%</b>
<b>Roads</b>	Sealed Roads Surface	1,198	5,156	1,606	6,444	141,096	167,325	16%	55%	25%	3%	0%
	Sealed Roads Pavement	13,406	8,994	1,041	3,638	314,587	416,061	5%	23%	61%	11%	0%
	Bridges	843	2,864	75	171	7,091	14,717	0%	70%	9%	14%	7%
	Footpaths	791	4,068	1,980	774	75,038	101,454	5%	13%	78%	4%	0%
	Other Roads Assets	12,740	43,233	3,058	5,112	417,308	557,539	32%	38%	20%	9%	1%
	<b>Sub-total</b>	<b>28,978</b>	<b>64,315</b>	<b>7,760</b>	<b>16,139</b>	<b>955,120</b>	<b>1,257,098</b>	<b>18.4%</b>	<b>33.7%</b>	<b>38.8%</b>	<b>8.5%</b>	<b>0.6%</b>

## Sutherland Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard <sup>b</sup>	Estimated cost to bring to the agreed level of service set by Council <sup>c</sup>	2017/18 Required maintenance <sup>a</sup>	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Stormwater drainage</b>	Stormwater drainage	4,392	10,211	4,799	2,074	565,796	904,427	54%	45%	0%	0%	1%
	<b>Sub-total</b>	<b>4,392</b>	<b>10,211</b>	<b>4,799</b>	<b>2,074</b>	<b>565,796</b>	<b>904,427</b>	<b>53.6%</b>	<b>44.8%</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.7%</b>
<b>Open space/recreational assets</b>	Other Open Space Rec	1,896	9,364	9,037	420	83,671	144,278	5%	54%	34%	6%	1%
	Swimming pools	1,414	8,080	404	1,737	4,326	16,718	0%	51%	9%	40%	0%
<b>Other Infrastructure Assets</b>	<b>Sub-total</b>	<b>3,310</b>	<b>17,444</b>	<b>9,441</b>	<b>2,157</b>	<b>87,997</b>	<b>160,996</b>	<b>4.5%</b>	<b>53.7%</b>	<b>31.4%</b>	<b>9.5%</b>	<b>0.9%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>42,000</b>	<b>101,330</b>	<b>30,859</b>	<b>27,991</b>	<b>1,971,016</b>	<b>2,875,680</b>	<b>26.7%</b>	<b>45.1%</b>	<b>23.0%</b>	<b>4.6%</b>	<b>0.6%</b>

## Notes:

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

b Amount of money that is required to be spent on assets that are not satisfactory standard (condition 4 and condition 5) to bring to satisfactory standard (condition 3).

c An estimate of the cost to renew or rehabilitate existing assets that have reached the intervention level (condition 4 and condition 5). This will take the asset to near new condition (condition 1).

## Infrastructure asset condition assessment 'key'

1	<b>Excellent/very good</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Satisfactory</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Sutherland Shire Council

### Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2018

	Amounts 2018	Indicator 2018	Prior periods 2017	2016	Benchmark
<b>Infrastructure asset performance indicators *</b>					
<b>consolidated</b>					
<b>1. Buildings and infrastructure renewals ratio <sup>(1)</sup></b>					
Asset renewals <sup>(2)</sup>	<b>33,432</b>				
Depreciation, amortisation and impairment	<b>31,678</b>	<b>105.54%</b>	57.61%	112.42%	>= 100%
<b>2. Infrastructure backlog ratio <sup>(1)</sup></b>					
Estimated cost to bring assets to a satisfactory standard	<b>42,000</b>				
Net carrying amount of infrastructure assets	<b>1,971,016</b>	<b>2.13%</b>	1.93%	2.38%	< 2.00%
<b>3. Asset maintenance ratio</b>					
Actual asset maintenance	<b>27,991</b>				
Required asset maintenance	<b>30,859</b>	<b>90.71%</b>	101.02%	93.09%	> 100%
<b>4. Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>101,330</b>	<b>3.52%</b>	3.41%	0.00%	
Gross replacement cost	<b>2,875,680</b>				

#### Notes

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

<sup>(1)</sup> Excludes Work In Progress (WIP)

<sup>(2)</sup> 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 2018

1. Buildings and infrastructure renewals ratio	Purpose of asset renewals ratio	Commentary on 2017/18 result										
<table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>198%</td> </tr> <tr> <td>2016</td> <td>112%</td> </tr> <tr> <td>2017</td> <td>58%</td> </tr> <tr> <td>2018</td> <td>106%</td> </tr> </tbody> </table>	Year	Ratio %	2015	198%	2016	112%	2017	58%	2018	106%	To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	<b>2017/18 Ratio 105.54%</b>  More accurate definition of capital expenditure, a focus on renewal over upgrade and provision of new infrastructure, and completion of WIP renewal projects from last financial year, improved the renewal ratio. Better differentiation and accounting of maintenance and renewal works also contributed to the better performance.
Year	Ratio %											
2015	198%											
2016	112%											
2017	58%											
2018	106%											
Benchmark: Minimum >=100.00%												
Source for benchmark: Code of Accounting Practice and Financial Reporting #26												
<table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>3.1%</td> </tr> <tr> <td>2016</td> <td>2.4%</td> </tr> <tr> <td>2017</td> <td>1.9%</td> </tr> <tr> <td>2018</td> <td>2.1%</td> </tr> </tbody> </table>	Year	Ratio %	2015	3.1%	2016	2.4%	2017	1.9%	2018	2.1%	<b>Purpose of infrastructure backlog ratio</b>  This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	<b>Commentary on 2017/18 result</b>  <b>2017/18 Ratio 2.13%</b>  Recalculation of backlog requirements for building assets, based on conditions at component level, has increased the backlog amount. Also, there were minor increases in Roads, Stormwater and Open Space backlog figures. Despite the increase, the backlog ratio remains only marginally above the industry benchmark. The trend needs to be monitored and corrective action taken to ensure the ratio remains within a reasonable range.
Year	Ratio %											
2015	3.1%											
2016	2.4%											
2017	1.9%											
2018	2.1%											
Benchmark: Maximum <2.00%												
Source for benchmark: Code of Accounting Practice and Financial Reporting #26												
<table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>120.00%</td> </tr> <tr> <td>2016</td> <td>93%</td> </tr> <tr> <td>2017</td> <td>101.02%</td> </tr> <tr> <td>2018</td> <td>91%</td> </tr> </tbody> </table>	Year	Ratio %	2015	120.00%	2016	93%	2017	101.02%	2018	91%	<b>Purpose of asset maintenance ratio</b>  Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.	<b>Commentary on 2017/18 result</b>  <b>2017/18 Ratio 90.71%</b>  Actual maintenance expenditure has stayed steady, while estimated "required maintenance" has increased (due to the methodology used to calculate). As a result the ratio has fallen. The calculation methodology will be refined in future years. Sustained (increased) effort on renewal works should reduce the need for future maintenance expenditure, thus maintenance ratio of 91% in year one should not be seen as concerning.
Year	Ratio %											
2015	120.00%											
2016	93%											
2017	101.02%											
2018	91%											
Benchmark: Minimum >100.00%												
Source for benchmark: Code of Accounting Practice and Financial Reporting #26												
<table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>0.00%</td> </tr> <tr> <td>2017</td> <td>3.41%</td> </tr> <tr> <td>2018</td> <td>3.52%</td> </tr> </tbody> </table>	Year	Ratio %	2016	0.00%	2017	3.41%	2018	3.52%	<b>Purpose of agreed service level ratio</b>  This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.	<b>Commentary on 2017/18 result</b>  <b>2017/18 Ratio 3.52%</b>  This ratio has been affected by the same factors influencing the Infrastructure backlog ratio. The increasing movement in the ratio will require monitoring and implementation of corrective action.		
Year	Ratio %											
2016	0.00%											
2017	3.41%											
2018	3.52%											

# STATUTORY INFORMATION INDEX

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.

Legislation	Page
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