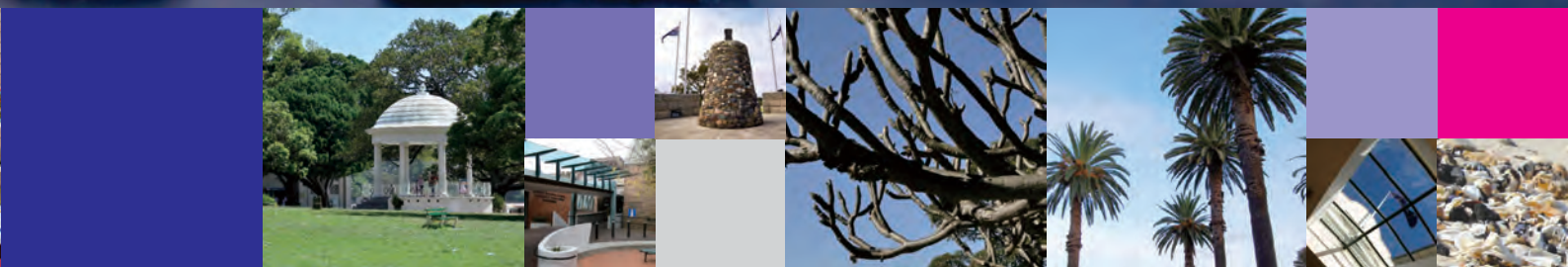




# 20132014 ANNUALREPORT



Mosman  
COUNCIL

## **VISION**

Proud to be Mosman  
Protecting our Heritage  
Planning our Future  
Involving our Community

## **MISSION**

To protect and enhance the distinctive qualities  
of Mosman in a responsive, friendly and caring way

## **CUSTOMER SERVICE POLICY**

Our Commitment: quality and friendliness  
in the provision of service

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## INTRODUCTION

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Mosman Council's Annual Report for the period 1 July 2013 to 30 June 2014 is prepared in compliance with section 428 of the *Local Government Act 1993*, clause 217 of the *Local Government (General) Regulation 2005*, and the Office of Local Government's integrated planning and reporting guidelines provided for under section 406 of the *Local Government Act 1993*. The report also meets the requirements of other legislation including the *Environmental Planning and Assessment Act 1979*, *Government Information (Public Access) Act 2009*, and *Privacy and Personal Information Protection Act 1998*.

Mosman's Community Strategic Plan, MOSPLAN 2013-2023, is the plan for Mosman's future. It responds to the aspirations of the Mosman community and its elected Council, and ensures that services can be provided to the Mosman community effectively, efficiently and sustainably. The Plan is divided into four themes - Social, Environment, Economic and Governance. These themes link directly to the Delivery Program and Operational Plan, which detail how Council will deliver on community aspirations over four and one year periods, respectively.

The purpose of the report is to:

- report on Council's progress and achievements in implementing its Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed
- report on other information required by the *Local Government (General) Regulation 2005* and the integrated planning and reporting guidelines provided for under section 406 of the *Local Government Act 1993*
- detail Council's financial position as at 30 June 2014
- detail Council's State of the Environment Summary Scorecard 2013-2014
- provide proactive release of other Council information under the *Government Information (Public Access) Act 2009*

The report is supported by quarterly reporting to Council in relation to MOSPLAN progress and a four-yearly report is also prepared at the end of each Council term. Council provides further updates and information on progress through its newsletter - Mosman News, weekly column in the Mosman Daily – Mosman Now and items published on Council's website.

Copies of the Annual Report are available for perusal at the Civic Centre, Mosman Square or the Library. The report is also available on Council's website under Council/Reports and Publications. The report has been submitted to the Minister for Local Government in accordance with section 428(5) of the *Local Government Act 1993*.

Any enquiries concerning this report may be directed to Council's Governance section on 9978 4000.

## ABOUT MOSMAN

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Mosman is a place of history and beauty, located 8 kilometres north-east of the CBD on Sydney's lower north shore. It is one of Australia's premier suburbs, with an unmatched setting on Sydney Harbour.

The area is characterised by beautiful localities such as Balmoral, Beauty Point, Clifton Gardens and Georges Heights. Occupying some 8.7 square kilometres, Mosman features numerous stunning bays and beaches punctuated by rugged headlands and sandstone cliffs. Natural bushland areas and foreshore parklands complement busy shopping strips and suburban neighbourhoods. The major thoroughfares of Military and Spit Roads both divide the area and connect residents of Mosman and those from further north to other parts of Sydney.

As a destination, Mosman today is a great place to sample some unique Sydney heritage. The area is home to the world famous Taronga Zoo, as well as excellent harbourside swimming and recreation areas, top restaurants, and high-end retail experiences.



The demographics of Mosman are presented in the Community Profile of Mosman, Community Atlas of Mosman and Population Forecasts for the Mosman Local Government Area (LGA). These are available online to inform Council, the business community, students, researchers, investors and the community in general.

Data from the Australian Bureau of Statistics is presented in table and chart format with brief commentary (Community Profile of Mosman) and interactive maps (Community Atlas of Mosman). Mosman LGA data also can be compared with Warringah and Pittwater LGAs, and the Sydney region as a whole.

## ABOUT MOSMAN COUNCIL

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New South Wales Local Government is administered and governed by Councils and is controlled and regulated by the *Local Government Act 1993*.

Mosman Municipal Council consists of two functional units. One is the elected Council comprising seven Councillors including the popularly elected Mayor; the other is the permanent staff of the Council, who work at the Council offices and other Council locations.

The elected Councillors set and control policy directions whilst the staff, headed by the General Manager, implements policy and legislative requirements. All strive together to anticipate and meet community needs and expectations.

## STATEMENT OF VALUES

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***We, the Councillors and staff, in a spirit of mutual respect and trust, work ethically, as a team to fulfil this Council's Mission and Vision striving...***

### FOR OUR COMMUNITY

To consult with our residents and to ensure all are treated equitably and have access to information and a consistent and transparent decision-making process, and to enable residents to share and enjoy Mosman's services and resources

### FOR OUR VOLUNTEERS

To appreciate and respect their valuable contribution in service and time, to seek their opinion and to provide quality training and friendly and timely support.

### FOR OUR COUNCILLORS

To be honest and objective in all our deliberations, to nurture ethical behaviour, to respect the views of the residents, the rights of all Councillors to express their opinions and to be heard with respect and courtesy and to make decisions for the common good of the community.

### FOR OUR STAFF

To provide a safe workplace, to nurture ethical behaviour, and to promote professional, frank and honest advice and discussion in an environment where learning is supported and encouraged, where leadership and individual potential are developed, and where excellence and initiative are recognised and rewarded.

### FOR OUR SUPPLIERS AND CONTRACTORS

To communicate our requirements precisely, exercise and expect honesty in all commercial dealings and observe all commercial commitments.

## ABOUT MOSMAN'S MANAGEMENT PLAN - MOSPLAN

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Mosman's Community Strategic Plan, MOSPLAN, is our plan for Mosman's future. It has been developed over a number of years and addresses the specific requirements of the NSW Government's Integrated Planning and Reporting legislation and responds to the aspirations of the Mosman community and its elected Council.

According to this legislation, Council must adopt:

- A Community Strategic Plan – a 10 year+ strategic direction for Mosman, supported by a Resourcing Strategy which details Council's approach to long term financial planning, workforce planning and asset management planning
- A four year Delivery Program – detailing the principal activities that Council will undertake to achieve the long term vision contained in the Community Strategic Plan
- A one year Operational Plan and Budget – outlining the actions Council will carry out in the coming financial year to achieve the four-year Delivery Program and Council's long-term vision

MOSPLAN is an integrated plan containing each of the three elements referred to above. Not only does it clearly articulate a long-term Vision for the future, it also identifies how Council intends to deliver on that Vision across 10, four and one year horizons.

MOSPLAN takes into account an extensive range of other strategies and plans prepared by Council to address specific service areas or issues. Examples of these related documents include Asset Management Plans and Development Control Plans.

MOSPLAN provides the framework for the delivery of services to the Mosman community in a manner that is effective, efficient and planned in a logical and financially viable way. Council has a measurement framework in place to gauge performance against key MOSPLAN deliverables.

Quarterly and annual reports are prepared in relation to MOSPLAN progress and a four-yearly report is also prepared at the end of each Council term. The first of these four-yearly reports was released in August 2012, with the next report due in August 2016.

Mosman's Vision, and the underlying values and commitments that support it, are reflected in four MOSPLAN Themes that direct Council operations. These Themes are:



The **SOCIAL** theme is Council's people theme. It is about delivering and facilitating services to the community - including services for all ages and abilities, volunteering, Aboriginal culture and heritage, library services, Council's community engagement activities, the art gallery, cultural activities, festive events and friendship communities.

The **ENVIRONMENT** theme is about providing and protecting the type of living environment our community deserves. It covers urban planning, heritage planning and protection, development assessment, ecological sustainability, biodiversity conservation, waste management and street cleaning, environmental health management, water, air and noise management, traffic, transport, roads and cycling, public places, open space management, community and recreational facilities.

The **ECONOMIC** theme is about local economic prosperity - including business liaison and support, vitality of business centres, local employment, and sensitively marketing Mosman.

The **GOVERNANCE** theme is about providing support for all Council functions and leadership and engagement. This includes Council meetings, consultation, finance and budgeting, integrated planning, community safety, ranger services, information technology, human resource management, and regional planning and cooperation.

These Themes are supported by a series of 10 Programs that form Council's four year Delivery Program and one year Operational Plan.

The following diagram illustrates the integrated nature of MOSPLAN, and how ongoing engagement, planning, service delivery, reporting and review processes all contribute to the evolution of the document.



Council has agreed on 10-year Directions and Strategies for each of its 10 Program areas. The Directions illustrate WHAT we want to achieve for the Mosman community and the Strategies identify HOW Council will work toward achieving these directions. MOSPLAN Directions and Strategies, arranged by Theme, are as follows:

## SOCIAL

### Programs

#### Community Wellbeing

Program Coordination: Manager, Community Services

#### Direction Statement

A thriving, connected and healthy community that celebrates and respects diversity in age, interest, culture and ability.

### Strategies

1. Anticipate, plan and provide for social change.

2. Advocate on behalf of the community to Commonwealth and State government and non-government organisations.
3. Deliver integrated, inclusive and accessible services and programs that contribute to community wellbeing.
4. Embrace partnerships and facilitate services that enrich the experience of living in Mosman.
5. Ensure community facilities are welcoming, accessible, support the effective delivery of services and programs and serve as community hubs.
6. Maximise opportunities for residents to connect with and participate in community life.

### **Library and Information**

Program Coordination: Manager, Library Services and Manager, Library Resources

#### *Direction Statement*

An informed, engaged community that values heritage, lifelong learning and literacy.

### **Strategies**

1. Consolidate the library's identity as a community hub: a functional, multipurpose space accommodating intellectual, cultural, recreational and information services, life-long learning opportunities, resources and activities for all age groups.
2. Deliver library services that are accessible and which anticipate and fulfil community expectations.
3. Develop and manage resources which cater for the information, lifelong learning and leisure needs of the community.
4. Maintain key external partnerships, including the Shorelink Library Network.
5. Develop and maintain a Local Studies Collection that celebrates Mosman's heritage, reflects all eras of Mosman's history and is appropriately preserved and accessible for future generations.
6. Communicate through a range of media, enabling the community to be well informed, engaged, and actively participating in community life.

### **Arts and Culture**

Program Coordination: Manager, Cultural Services

#### *Direction Statement*

A place of cultural excellence that nurtures contemporary arts practices; that celebrates the richness of Mosman's distinctive local culture and heritage; and that delights, challenges, engages and inspires.

### **Strategies**

1. Support, develop and showcase a broad range of contemporary arts, artists and arts practices, with special emphasis on the visual arts.
2. Deliver and support events and other projects that celebrate Mosman, drawing inspiration from the area's artists, history, demographics, lifestyle and environment.
3. Engage and extend arts audiences while building patronage and broad community support of local cultural activities.

4. Promote the cultural services and programs provided and supported by Council to a wide audience.
5. Consolidate and extend the operations of the Mosman Art Gallery to ensure its continued leadership of cultural initiatives and programs.
6. Create and maintain public art projects that enhance the public domain and generate community pride.
7. Facilitate cultural opportunities through the development of partnerships and by harnessing public, private and corporate resources.

## **Related Strategies and Plans**

- Social Directions 2012
- Community Engagement Strategy 2012
- Regional Home and Community Care Plan
- SHOREPLAN - Shorelink Strategic Plan 2011-2015
- SHOROC 'Shaping our Future'

## **Key Partners**

- Federal government –various agencies and authorities including Department of Health and Ageing and Department of Education, Employment and Workplace Relations
- State government – various agencies and authorities including Department of Community Services; Department of Health; Department of Ageing, Disability and Home Care; Arts NSW, National Parks and Wildlife Service and NSW Police Force
- SHOROC (Mosman, Manly, Pittwater and Warringah Councils Regional Organisation of Councils)
- Sydney Harbour Federation Trust
- Shorelink Library Network
- Non-government and community organisations

## **Community Sustainability Indicators**

- Community connectedness
- Community pride
- Age diversity
- Physical activity
- Life expectancy
- Community safety

## **ENVIRONMENT**

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### **Programs**

#### **Built Environment**

Program Coordination: Manager, Urban Planning and Manager, Development Services

#### *Direction Statement*

A unique urban environment that is maintained and protected through strong planning and regulatory practice, an appreciation of Mosman's heritage, and a commitment to high quality infrastructure and development



## Strategies

1. Maintain the special local character of Mosman with effective planning strategies in place.
2. Ensure Mosman's position is strong within the framework of the State's planning and regulatory reforms.
3. Effectively manage the conservation of Mosman's heritage.
4. Provide excellent planning information, advice and effective development assessment that delivers high quality outcomes.
5. Contribute to a safe, healthy and responsible community through inspection of building works, auditing of fire and swimming pool safety and effective regulatory enforcement.
6. Provide, maintain and sustainably manage Mosman's public infrastructure including roads, footpaths, drainage and marine structures.

## Healthy Environment

Program Coordination: Manager, Environment and Services

### Direction Statement

A healthy natural environment that is protected and managed through regulatory practice and the delivery of programs and services that promote cleanliness, health and positive environmental outcomes

## Strategies

1. Enhance community knowledge and awareness and foster long-term sustainable behaviours through engagement programs.
2. Preserve and enhance biodiversity on both public and private land, including Mosman's urban forest, bushland, reserves, open space, beaches, intertidal zone and the marine environment.
3. Implement total water cycle management approaches to maximise water conservation, reuse and efficiency, and improve water quality.
4. Reduce waste to landfill through the implementation of waste avoidance, minimisation, reuse and recycling strategies and initiatives.
5. Implement and promote an integrated sustainable transport network throughout Mosman to increase the uptake of health-wise transport modes.
6. Implement energy efficiency and conservation measures to reduce energy consumption, and apply mitigation, adaptation and resilience strategies to address climate change risks.
7. Implement policies, practices and services to ensure the continued health and well-being of the Mosman community, and cleanliness of the local environment.
8. Lobby and/or work with the Federal and State Governments, and regional organisations/local Councils to advocate for stronger policy and legislation, and implement programs to achieve robust sustained environmental outcomes.

## Community Spaces

Program Coordination: Manager, Assets and Services

### Direction Statement

Public spaces and places that anticipate and respond to community needs, that promote opportunities to connect, and that complement other local services and facilities

## Strategies

1. Provide, manage and maintain public land for the benefit of residents, businesses and visitors.
2. Manage parklands, sporting fields and recreational facilities in a manner that is well maintained, well equipped and encourages healthy lifestyles.
3. Provide and maintain community buildings and facilities that are accessible, functional, fit-for purpose and responsive to changing demographics and lifestyles.
4. Deliver civic and public spaces that promote community connections, complement Mosman's character, foster vitality in local business precincts and incorporate safe, accessible, functional and well-designed facilities.

## Transport and Traffic

Program Coordination: Manager, Assets and Services

### Direction Statement

Transport infrastructure and services that are safe, efficient, provide Mosman-friendly solutions, and promote access and mobility

## Strategies

1. Lobby State and Federal Government to improve transport along the Spit and Military Road Corridor.
2. Improve safety and accessibility in local streets through appropriate traffic management and increased opportunities for active transport.
3. Have a managed parking strategy to meet the demand of residents and visitors.

## Related Strategies and Plans

- Local Environmental Plan
- Development Control Plans
- Environmental Management Plan
- Environmental Sustainability Action Plan
- State of the Environment Report
- Community Environmental Contract
- Asset Management Plans
- Section 94A Contribution Plan
- Catchment Management Plans
- Metropolitan Plan and Draft Metropolitan Strategy 2013
- Open Space Plans of Management – various
- Road Safety Action Plan 2012-13
- SHOROC 'Shaping our Future'

## Key Partners

- Federal government –various agencies and authorities
- State government – various agencies and authorities including: Department of Planning and Infrastructure

- Office of Environment and Heritage; Roads and Maritime Services;; State Transit Authority; National Parks and Wildlife Service; Sydney Ferries and NSW Police Force
- SHOROC (Mosman, Manly, Pittwater and Warringah Councils Regional Organisation of Councils)
- Sydney Harbour Federation Trust

## Community Sustainability Indicators

- Health of bushland
- Water quality
- Waste diverted from landfill
- Water consumption
- Electricity consumption
- Public transport usage
- Housing diversity
- Level of graffiti/vandalism
- Road safety

## ECONOMIC

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### Programs

#### Local Economy

Program Coordination: Director, Community Development

#### *Direction Statement*

A strong local economy where businesses are in tune with local needs and where planning, services and infrastructure help support economic prosperity

### Strategies

1. Support economic activity through appropriate planning controls, projects and partnerships with local businesses, associations and networks.
2. Sensitively promote Mosman's unique qualities, heritage and identity as part of local and regional initiatives.
3. Capitalise on regional, State and Federal initiatives to help support businesses and the local economy.
4. Pursue improvements to accessibility, functionality and public domain in and around business centres.

### Related Strategies and Plans

- Local Environmental Plan
- Development Control Plans
- SHOROC 'Shaping our Future'

### Key Partners

- Federal government –various agencies and authorities
- State government – various agencies and authorities including NSW Industry and Investment; Arts NSW, NPWS and Destination NSW
- SHOROC (Mosman, Manly, Pittwater and Warringah Councils Regional Organisation of Councils)
- Mosman Chamber of Commerce

- Sydney Harbour Federation Trust
- Businesses, business associations, and tourism operators

## Community Sustainability Indicators

- Unemployment rate
- Gross local product
- Employment containment
- Average weekly earnings

## GOVERNANCE

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### Programs

#### Leadership and Engagement

Program Coordination: Director, Corporate Services and Director, Community Development

#### Direction Statement

Providing excellent service and leadership to the Mosman community, actively involving community members in local affairs and decision-making

### Strategies

1. Deliver a high level of customer service that is responsive, appropriate and subject to continuous improvement.
2. Provide strong and effective leadership on issues of significance to Council and the Mosman community.
3. Explore, develop and maintain partnerships, networks and affiliations that support and enhance local governance and improved community outcomes.
4. Build and maintain a commitment to integrated planning and reporting that responds to community aspirations, sets direction and measures performance according to Council and community targets.
5. Actively inform and engage the community on matters of local interest, encouraging broad participation and providing a range of opportunities for community involvement.
6. Acknowledge and support community aspirations, initiatives & achievements.

#### Governance and Risk

Program Coordination: Manager, Governance, Chief Financial Officer, Manager, IT Services, Manager, Ranger Services, Manager, Assets and Services, Manager, Human Resources

#### Direction Statement

An organisation that is well governed, accountable and managed in a way that is responsible, sustainable and attuned to the needs of the community, elected members and staff

### Strategies

1. Support the ongoing financial sustainability of Mosman Council by applying sound financial planning, principles and practices.
2. Anticipate and proactively manage risks relating to Council operations and the wider Mosman community.

3. Provide a working environment that attracts and retains quality staff and encourages continuous improvement and service excellence.
4. Contribute to a safer Mosman community through planning, partnerships, education, and emergency management.
5. Sustainably manage local infrastructure through strategic asset planning and management.
6. Support good governance, customer service and communication with contemporary policies, systems and processes.

## **Related Strategies and Plans**

- State of the Environment Report
- Environmental Management Plan
- Environmental Sustainability Action Plan
- Community Engagement Strategy 2009
- MOSPLAN Community Engagement Strategy 2012
- Workforce Plan
- Equal Employment Management Plan
- Community Environmental Contract
- Governance Plan
- Enterprise Agreement
- Collaborative Management Plan 2009 – ‘Local Solutions to Local Crime & Safety Issues in Mosman’
- Social Directions 2012
- DISPLAN
- Manly-Mosman District Bushfire Management Plan
- SHOROC ‘Shaping our Future’

## **Key Partners**

- Federal government –various agencies and authorities
- State government – various agencies and authorities including NSW Police Force (Harbourside Local Area Command); Ministry for Police and Emergency Services; and Office of Environment and Heritage
- SHOROC (Mosman, Manly, Pittwater and Warringah Councils Regional Organisation of Councils)

## **Community Sustainability Indicators**

- Overall community satisfaction
- Overall staff satisfaction and wellbeing
- Work health and safety performance
- Overall budget performance
- Financial health check compliance
- Scheduled capital works completed
- Scheduled key initiatives completed
- Corporate environmental sustainability
- Asset renewal ratio



## MAYOR AND COUNCILLORS

Members of Council 2013-14	
<b>MAYOR</b>	Peter William Abelson*
<b>DEPUTY MAYOR</b>	Roy David Bendall**
<b>COUNCILLORS</b>	Carolyn Ann Corrigan
	Peter Simon Menzies
	Elizabeth Ann Moline
	Thomas Sherlock
	Peter Charles White
* Councillor PW Abelson is Mosman's first popularly elected Mayor for the 2012-16 Council term.	
** Councillor RD Bendall was re-elected as Deputy Mayor for the term to September 2014.	

## COUNCILLOR ATTENDANCE AT MEETINGS AND WORKSHOPS

Councillor	Meetings / Workshops Attended			
	Ordinary (15 held)	Traffic Committee (7 held)	Audit Committee (5 held)	Workshops (12 held) Detailed below
Cr P W Abelson	15	-	-	12
Cr R D Bendall	15	1	5	9
Cr C A Corrigan	12	-	-	9
Cr S Menzies	15	-	-	6
Cr L Moline	15	-	-	10
Cr T Sherlock	15	-	4	11
Cr P C White	12	6	1	6

# Only the member Councillor as listed on the relevant Committee is marked as attending the meeting or his/her delegate if the Councillor is absent. No other Councillor is listed as attending regardless of whether they addressed the Committee or not.

Workshop	Date
Mosman Development Assessment Panel / General Manager Recruitment	9 July 2013
Regional Cooperation / General Manager Recruitment	16 July 2013
Kimbriki Update	20 August 2013
Meeting with Civic Centre Consultants	11 September 2013
Local Environmental Plan and Development Control Plan Review	31 October 2013
Organisation Structure Review	10 December 2013
Integrated Local Government Regional Planning (ILGRP) Final Report Workshop	5 February 2014
Spit Junction Masterplan Workshop	11 February 2014
Local Environmental Plan Workshop	20 February 2014
MOSPLAN / Budget Workshop	25 February 2014
MOSPLAN Budget Workshop	18 March 2014
Raglan Street West Development Update	15 April 2014

## COUNCIL MANAGEMENT

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Mosman Council administration is organised into three departments each headed by a Director that reports to the General Manager - Community Development, Corporate Services, and Environment and Planning.

Community Development manages a wide range of services and facilities that support and enhance the lives of residents of Mosman. These include the Mosman Library, Seniors' Centre, Youth Centre, Art Gallery and Cultural Centre, Family Day Care, Occasional Child Care, Before and After School Care, Meals on Wheels and Community Restaurant, and Community Transport. Many of these services are provided with the assistance of dedicated volunteers, who donate their time and effort to the community. The Department is also responsible for community engagement, social and cultural planning, organising and coordinating special events such as the annual Mosman Festival and monthly Mosman Markets, and providing advice and assistance to the business community.

Corporate Services provides management support to Councillors and Council staff, as well as a range of services to the community. It comprises the Governance, Financial Services, Information Technology Services and Business Systems Branches including Document Management and the Ranger Services section which is the regulatory arm of Council. The Director Corporate Services is Council's appointed Public Officer and Risk Manager. Among other duties, the Public Officer deals with requests from the public concerning the Council's affairs and has the responsibility of assisting people gain access to Council's public documents and responding to complaints against Council.

Environment and Planning fulfils a range of tasks relating to:

- regulatory development and building activities
- environmental health and education programs and services including provision of domestic and commercial waste and recycling services, street sweeping and beach and reserve cleaning
- strategic urban planning and heritage advisory services
- engineering and asset management functions covering diverse items such as roads and traffic improvements, stormwater drainage, sea-walls and jetties, parks and gardens, play equipment, public buildings and structures, playing fields and bushland areas.

# SECTION ONE

## Progress Against Delivery Plan

## **1. REPORT ON PROGRESS AGAINST DELIVERY PROGRAM 2013-14**

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Report on achievements in implementing Council's delivery program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed.

# : Social

## Community Wellbeing

Strategy	Action	Responsibility	Status	Comment
Anticipate, plan and provide for social change	<ul style="list-style-type: none"> <li>Demographic research</li> <li>Social planning</li> <li>Network development</li> <li>Community capacity building</li> <li>Community engagement</li> <li>Community consultation</li> </ul>	Manager Community Services	Completed	This year has seen the development of a Community Connections strategy as well as significant input into regional strategies and action plans with SHOROC.
	Undertake impact focused integrated social planning based on research and contemporary social planning principles	Manager Community Services	Progressing	The Community Connections research and consultation has concluded. This process has identified initiatives which will be rolled out in coming years.
	Initiate and support active youth engagement programs	Manager Community Services	Completed	Substantial work has been done in achieving strong youth engagement. Of note is the youth presence and contribution in this year's Shorefest and the new initiative MYFest, and the development of Moscard, the Youth Blog and the Youth Volunteering programs. The Youth Forum has gone from strength to strength and will be involved in ongoing youth engagement initiatives.
	Develop a framework clarifying Council's aims and roles in the provision, funding and facilitation of community services, and positioning Mosman to anticipate and meet future needs and demands	Manager Community Services	Completed	The framework has been developed as a Working Paper in collaboration with all Community Services teams and will be used to inform their operational planning.
	Initiate and support community sector development for Mosman	Manager Community Services	Progressing	Community Services is in the process of mapping all services available to the Mosman community with a view to developing partnerships and better targeting of community grants. This project is in its



Strategy	Action	Responsibility	Status	Comment
				early stages and will be continued over the course of the next few years.
	Partner with SHOROC and NSROC on community development initiatives, including SHOROC Regional Liveability Strategy	Manager Community Services	Progressing	Work on the Liveability Strategy has been put on hold during development of the NSW Regional Ageing and Youth Strategies. Ultimately, these two documents will inform the Liveability Strategy, as will the Regional Action Plan.
	Accreditation of Aged and Disability Services	Manager Community Services	Progressing	The accreditation process is driven by external agencies that have not yet initiated the process. The transition to new funding frameworks may have overtaken accreditation, however Council's Aged and Disability Services is prepared for if or when required.
	National Quality Framework Accreditation of Children's Services	Manager Community Services	Completed	The accreditation process is driven by external authorities not controlled by Mosman Council and has been subject to change as a result of regulatory change. Council has met the requirements under which it is now regulated and will continue to ensure its focus is on the provision of high quality care for children.
Advocate on behalf of the community to Commonwealth and State government and non-government organisations	<ul style="list-style-type: none"> <li>Participation in regional and sector planning and development forums</li> <li>Advocacy that responds to community concerns</li> <li>Participation in State and Commonwealth government planning processes for community services</li> </ul>	Manager Community Services	Completed	A substantial contribution has been made to the development of the NSW State Government Regional Ageing and Youth Strategies, in collaboration with SHOROC and NSROC Councils. Mosman and Pittwater Councils were the SHOROC leads on the Regional Ageing Strategy.

Strategy	Action	Responsibility	Status	Comment
	Position Aged and Disability Services for the DoHA/HACC changes to service and funding frameworks	Manager Community Services	Progressing	The major work in this area has been the successful installation of a new electronic software system to manage and monitor client information and reporting. Further work relating to the changes in funding frameworks is ongoing and services are being carefully positioned to take advantage of the changes once they have been finalised by the funding body.
	Contribute to the NSW Government Regional Youth Strategy and the implementation of the Youth Health Policy Directive	Manager Community Services	Progressing	While not the SHOROC lead on the Youth Strategy, Youth Services staff have contributed through consultation. The Strategy has taken longer for the NSW Government to develop than the Regional Ageing Strategy and input will continue during the 2014-2015 financial year.
	Participate in the development of a regional Ageing Strategy	Manager Community Services	Progressing	A substantial contribution has been made to the Regional Ageing Strategy and it is now in its final stage of development for approval by the NSW State Government.
	Monitor the progress of the Northern Sydney Local Health District Disability Action Plan	Manager Community Services	Progressing	The Northern Sydney Local Health District Disability Action Plan has been prepared. Council's role is to keep a watching brief as it is the remit of the NSW State Government.
Deliver integrated, inclusive and accessible services and programs that contribute to community wellbeing	<ul style="list-style-type: none"> <li>Occasional Care, Long Day Care and Pre-School</li> <li>Before and After School Care</li> <li>Vacation Care</li> <li>Immunisation Clinic</li> <li>Children Leisure and Learning activities</li> <li>Parenting Education</li> <li>Saturday Youth Group</li> <li>D-Caff Friday Dementia Café</li> </ul>	Manager Community Services	Completed	A busy year for all services with particular highlights including establishing the Carer Café and developing the draft Access Strategy through the Access and Mobility Community Consultative Committee. Youth Volunteering programs have begun and are proving a popular addition to the suite of youth programs on offer. The increase in places for Before and After School Care was successfully implemented at short notice.

Strategy	Action	Responsibility	Status	Comment
	<ul style="list-style-type: none"> <li>• Mosman Rider\</li> <li>• Saturday Respite</li> <li>• Community Transport</li> <li>• Food Services</li> <li>• Healthy Ageing Programs</li> <li>• Senior's Centre Leisure Activities</li> <li>• Carers' Group</li> <li>• Volunteering</li> <li>• Social Support</li> <li>• Access and Mobility</li> <li>Community Consultative Committee</li> </ul>			
	Develop an understanding of the measurement of social impact and apply to Council's community services	Manager Community Services	Completed	Social impact indicators have been included in the Community Services Framework developed during the year.
	Review the effectiveness, efficiency and performance of Aged and Disability Services	Manager Community Services	Completed	A full review of Aged and Disability Services was completed during the year and recommendations are being progressively implemented.
	Review and improve the marketing and promotion of all community services	Manager Community Services	Progressing	This item has been delayed due to other higher priority activities.
	Review the potential for a regional approach to immunisation	Manager Community Services	Not Progressing	This review has stalled due to resource limitations from partner councils. It will be carried over as an action for 2014-2015.
	Investigate opportunities for services for 18-25 year olds	Manager Community Services	Completed	Older young people have been offered the opportunity to join the Youth Forum and Youth Volunteer Groups. Skills training has been undertaken to help equip these young people with employable skills, and resume writing workshops have been held.
	Develop and implement a Person	Manager Community	Progressing	This work has commenced with the installation of a

Strategy	Action	Responsibility	Status	Comment
	Centred approach to the delivery of Aged and Disability Services	Services		client centred computer system that provides a common platform for all Aged Services. Further work to develop staff skills and refine processes will be undertaken in the coming year as Aged and Disability Services responds to changes in the sector.
Embrace partnerships and facilitate services that enrich the experience of living in Mosman	<ul style="list-style-type: none"> <li>Community Grants</li> <li>Family Day Care</li> <li>Programs with Schools including health, mental health and drug and alcohol programs</li> <li>Mosman Men's Shed</li> <li>Community English language classes</li> <li>Northern Sydney Local</li> <li>Health District Projects</li> <li>Family Support Projects</li> <li>Living with Memory Loss Program</li> <li>Lifeline Support Programs</li> </ul>	Manager Community Services	Completed	<p>All of the activities have been undertaken. A highlight has been the operation of the Men's Shed which is now functioning effectively as an independent organisation</p> <p>Family Day Care is well established through The Infants' Home. Work is underway to further develop partnerships to ensure services are available to Mosman residents.</p>
	Establish the partnership for the delivery of Family Day Care with The Infants' Home	Manager Community Services	Completed	The partnership has been established and is monitored. Growth in the service has occurred. A watching brief is being kept on proposed funding changes by the NSW government, that are likely to impact the provision of all metropolitan schemes.
	Seek and support regional partnerships to improve community awareness and appreciation of cultural diversity and service delivery for people from a culturally and linguistically diverse background	Manager Community Services	Progressing	Collaboration continues with the Crows Nest Centre-based Settlement Services and the provision of space for English classes. Brochures have been produced in conjunction with North Shore Migrant Services and translated into several languages.
	Seek and support regional	Manager Community	Progressing	A highlight this year was the hosting of Aboriginal

Strategy	Action	Responsibility	Status	Comment
	partnerships to improve community awareness and appreciation of Aboriginal cultural heritage and service delivery for Aboriginal community members	Services		and Torres Strait Islander cultural awareness training for staff, to equip them to better understand and serve the needs of Indigenous Australians.
Ensure community facilities are welcoming, accessible, support the effective delivery of services and programs and serve as community hubs	<ul style="list-style-type: none"> <li>Youth Centre</li> <li>Seniors' Centre and Lounge</li> <li>Mosman Occasional Care Centre</li> <li>Cremorne Early Childhood Health Centre</li> <li>Mosman Drill Hall</li> </ul>	Manager Community Services	Completed	The Drill Hall, Youth and Seniors' Centres have enjoyed increased patronage in the past year as programs and services become more person-centred. The Youth Centre now has a volunteer youth committee that focusses on events at the Centre.
	Develop and implement a framework for pricing of facilities and services	Manager Community Services	Progressing	Preliminary work has been undertaken and work will continue in the coming financial year on the development of an appropriate framework and effective implementation.
	Seek funding to maintain a welcoming ambience in Community Services facilities	Manager Community Services	Progressing	Appropriate funding opportunities have been limited during this period.
Maximise opportunities for residents to connect with and participate in community life	<ul style="list-style-type: none"> <li>Volunteering</li> <li>Connections Playgroup</li> <li>Children's Week</li> <li>Children's Fair</li> <li>Youth Week</li> <li>Shorefest</li> <li>24/7 Film Festival</li> <li>Seniors' Lounge and Seniors' Centre</li> <li>Community Visitor's Scheme</li> <li>Seniors' Week</li> <li>Community Restaurant</li> <li>Carer's Group</li> </ul>	Manager Community Services	Completed	The events organised by Community Services during the year received positive feedback. The events are sometimes a collaborative effort with other Councils. Volunteering continues to play a positive role in connecting people and in helping provide services to the community.



Strategy	Action	Responsibility	Status	Comment
	<ul style="list-style-type: none"> <li>Community Transport</li> <li>Mosman Rider</li> <li>New Residents' Events and Information</li> <li>Community Events (including Harmony Day, International Women's Day &amp; International Day of People with Disability, Guringai Festival).</li> </ul>			
	Establish a Youth Advisory Forum	Manager Community Services	Completed	The Youth Forum has been established and is engaged and productive. Additional recruitment was undertaken during the year at the request of members and the first initiative of the Forum, Moscard, was scheduled to be launched early in July. Members have received training and have provided support in other Youth Centre initiatives such as MYFest.
	Develop and implement strategies and initiatives that facilitate community connections	Manager Community Services	Progressing	Successful research and consultation has been undertaken to identify opportunities for connection and a program of work developed. Implementation of initiatives will begin in 2014-2015.
	Establish and support a Dementia Cafe	Manager Community Services	Completed	The original operator of the Cafe was unable to continue the service. A satisfactory substitute has been found and attendances have grown.
	Review welcoming activities for new residents	Manager Community Services	Completed	Welcoming activities have been reviewed and recommendations will be progressively implemented.
	Review the operation of the Mosman Men's Shed	Manager Community Services	Completed	The Mosman Men's Shed is now operating effectively and independently under a Management Committee of members.
	Monitor and review Mosman Rider service	Manager Community Services	Completed	A review of the Mosman Rider was completed early in the financial year and changes to services arising from that review were successfully implemented. The service will be further reviewed in 2014-15.

## Library and Information

Strategy	Action	Responsibility	Status	Comment
Consolidate the Library's identity as a community hub; a functional, multipurpose space accommodating intellectual, cultural, recreational and information services, life-long learning opportunities, resources and activities for all age groups	<ul style="list-style-type: none"> <li>• Ongoing community consultation through Library Annual User Survey, social networking tools and face to face customer contact</li> <li>• Marketing and promoting the Library using a range of media</li> <li>• Providing programs and activities for all age groups</li> <li>• Ongoing review and evaluation of Library services and programs</li> </ul>	Manager Library Services	Completed	<p>The annual User Survey was conducted in July 2013 in the Library and online on Council's website.</p> <p>Plans for the Library Foyer Refurbishment were finalised which will improve the Library's accessibility and provide more space for reading and using the Library.</p>
	Plan and implement the new design for Level 2 Entrance Foyer including the Customer Desk to improve customer service and accommodate RFID technology	Manager Library Services	Progressing	Plans completed for the Library Foyer Refurbishment Project which includes new customer service desk, upgraded toilets and RFID Returns room. Building scheduled for early 2015.
Delivery of library services that are accessible and which anticipate and fulfil community expectations	<ul style="list-style-type: none"> <li>• Home Library Service</li> <li>• Inter Library Loan Service</li> <li>• Reader Education to develop information literacy skills</li> <li>• Information accessible to Library customers in-house and electronically</li> <li>• Lifelong learning programs including Monday Matters &amp; Technology Tuesday Talks</li> <li>• Services for children and teens</li> <li>• Outreach programs such as staff visits to schools</li> <li>• Library visits by school classes</li> <li>• Services and resources that</li> </ul>	Manager Library Services	Completed	<p>Delivery of Library services to the community continued throughout the year.</p> <p>Highlights for 2013-14 were the launch of the Interactive Learning Centre for Seniors in December 2013, the introduction of the Technology Tuesday Drop In Sessions in March 2014, Library Trivia Night during Library and Information Week in May 2014, the introduction of the Write@Mosman Library monthly writing and literacy program for 8-12 year olds and class visits to the Library of 200 Mosman High Year 7 students.</p> <p>The 22nd Mosman Youth Awards in Literature was held, attracting over 350 entries.</p>

Strategy	Action	Responsibility	Status	Comment
	support school curricula and local students <ul style="list-style-type: none"> <li>• Services to high school students including HSC Lock-ins</li> <li>• Regular author events</li> <li>• Annual Mosman Youth Awards in Literature competition</li> <li>• Marketing and promotional activities including Library Lovers' Day, Seniors Week and Australian Library and Information Week</li> <li>• Reader education</li> <li>• Reader Advisory Services including Book Clubs, Mosman Readers and Reading Lounge</li> </ul>			
	Improve customer service through implementation of RFID Project Stage 2: RFID enabled returns chute	Manager Library Services	Progressing	Plans for the RFID Returns room completed as part of the Library Foyer Refurbishment Project. The building works are scheduled for early 2015.
	Review Customer Service Delivery Model	Manager Library Services	Completed	The Customer Service Delivery Model was reviewed and Roving Reference was introduced as part of this review.
	Introduce Roving Reference Service	Manager Library Services	Completed	Roving Reference Service introduced in January 2014.
Develop and manage resources which cater for the information, life-long learning and leisure needs of the community	<ul style="list-style-type: none"> <li>• Maintain, develop and evaluate the collection</li> <li>• Provide print, audio-visual and electronic resources</li> <li>• Review Resources Selection Guidelines</li> <li>• Improve literacy resources</li> <li>• Analyse customer feedback to</li> </ul>	Manager Library Resources	Completed	During 2013-14 10,900 items were added to the collection.  There is a high level of satisfaction with the Library collection (92% - Library Survey 2014).  A core collection of literacy resources (recommended by the State Library of NSW) were purchased in 2014. Loans of literacy

Strategy	Action	Responsibility	Status	Comment
	<p>ensure that resources meet community needs</p> <ul style="list-style-type: none"> <li>• Improve access to document delivery services and online resources</li> <li>• Maintain awareness of developments in electronic publishing and document delivery</li> <li>• Train staff and customers in the use of the Library's IT resources</li> <li>• Cumulus digital asset management system</li> </ul>			<p>resources have increased by 73%.</p> <p>Redesign of the Library catalogue front page provided improved access to online databases. Technology Tuesday sessions provide training for seniors in use of a wide range of online resources.</p> <p>A major upgrade to the Cumulus digital asset management system was undertaken in March 2014.</p>
	Develop downloadable digital resources (eAudio books and eBooks), in response to changing technology and customer needs	Manager Library Resources	Completed	<p>There was a 60% increase in loans of downloadable eResources.</p> <p>Zinio eMagazines was launched August 2013.</p>
	Improve collection management through implementation of RFID Project	Manager Library Resources	Progressing	Self-checkout systems enable production of usage reports and statistics. Collection management capabilities to be further investigated in 2014-2015 when RFID returns system is implemented in conjunction with Library Entrance Foyer Refurbishment Project.
	Review efficiency and effectiveness of the RFID system	Manager Library Resources	Completed	RFID system is working well, with 60% of loans being done via the self-checkout kiosks. As part of the Library survey, 98% of respondents indicated they were satisfied with this service.
Maintain key external partnerships including the Shorelink Library Network	<ul style="list-style-type: none"> <li>• Maintain membership</li> <li>• Review ShorePlan (Shorelink Strategic Plan) and implement cooperative services, activities and programs</li> <li>• Operate the Library Management System</li> </ul>	Manager Library Resources	Completed	<p>Council has been a member of the Shorelink Library Network for 30 years. A new Network Strategic Plan, ShorePlan 2015-2019, was completed in 2014.</p> <p>Shorelink libraries cooperate across many areas including shared eResources and staff development and training.</p>

Strategy	Action	Responsibility	Status	Comment
	<ul style="list-style-type: none"> <li>Participate in professional networks including NSW Metropolitan Public Libraries Association</li> <li>Participate in campaigns to lobby State and Federal Governments to increase public library funding</li> <li>Apply for grants to fund Library projects</li> <li>Host and service the School Principals' Liaison Group</li> </ul>	Manager Library Services	Completed	<p>The Manager Library Services attended meetings of the NSW Metropolitan Public Libraries Association during the year.</p> <p>A report was submitted to Council in May 2014 resulting in Council writing letters of support for the state-wide NSW Public Libraries Funding Campaign.</p> <p>A grant application was submitted for the Library Foyer Refurbishment Project.</p>
	Implement the new Shorelink Library Management System (Aurora/AIT), including training of staff and Library customers	Manager Library Resources	Completed	The Aurora Library Management System was implemented in June 2013, with fine-tuning and staff training continuing throughout 2013-2014. Positive feedback has been received from staff and customers.
	Review efficiency and effectiveness of the Aurora Library Management System	Manager Library Resources	Completed	Aurora has more functionality than previous library management systems. Mosman's annual contribution reduced by 13.4% due to cost savings over the previous system. Review of compliance with specifications was undertaken in April - June 2013.
	Improve the content, appearance and functionality of the Shorelink online catalogue	Manager Library Resources	Completed	<p>Redesigned WebOpac launched in September 2013 with improved appearance, increased functionality and content, including book covers and customer reviews.</p> <p>User satisfaction with WebOPac was measured at 94% (Library Survey 2014).</p>
	Review the effectiveness of the School Principals' Liaison Group	Manager Library Services	Completed	Review completed. The School Principals' Liaison Group acts as an effective community engagement and communication tool with local

Strategy	Action	Responsibility	Status	Comment
				schools and will continue in 2014-15.
Develop and maintain a Local Studies Collection that celebrates Mosman's heritage, reflects all eras of Mosman's history and is appropriately preserved and accessible for future generations	<ul style="list-style-type: none"> <li>Collection management and evaluation</li> <li>Conservation and preservation of fragile material</li> <li>Workshops and training for individuals, groups and Council staff</li> <li>Curation of displays and exhibitions</li> <li>Support for the Mosman Historical Society</li> <li>Support and development of Local Studies volunteers team</li> <li>Online projects including 'Mosman Memories of Your Street', 'Mosman Voices', 'Mosman Faces' and 'Doing our Bit: Mosman 1914-1918', Trace Digital Archive</li> </ul>	Manager Library Services	Completed	<p>Highlights for Local Studies were the addition of the Festival of Mosman interviews to Mosman Faces.net and four major exhibitions held including:</p> <ul style="list-style-type: none"> <li>It's In the Bag</li> <li>Picture This</li> <li>Military Road now and then</li> <li>Rambles along Raglan.</li> </ul> <p>A total of six workshops were held on a range of topics including Family History, Filmmaking, Doing Our Bit WW1 Project and preservation of personal memorabilia.</p> <p>Trace Digital Archive continues to be developed and technical issues with the software have been addressed.</p> <p>The Library hosted committee and general meetings of the Mosman Historical Society and Local Studies Librarian provided information and advice to support the Society.</p>
	Build on Great War Project: program of seminars, workshops	Manager Library Services	Completed	Work continued on research and adding content to the Doing Our Bit website. A workshop was held in March 2014 for volunteers working on the project and a talk by author David Wilson on his book "The Fighting Nineteenth" and its Mosman connections took place in November 2013.
	Commemorate the centenary of the Great War 1914-1918	Manager Library Services	Completed	Planning for exhibitions and events especially tied in with the Library's Doing Our Bit Project is ongoing for 2014-18.
Communication through a range of media, enabling	<ul style="list-style-type: none"> <li>Maintenance and improvement of website</li> </ul>	Manager Library	Completed	Council's website is maintained and updated

Strategy	Action	Responsibility	Status	Comment
the community to be well informed, engaged, and actively participating in community life	functionality and efficiency <ul style="list-style-type: none"> <li>• Council business papers, policies, forms available online</li> <li>• Online facilities for community consultation and feedback</li> <li>• Promotion of website and online spaces to community and staff</li> <li>• Extension of range and quality of information published online in open, machine-readable formats</li> <li>• Digital talks and workshops to support community participation and collaboration online</li> </ul> Community Information Service: <ul style="list-style-type: none"> <li>• Update the LINCS Community Information database</li> <li>• Printed directories, lists of services and facilities, brochures</li> <li>• Information disseminated via Council website, social media, press, noticeboards, brochures</li> </ul>	Resources		<p>promptly.</p> <p>Webpages/satellite sites were deployed for Mosman Youth, Rapt (Christmas window competition), Mosman Festival and Mosman Design Awards.</p> <p>Community consultations are advertised on the website and provide the opportunity for the community to participate online. Functionality improvements will be delivered with the new website, to be launched September 2014.</p> <p>A review of the Community Information Service was undertaken in 2013. Information on services, facilities and organisations is updated regularly and published on Council's website, social media, local press and noticeboards.</p>
	Implement events website	Manager Library Resources	Completed	Events website was launched June 2013, with fine-tuning and review continuing in 2014. A mobile application is in development.
	Launch redesigned Mosman website	Manager Library Resources	Progressing	The new Council website is due to be launched in September 2014.
	Redesign Mosman Council's website to be task-focused and mobile-friendly, and improve online consultation opportunities	Manager Library Resources	Progressing	An information architecture review, extensive consultation with staff and community and redesign of the site was completed in June 2014. Testing is to be undertaken in July – August 2014 with the new site due to be launched in

Strategy	Action	Responsibility	Status	Comment
				September 2014. A Youth blog - <a href="http://www.mosmanyouth.com.au">www.mosmanyouth.com.au</a> - has been implemented to assist with engaging the youth of Mosman.
	Develop Mosman Council DATAstore to publish information in open, machine-readable formats for Council and third-party web services	Manager Library Resources	Progressing	This project is progressing. Maps on the new Council website (e.g. Parks and Reserves) will be incorporated into the DATAstore to enable access by third party services.
	Extend opportunities for customer requests and reports online, including reporting tools for mobile devices	Manager Library Resources	Progressing	Customer requests and reporting functionality has been reviewed and streamlined as part of the website redesign project. Reporting initiated from the 'contact us' page initiates a workflow in the Document Management System and tasks to the responsible officer. The new site will also be responsive – i.e. is viewable on a range of devices including tablets, iPhones, Android phones, laptops, etc.



## Arts and Culture

Strategy	Action	Responsibility	Status	Comment
Support, develop and showcase a broad range of contemporary arts, artists and arts practices, with special emphasis on the visual arts	<ul style="list-style-type: none"> <li>Mosman Art Prize</li> <li>Annual programming – Mosman Art Gallery</li> <li>Maintenance, conservation, documentation and cataloguing of the Mosman Art Collection</li> <li>Facilitation, advocacy and promotion of local artists, craft practitioners and designers</li> <li>Assistance to community organisations planning and providing arts and craft activities and events</li> <li>Planning and administration of the monthly Mosman Market</li> <li>Arts and Culture Community Consultative Committee</li> </ul>	Manager Cultural Services/Gallery Director	Completed	<p>The Mosman Market was successfully run throughout the year attracting 3,000 - 4,000 people per market. A special Christmas night-time market was also run in December.</p> <p>The current storage arrangements for the Mosman Art Collection are being reviewed and improvements made with new shelving installed in several storage areas of the Gallery and new file plan drawers installed.</p> <p>Cultural Services continued to support key local cultural groups including Mosman Orchestra, Mosman Arts Society, Night Owl Quilters, Mosman Embroiderers, Sydney Life Church Art Group, the NSW Sculptors Society and over 30 promoters of concerts.</p> <p>The Arts and Culture Community Consultative Committee met and focussed on Collection matters and viewed the former oil tanks at Georges Heights for possible future cultural uses.</p>
	Review prize money allocation for Mosman Art Prize, ensuring it retains its current level of prestige	Manager Cultural Services/Gallery Director	Completed	<p>In 2013-14 the Mosman Art Prize attracted 719 entries, making it one of the most entered prizes in Australia. The exhibition attracted significant visitation (approximately 7,000 visitors).</p> <p>While the \$30,000 first prize money is less than for the Archibald, Wynn and Suleman Prizes run by the Art Gallery of NSW, it still represents a substantial amount that allows the exhibition to retain its current level of prestige.</p>
	Utilise the Gallery's philanthropy program to attract donations of key works celebrating the	Manager Cultural Services/Gallery Director	Progressing	Under the 2013-14 philanthropy program Mosman Art Gallery acquired over \$100,000 in artworks including the sculptures Nike by Anne Ferguson and Cook After Baghdad by Ben Quilty. The Gallery

Strategy	Action	Responsibility	Status	Comment
	Mosman region and its heritage			has also obtained a long term loan of the work Totem Sun by local artist Stephen Coburn.
	Complete online database of Council's Art Collection	Manager Cultural Services/Gallery Director	Progressing	In 2013-14 Art Gallery staff continued to work with a small number of volunteers as part of the ongoing process of developing an online database of Council's Art Collection.
	Expand the variety of cultural events presented in the Mosman Art Gallery and Community Centre	Manager Cultural Services/Gallery Director	Completed	<p>With the development of new exhibition spaces including the Cube and In Profile, as well as establishing the Gallery Shop, the Gallery has reached capacity in offering a variety of new cultural experiences.</p> <p>Future expansion in the area will be dependent on a planned upgrade of facilities associated with the Grand Hall to better accommodate the already substantial performance/music program offered and the use of new technologies for the delivery of new art platforms/media.</p>
	Develop a program of artisan works on display and for sale in the Gallery	Manager Cultural Services/Gallery Director	Completed	The Gallery has established the In Profile space dedicated to the display of local artists' work as well as providing extensive glass cabinets, with fifty four display compartments, for the display and sale of artisan works.
	Review and enhance storage options for Mosman Council's Art Collection	Manager Cultural Services/Gallery Director	Progressing	<p>Over the course of the year several measures were taken to alleviate the storage issue at the Gallery. A new larger set of file plan drawers were purchased to better house the Gallery's collection of works on paper.</p> <p>A number of existing storage areas were refitted to allow for more efficient storage of artworks. Some pressure on storage was also reduced due to the repatriation of works from the Cobb collection, which had been held on loan to the Gallery since 2005.</p>

Strategy	Action	Responsibility	Status	Comment
				Investigations will continue in 2014/15 to achieve greater storage capacity for artworks at the Gallery.
Deliver and support events and other projects that celebrate Mosman, drawing inspiration from the area's artists, history, demographics, lifestyle and environment	<ul style="list-style-type: none"> <li>Exhibitions, public programs and online resources</li> <li>Promotion of Mosman's artistic heritage</li> <li>Festival of Mosman</li> <li>InSitu Festival of Sculpture and Installation</li> </ul>	Manager Cultural Services/Gallery Director	Completed	<p>Cultural Services consistently developed and delivered a well patronised and critically acclaimed program across all its activities. The Gallery attracted over 80,000 visitors to its range of exhibitions, public programs, concerts and activities.</p> <p>The 2013 Festival of Mosman was successful in achieving its aims and attracted record crowds of over 70,000 across all activities, including joint celebrations with the International Fleet Review. A highlight of the Festival was the Freedom of Entry parade by HMAS Penguin.</p>
	Mosman Day and Hunter Day celebrations	General Manager	Not Progressing	<p>Mosman and Hunter Day events were not progressed during the year. Hunter Day has been one of many initiatives undertaken with local schools over the years, and at this stage it is not proposed to continue with this particular event. Multiple other collaborations are still undertaken with local schools, including primary and high school aged children.</p> <p>Mosman Day has previously taken the form of fundraising BBQs in schools for Friendship City initiatives, however this has also been somewhat overtaken by other fundraising activities including staff raffles which have been extremely effective and more cost effective than the BBQ's. Rather than simply maintain previous initiatives like the BBQ's, it is proposed to continue looking at new ways of engaging interest and contributions to Council projects.</p>
Deliver and support events and other projects that	<ul style="list-style-type: none"> <li>Harmony Day celebrations</li> <li>International Women's Day</li> </ul>	Manager Cultural Services/Gallery Director	Completed	For the financial year 2013-14 Council delivered a range of events that celebrate Mosman including:

Strategy	Action	Responsibility	Status	Comment
celebrate Mosman, drawing inspiration from the area's artists, history, demographics, lifestyle and environment	<ul style="list-style-type: none"> <li>Annual Guringai Festival</li> <li>Other civic and community events</li> </ul>			<ul style="list-style-type: none"> <li>Guringai Festival 2013</li> <li>Festival of Mosman 2013 including Freedom of Entry, In Situ: Mosman Festival of Sculpture and Installation, Pedal Power Cinema, Children's Fair, Pet's Day Out, Concert in the Park</li> <li>International Women's Day 2014</li> <li>Harmony Day 2014</li> <li>Mosman Sporting Wall of Fame 3rd Induction</li> <li>Mosman Address 2014</li> </ul> <p>Council also supported a variety of externally-organised events throughout the year.</p>
	Consolidate the process of re-invigorating the Festival of Mosman in collaboration with the local community, businesses, and other key stakeholders	Manager Cultural Services/Gallery Director	Completed	<p>The 2013 Festival was the most well attended in the event's history. Over 70,000 people attended more than 45 separate events and programs. Highlights of the Festival included the Freedom of Entry Parade by HMAS Penguin, Children's Fair, Pedal Powered Cinema, Middle Head exhibition, joint celebrations with the Navy as part of the International Fleet Review, Pets Day Out, In Situ, World's Longest Yoga Chain attempt and Concert in the Park.</p> <p>The Festival involved collaboration with a range of key stakeholders, business and community groups including local schools, Mosman Chamber of Commerce, Churches, Taronga Zoo, Sydney Harbour Federation Trust, and National Parks and Wildlife Services.</p>
	Develop a Mosman Bohemian series of exhibitions for the Gallery, including the Sirius Cove Artist Camp project, celebrating Mosman's artistic heritage	Manager Cultural Services/Gallery Director	Completed	Planning continues on an ongoing basis for the Mosman Bohemian Series of exhibitions. The Gallery successfully mounted the Hilda Rix Nicholas exhibition, maintained the Balnaves Gift and conducted planning for a series of future exhibitions including Destination Sydney (a joint

Strategy	Action	Responsibility	Status	Comment
				project with SH Ervin and Manly Galleries), The Artist Camps of Mosman and The Ashton Dynasty/Julian Ashton Art School retrospective.
	Development and staging of a project marking the 200th anniversary of Governor Macquarie's land grant to Bungaree at Middle Head and Georges Heights	Manager Cultural Services/Gallery Director	Progressing	In 2013-14 planning was undertaken to ensure the success of these celebrations. The Exhibition 'Bungaree: the First Australian' will return to the Gallery to coincide with the anniversary. Consideration is being given to the installation of a series of 24 Aboriginal poles to be launched as part of the celebrations. Council is currently liaising with stakeholders including Mosman Reconciliation, Sydney Harbour Federation Trust, National Parks and Wildlife Services, Taronga Zoo, Sydney Institute of Marine Science and Mosman Chamber of Commerce to co-ordinate planning for this event.
	Develop a series of technology focused art based projects, including locative media works	Manager Cultural Services/Gallery Director	Completed	In 2013-14 Cultural Services maintained its commitment to technology based art projects. The locative projects Notes for Walking and Open Air continue to operate at Middle Head and Sirius Cove respectively. A new audio guide phone app is being considered for use in the Gallery and is planned to be trialled on the Balnaves Gift exhibition. The Cube space at the Gallery provides year round promotion of technology projects and hosted four exhibitions this year.
	<ul style="list-style-type: none"> <li>Arts and Culture Community Consultative Committee</li> <li>Event promotions</li> <li>Gallery Friends</li> <li>Gallery volunteer program</li> <li>Creative Circle philanthropy program</li> </ul>	Manager Cultural Services/Gallery Director	Completed	The Arts and Culture Community Consultative Committee met three times during 2013/14. A focus of discussion has been storage of artwork at the Gallery and the review of the Collections Policy. The benefits associated with the Friends program is currently under review.
	Develop an Arts and Ageing project with a key goal of enhancing the health of the local	Manager Cultural Services/Gallery Director	Progressing	Internal consultations have taken place regarding Council's approach to creative ageing. Programs in-place include painting, embroiderers and quilting

Strategy	Action	Responsibility	Status	Comment
	community and its cultural vitality			groups as well as the creative activities in place through Council's support of the University of the Third Age and its programs. Discussions have also taken place with research bodies at Macquarie University for possible partnership projects in this area.
	Review the Gallery's Friends and Volunteer programs	Manager Cultural Services/Gallery Director	Progressing	In 2013-14 the Volunteer Guides Program was reviewed and training implemented for induction and task specific functions. Planning is underway for a more comprehensive review of the wider volunteer program in 2014/15. The Friends program is being reviewed on an on-going basis.
Promote the cultural services and programs provided and supported by Council to a wide audience	<ul style="list-style-type: none"> <li>Promotion of community events and recreational and cultural services and facilities, including use of Council's events calendar, web marketing and local media</li> <li>Promotion and marketing of Mosman Art Gallery and Community Centre programs, activities and opportunities for venue hire</li> </ul>	Manager Cultural Services/Gallery Director	Completed	The Mosman Art Gallery and Community Centre is in the process of redesigning and producing a new venue brochure and in the early stages of updating the design and functionality of its website. The Gallery produces two exhibition calendars per year highlighting all major exhibition programming.  The Gallery also produces a monthly e-newsletter, maintains an up to date website, actively promotes using signage, banners, etc. and actively utilises accounts with Instagram, Twitter and Facebook. The Gallery also maintains a high media profile with local, metropolitan and arts industry media.
	Investigate the provision of directional tourist signage to the Mosman Art Gallery	Manager Cultural Services/Gallery Director	Completed	An application for signage has been completed and will be submitted in 2014-15.
	Provide improved façade treatment/external signage for the Mosman Art Gallery	Manager Cultural Services/Gallery Director	Progressing	It is planned to address this as part of the refurbishment of outside areas of the Gallery in 2014-15.
	Review use of social media/interactive media as a key	Manager Cultural Services/Gallery Director	Completed	In 2013-14 Cultural Services either opened or maintained Facebook, Instagram and Twitter

Strategy	Action	Responsibility	Status	Comment
	promotional tool for Cultural Services and local events			accounts to promote the Art Gallery and the Festival of Mosman. Social media has now been integrated into the overall marketing strategy of Cultural Services activities.
	Provide new signage and promotional strategy for Mosman Market	Manager Cultural Services/Gallery Director	Completed	In 2013-14 a redesigned logo was developed for Mosman Market, together with a promotional strategy including, new signage and banners.
Consolidate and extend the operations of the Mosman Art Gallery to ensure its continued leadership of cultural initiatives and programs	<ul style="list-style-type: none"> <li>• Calendar of exhibitions</li> <li>• Mosman Youth Art Prize</li> <li>• Artists of Mosman: 2088</li> <li>• Mosman Art Society</li> <li>• Children's education program</li> <li>• Public/education programs and special events</li> <li>• Mosman Art Prize and Allan Gamble Memorial Art Prize</li> <li>• Friends of the Gallery and Gallery Volunteers programs</li> <li>• In Profile local artists exhibitions</li> <li>• Gallery shop</li> </ul>	Manager Cultural Services/Gallery Director	Completed	<p>In 2013-14 Mosman Art Gallery successfully mounted 23 separate exhibitions. These were the 2013 Mosman Art Prize, Middle Head, Middle Head on site, Mosman Arts Society, Linda Klarfeld: Icons of Business, Alister Simpson: A Brush with Horses, J D Reformer: The Source, Tatsumi Orimoto: Beethoven Mama, In Situ 2013, Chick Gordon: Life in Colour, Robert Dujin: En Plein Air, Liz Hardy: Contemporary Porcelain, Megan Heyward: Notes for Walking, Chris Caines: Open Air, The Gift of Friendship: Artworks purchased by Friends of the Mosman Art Gallery, Artists of Mosman: 2088, 2014 Mosman Youth Art Prize, Une Australien, Encounters with Bali, Khaled Sabsabi: Syria, Jumaadi: Displaced Goddess, Kate Rae: Recent Paintings and Michelle Belgiorno: Enso- Closing the Circle.</p> <p>Of the approximately 80,000 visitors in 2013-14, 5,000 were participants in the Gallery's education and public programs associated with these exhibitions. The Gallery shop also provides an added experience for visitors and currently showcases around 40 artisans, with a priority given to local artists.</p>
	Finalise the development of a business plan for Council's Cultural Services, including the Mosman Art Gallery	Manager Cultural Services/Gallery Director	Completed	Business planning was conducted to allow for the development of a competitive submission to funding bodies for supplementary program funding for Mosman Art Gallery. The proposed

Strategy	Action	Responsibility	Status	Comment
				development of cross council business planning models will determine the future development of the plan for Cultural Services.
	Develop planning and costing for the conversion of the Grand Hall into a flexible space suitable for concerts and exhibitions and possible conversion of the outside area of the Art Gallery & Community Centre for more effective community use	Manager Cultural Services/Gallery Director	Progressing	Funds (\$50,000) for refurbishment of space outside the Gallery for more effective community use have been included in Council's 2014-15 budget.
	Link market activities to the Mosman Art Gallery and Community Centre precinct/activities	Manager Cultural Services/Gallery Director	Progressing	New signage for the Markets has been introduced for better navigation of the site. Exhibition guided tours have been scheduled to coincide with market activities for cross promotion. The Markets have been actively promoted in the Gallery's newsletters and social media activities.
Create and maintain public art projects that enhance the public domain and generate community pride	<ul style="list-style-type: none"> <li>Partnership projects with the Mosman Public Art Trust</li> <li>Annual Mosman Address</li> <li>Maintenance of Public Art works</li> </ul>	Manager Cultural Services/Gallery Director	Completed	<p>In 2013-14 Council continued to install and refurbish works of public art. The Mosman Sporting Wall of Fame was refurbished and six new inductees added to the Wall.</p> <p>Tribal Sun by Stephen Coburn and Nike by Anne Ferguson were installed outside the Gallery.</p> <p>Major donations of public artwork were given to Council under the Cultural Gifts Program to Council worth over \$100,000 including sculptural works by Anne Ferguson and Ben Quilty.</p> <p>The 2014 Mosman Address was successfully presented by former Australian of the Year, Dr John Yu AC, on the topic of Valuing what we Share - and Understanding our Differences.</p>
	Identify key sites and potential	Manager Cultural	Completed	Mosman Art Gallery has recently been the focus of



Strategy	Action	Responsibility	Status	Comment
	projects for public art in Mosman	Services/Gallery Director		<p>activity in this area and the forecourt has been identified as the priority area for the installation of public art in 2014-15. In 2013-14 the major work 'Tribal Sun' by Stephen Coburn was placed at the Gallery on long term loan and the piece 'Nike' was donated to the Gallery by artist Anne Ferguson</p> <p>Proposed projects in 2014-15 include the establishment of a sculpture garden including the installation of a significant Aboriginal work made up of 24 decorated trees/poles and the installation of Ben Quilty's 'Cook after Baghdad'.</p>
	Work in partnership with National Parks and Wildlife Services, Sydney Harbour Federation Trust and Metropolitan Land Council to develop a public interpretive art trail celebrating the unique indigenous heritage of Mosman	Manager Cultural Services/Gallery Director	Progressing	In principle agreement has been reached with the National Parks and Wildlife Service and Sydney Harbour Federation Trust to pursue this matter as part of the Bungaree celebrations in 2015, with the aim of formally announcing the project then with further development in future years as resources permit.
	Work with the Mosman Public Art Trust to fund identified public art projects in Mosman	Manager Cultural Services/Gallery Director	Completed	The annual Mosman Address remains the major fundraiser for the Trust. Funds raised will be allocated to future public art projects planned for 2014-15.
Facilitate cultural opportunities through the development of partnerships and by harnessing public, private and corporate resources	<ul style="list-style-type: none"> <li>• Friendship Agreements with Otsu, (Japan), Mudanjiang (China), Isle of Wight (United Kingdom), Maubara (East Timor), Paciano (Italy) and Norfolk Island</li> <li>• Annual Glen Innes Celtic Festival</li> <li>• Friendship community exchanges, partnerships and collaborations</li> </ul>	Manager Cultural Services/Gallery Director	Completed	<p>In 2013-14 Council maintained a healthy Friendship City relationship with Otsu (Japan), Mudanjiang (China) and Glen Innes (NSW). Otsu Chamber of Commerce and Otsu Rotary sent separate delegations during the course of the year.</p> <p>A Council delegation, led by Cr Moline, visited Mudanjiang China in May 2014, to continue to promote the Friendship City Agreement and projects including the giving of computers for use in schools and the Girl Child Project.</p> <p>The Aboriginal Women's project in Glen Innes continues and is funded by Mosman Council.</p>

Strategy	Action	Responsibility	Status	Comment
				<p>A new Friendship Cities Community Consultative Committee was formed and has met on several occasions. It seeks to prioritise our Friendship City arrangements and activate meaningful exchange between our communities.</p> <p>It is currently planned that the Mayor visit both Mudanjiang and Otsu in 2015.</p>
	Glen Innes Aboriginal Art Education Project	Manager Community Services	Completed	Council continues to provide financial support to the Glen Innes Aboriginal Art Education Project.
	Consolidate the operations and activities of the philanthropy officer position	Manager Cultural Services/Gallery Director	Progressing	The Philanthropy Officer position has successfully established the basis for an ongoing philanthropy program at the Gallery.
	Submit a minimum of three funding applications per year to state and federal cultural bodies (Arts NSW, Australia Council, etc.) and private foundations for the support of identified Gallery/Cultural Services projects and activities	Manager Cultural Services/Gallery Director	Completed	In 2013-14 there was a \$20,000 increase in funding levels for the Art Gallery annual program (to \$70,000). The Gallery was also successful in obtaining funding from Museums and Galleries NSW under their Curatorial Support Initiative. Several unsuccessful submissions were also made to a variety of funding bodies including the Gordon Darling Foundation and the Australian Government.
	Work with the Royal Australian Navy and partner organisations on the Mosman based component of the 2013 Australian Fleet Review	Manager Cultural Services/Gallery Director	Completed	Mosman Council successfully partnered with the Australian Navy to present the Mosman based components of the 2013 International Fleet Review. Mosman hosted major parts of the celebrations at Bradleys Head and a range of activities were jointly incorporated into the 2013 Festival of Mosman. A highlight of the celebrations was the Freedom of Entry Parade along Military Road.
	Work with Taronga Zoo in planning celebrations for the 100th Anniversary of its establishment at Mosman in 1916	Manager Cultural Services/Gallery Director	Progressing	Staff have worked with the Zoo regarding planning for centenary celebrations in 2016 with further meetings planned in 2014-15.

# : Environment

## Built Environment

Strategy	Action	Responsibility	Status	Comment
Maintain the special local character of Mosman with effective planning strategies in place	<ul style="list-style-type: none"> <li>• Implementation of Plans of Management, Recreation Strategy Action Plans and Management Frameworks</li> <li>• Preparation, review and monitoring of open space Plans of Management</li> <li>• Implementation and Review – Mosman Local Environmental Plan and Development Control Plans</li> <li>• Mosman Housing Strategy implementation and review</li> <li>• Ongoing monitoring and response to State policies and plans</li> <li>• Biennial Mosman Design Awards</li> <li>• Contribute to Sydney Harbour Federation Trust Management Plan review</li> <li>• Demographic analysis and forecasting</li> </ul>	Manager Urban Planning	Progressing	<p>Council resolved on 4 March 2014 to prepare a Plan of Management for Balmoral. By year end, Council is still awaiting approval from the Minister for Lands to proceed.</p> <p>Significant amendments to State Environmental Planning Policy (Exempt and Complying Development) were notified on the legislation website in December 2013 to come into effect on 22 February 2014.</p> <p>Proposed amendments to the Sydney Harbour Federation Trust Management Plan for Middle Head were reported to Council 3 December 2013.</p> <p>Staff have also contributed to the review and updates of the Mosman Community Profile and associated population and dwelling forecasts.</p>
	Prepare Planning Proposals to amend Mosman LEP2012 as required	Manager Urban Planning	Progressing	<p>Council considered five planning proposals this year. Of these, two involved spot rezoning (7Ellamatta Avenue and Unformed Stanton Road) and these have been completed.</p> <p>Council resolved not to proceed with two, those being Mosman Police Station and 14 Bickell Road.</p>

Strategy	Action	Responsibility	Status	Comment
				The more significant planning proposal for amendment to objectives in Mosman LEP2012 and the inclusion of wall height controls, number of storeys and landscaped area was prepared and exhibited for public comment. It would have the effect of strengthening the planning controls applying to residential development in Mosman.
	Investigate a Laneway Activation Strategy for business centres	Manager Urban Planning	Not Progressing	Work on this initiative was dependent upon Council decisions regarding the Spit Junction Masterplan and as Council has decided not to proceed, as per its resolution of 3 June 2014, this project will need to be reconsidered.
	Review Development Control Plans, subject to the outcomes of State planning reforms	Manager Urban Planning	Progressing	<p>Council resolved to amend the Residential and Business Centres DCPs on 8 October 2013. These were publically exhibited from 17 October to 14 November 2013 and Council subsequently adopted the amended DCPs which came into effect on 19 December 2013.</p> <p>The Residential DCP is the subject of a further draft amendment which has been exhibited so as to be consistent with proposed changes to MLEP2012 relating to height and landscaped area.</p> <p>Further review will be undertaken after planning reforms are completed.</p>
	Progress the Spit Junction Masterplan project	Manager Urban Planning	Not Progressing	Council considered a report on the Spit Junction Masterplan on 3 June 2014 and resolved to reaffirm the controls in Mosman LEP2012 and to give consideration to planning proposals for individual sites in Spit Junction.
Ensure Mosman's position is strong within the framework of the State's planning and regulatory	<ul style="list-style-type: none"> <li>Ongoing advocacy and lobbying to protect Mosman's interests in relation to Government policy, inquiries and legislation</li> </ul>	Manager Urban Planning	Progressing	<p>Staff have participated in briefing sessions on Planning Bills and have regularly attended meetings of the Northern Planners network.</p> <p>Submissions have been prepared on various</p>

Strategy	Action	Responsibility	Status	Comment
reforms	<ul style="list-style-type: none"> <li>• Participation in consultations, workshops and information sessions on State policy, regulation and legislative change</li> <li>• Participation in regional and other planning networks</li> <li>• Community engagement on major planning proposals and reforms</li> </ul>			<p>government policy initiatives and proposals, including Aboriginal Cultural Heritage Reform, Crown Lands Legislation White Paper and proposed Middle Head Aged Care Facility.</p> <p>Advocacy with the State is ongoing in relation to the continuing exclusion of Mosman's scenic protection area from inclusion in the General Housing Code.</p>
	Review and respond to the State government's 2013 planning reforms including the Planning Reform White Paper and Metropolitan Strategy	Manager Urban Planning	Not Progressing	The Planning Bills passed the Lower House of NSW Parliament on 30 October 2013, were subsequently amended in the Upper House and are now on hold. It is anticipated that these reforms will not be revisited by the State government until after the 2015 State elections.
	Implement appropriate actions arising from the 2013 planning reforms, together with the Northern Beaches Regional Action Plan and Central Sub-Regional Plan	Manager Urban Planning	Not Progressing	<p>Actions arising from proposed planning reforms are still pending. It is anticipated that these reforms will not be revisited by the State government until after the 2015 State elections.</p> <p>Sub-regional planning is due to start involving councils in September 2014.</p>
Effectively manage the conservation of Mosman's heritage	<ul style="list-style-type: none"> <li>• Implementation of Aboriginal Heritage Study recommendations</li> <li>• Local Heritage Fund</li> <li>• State Heritage Inventory updates</li> <li>• Heritage conservation promotion</li> <li>• Heritage Advisory Service – providing advice on heritage matters and community education</li> </ul>	Manager Urban Planning	Progressing	<p>This year 17 applications were approved for funding and completed under the Local Heritage Fund. This compares favourably with the 10 projects in 2012-13. Of these projects, eight were heritage items and nine were properties in heritage conservation areas and included roof repairs, replacement of fences, restoration of original features, repair work and repainting.</p> <p>A photographic study of the large Glover and Nathan's Estate heritage conservation area was completed and is available online.</p> <p>Council's Heritage Advisor has attended Council 14</p>

Strategy	Action	Responsibility	Status	Comment
				<p>times in 2013-14 to provide heritage advice on development applications, heritage fund applications and to attend meetings with owners and architects.</p> <p>Heritage conservation promotion has been undertaken as part of planning's general commitment to promotion of planning issues to the community. Strategies have included the planning website, email newsletters, newspaper ads and editorial, Facebook and twitter.</p>
	Develop a heritage strategy and branding to raise the profile of heritage	Manager Urban Planning	Not Progressing	A number of additional projects have been added to the Urban Planning work program this year (Plan of Management for Balmoral, Needs Analysis for Civic Centre, review of zoning of bushland on unmade road reserves, and review of objectives and development standards in Mosman LEP 2012) resulting in this initiative being postponed until 2014-15.
	Develop a phone app with a heritage theme to raise community awareness	Manager Urban Planning	Not Progressing	A number of additional projects have been added to the Urban Planning work program this year (Plan of Management for Balmoral, Needs Analysis for Civic Centre, review of zoning of bushland on unmade road reserves, and review of objectives and development standards in Mosman LEP 2012) resulting in this initiative being postponed until 2014-15.
Provide excellent planning information, advice and effective development assessment that delivers high quality outcomes	<ul style="list-style-type: none"> <li>• Dedicated Duty Planner service for face-to-face consultation and advice</li> <li>• Planning Certificates</li> <li>• e-communications</li> <li>• Targeted engagement, workshops and information sessions</li> <li>• Maintenance and</li> </ul>	Manager Development Services	Progressing	<p>The Development Services section has provided high quality planning information, advice and development assessment services throughout the reporting period.</p> <p>All actions for 2013-14 are progressing, including the dedicated Duty Planner for residents enquiring about development related matters.</p>

Strategy	Action	Responsibility	Status	Comment
	improvement of iPlan <ul style="list-style-type: none"> <li>Assessment of Development Applications having regard to relevant performance standards, legislation, codes and policies</li> <li>Mosman Development Assessment Panel</li> <li>Monitoring and review of approved development</li> </ul>			
	Interactive online production and delivery of planning certificates and information	Manager Urban Planning	Not Progressing	Planning software is currently being reviewed to improve integration and reporting capability. Review and development of an implementation plan is to be completed by the last quarter of 2014.
	Develop a monthly planning news bulletin video	Manager Urban Planning	Not Progressing	With the addition of a number planning projects not programmed for in 2013-14, this initiative has been delayed until 2014-15.
	Review iPlan assessment module to enhance efficiency	Manager Development Services	Progressing	The functionality of the iPlan module has been continually developed since implementation and a review is currently in progress.
	Promote the use of Council's Enquire module when brought online	Manager Development Services	Not Progressing	Further product development is required and this will be explored as part of the ongoing review in 2014-15.
	Improve neighbour notification processes by utilising e-planning capabilities	Manager Development Services	Progressing	A range of measures have been implemented including the placement of a Q/R code on notification signs and DA tracking.
Contribute to a safe, healthy and responsible community through inspection of building works, auditing of fire and swimming pool safety and	<ul style="list-style-type: none"> <li>Regulatory enforcement, management of building sites and environmental controls</li> <li>Fire safety inspections</li> <li>Implementation of Fire Safety Program</li> </ul>	Manager Development Services	Progressing	A high level of service has been provided in this area notwithstanding limited resource availability.

Strategy	Action	Responsibility	Status	Comment
effective regulatory enforcement	<ul style="list-style-type: none"> <li>• Provision of policy and regulatory information relating to development control</li> <li>• Provision of information on swimming pool safety fencing and inspection service</li> <li>• Swimming pool inspections</li> <li>• Swimming Pool Register</li> </ul>			
Provide, maintain and sustainably manage Mosman's public infrastructure including roads, footpaths, drainage and marine structures	Annual renewal and maintenance programs – stormwater assets, marine structures and road assets	Team Leader Engineering	Completed	Works have been undertaken in accordance with Asset Management Plans and available funds. Major renewal works in 2013-14 included The Esplanade, Belmont Road, Military Road, Bradley's Head Road, Athol Wharf Road and the Balmoral Sea Wall.
	Develop annual e-inspections for road assets	Team Leader Engineering	Progressing	The format for inspection of road assets has been developed. Work is progressing with software provider for development of an Asset application, with this work expected to be completed by end 2014.
	Develop annual e-inspections for marine assets	Team Leader Engineering	Progressing	The format for inspection of marine assets has been developed. Work is progressing with software provider for development of an Asset application, with this work expected to be completed by end 2014.
	Implement a 5 year contract for scheduled Maintenance and Renewal works on Inkerman Street Wharf, Clifton Gardens Jetty and Baths and Balmoral Jetty and Baths	Team Leader Engineering	Progressing	SHOROC Procurement will be reviewing specifications with a view to gaining support for a regional contract in the next financial year.
	Renewal of Balmoral Seawall	Team Leader Engineering	Completed	Major rehabilitation works including repainting of the entire wall was successfully completed in mid-2014.



## Community Spaces

Strategy	Action	Responsibility	Status	Comment
Provide, manage and maintain public land for the benefit of residents, businesses and visitors	<ul style="list-style-type: none"> <li>Property leasing, licensing and management</li> <li>Review of opportunities for improved use of public land and facilities</li> </ul>	Manager Governance	Completed	Ongoing in-house management of public property portfolio.
	Review opportunities for alternate use of Council premises at the south-east corner of Mosman Square	Team Leader Engineering	Completed	A review has shown that the site is not suitable for a café due to compliance and building code issues and the premises will continue to be used to accommodate staff.
	Review options for redevelopment of the Raglan Street (west side) car park, including opportunities for improved parking provision at Mosman Junction	Manager Assets and Services	Progressing	Preliminary work was undertaken in 2013-14 in relation to the feasibility of development options for the site with a Councillor workshop scheduled for 2014-15.
Manage parklands, sporting fields and recreational facilities in a manner that is well maintained, well-equipped and encourages healthy lifestyles	<ul style="list-style-type: none"> <li>Annual renewal and maintenance program – Parks and Open Space</li> <li>Auditing of tree pruning and removal permit approvals</li> <li>National Tree Day activities</li> <li>Urban Forest Management Register</li> <li>Sporting fields user group surveys and meetings</li> <li>Management of open space maintenance contracts</li> <li>Bushland walking track upgrades</li> <li>Project delivery according to priority programs and Plans of Management</li> <li>Annual inspections of Shark Nets at Clifton Gardens Baths and Balmoral Baths</li> </ul>	Team Leader Engineering	Progressing	<p>All programs were ongoing during 2013-14.</p> <p>Major changes to the operations of sports fields occurred in 2013-14. A priority model was adopted by Council which resulted in cricket, rugby union and football being the priority users at Allan Border Oval, Rawson Oval and Georges Heights Oval respectively.</p>
Manage parklands, sporting fields and recreational facilities in a manner that is well	Management of Mosman Swim Centre, Marie Bashir Mosman Sports Centre and Mosman Drill Hall	Manager Governance	Completed	Ongoing management of Council's recreational facilities satisfactorily achieved. Contract for lease and management of Mosman Swim Centre renewed December 2013.

Strategy	Action	Responsibility	Status	Comment
maintained, well-equipped and encourages healthy lifestyles	Develop options for the redevelopment of Allan Border Oval Pavilion	Team Leader Engineering	Completed	Draft concept plans were developed during the year. Plans will be further refined in early 2015, including consultation with stakeholders.
	Negotiate with the Sydney Harbour Federation Trust with a view to improved sporting use by Mosman residents of Georges Heights and Middle Head Ovals as well as long term leases over these facilities	Team Leader Engineering	Progressing	Initial discussions between Council and Sydney Harbour Federation Trust were held during the year and negotiations are on-going.
	Undertake scheduled asset renewal – Middle Head Oval Floodlights	Team Leader Engineering	Progressing	A development application for floodlights was lodged in early 2014 to the Sydney Harbour Federation Trust (SHFT) and a determination is awaited. This matter has been delayed pending the Trust's assessment of the Middle Head Aged Care proposal.
	Implement recommendations of report on Balmoral Figs subject to funding	Team Leader Engineering	Not Progressing	Given the current good condition of the fig trees, this work was not determined as a priority and no funds were not allocated to this project in 2013-14
	Review Contract for Bushland Restoration	Team Leader Engineering	Progressing	Council's current contract expires in 2022. A first year review was completed in June 2013, with the next formal review scheduled for 2015-16.
	Review Contract for Turf Management	Team Leader Engineering	Completed	The current contract for Turf Management was entered into in 2012 and will be reviewed early in 2014-15.
	Improve bushland connectivity through the Unmade Roads Rehabilitation Program	Team Leader Engineering	Progressing	This is an on-going program and satisfactory progress has been made during 2013-14.
	Implement recommendations outlined in 2012 Sporting Fields Use and Management Report, subject to funding	Team Leader Engineering	Completed	Works on funded items were substantially completed, with the remainder included in the 2014-15 Parks and Sports Field Management Contract. This matter will be finalised in 2015.

Strategy	Action	Responsibility	Status	Comment
	Develop and adopt a revised Sporting Fields Use and Management Policy	Team Leader Engineering	Progressing	This matter was reported to Council in February 2014. Ongoing discussions / negotiations with sporting clubs are being held with regard to fees and charges (as per Council's resolution) prior to updating the Sporting Fields Use and Management Policy. This matter will be finalised in 2014-2015.
	Review and report revised Playground Upgrade Program	Team Leader Engineering	Progressing	This project is scheduled to be completed in 2014-15 in conjunction with the formal review and update of the Section 94 Contributions Plan.
	Undertake scheduled asset renewal – The Esplanade and Spit West Playgrounds	Team Leader Engineering	Progressing	Work on Spit West playground was completed during 2013-14 and renewal of the playground at The Esplanade is scheduled for 2014-15. Design work for the Esplanade playground is underway.
	Update Mosman Recreational Needs Assessment Report	Team Leader Engineering	Completed	Workshops with Council and the community consultation regarding the Recreational Needs Assessment were undertaken during the year. A draft report will be completed in late 2014 and reported to Council.
	Construct disabled access to Balmoral Baths	Team Leader Engineering	Not Due To Start	Grant funding was received to prepare detailed designs for the works and these were subsequently completed. No grant funding was received for the construction phase of the project. Council resolved in 2014 to defer any works until an Access Strategy for Mosman was prepared and then to consider this project in conjunction with other identified works.
	Formalise foreshore pathway link from 8A Stanton Road to Wyargine Point Bushland track	Team Leader Engineering	Completed	The pathway works were completed in 2014.
	Repair damaged section of Clem Morath Pool	Team Leader Engineering	Completed	These works were completed in 2014.

Strategy	Action	Responsibility	Status	Comment
Provide and maintain community buildings and facilities that are accessible, functional, fit-for-purpose and responsive to changing demographics and lifestyles	Annual renewal and maintenance program – Buildings Assets	Team Leader Engineering	Progressing	The majority of tasks identified in the Building Asset Management Plan for 2013-14 have been completed. These include work at Pippies Childcare Facility and the Vista Street Car Park. Some works were delayed pending a review of amenities blocks and facilities.
	Implement and undertake programmed e-inspections of building Assets	Team Leader Engineering	Progressing	The format for inspection of building assets has been developed. Work is progressing with the software provider for development of an Asset application, with this work expected to be completed by end 2014.
	Review opportunities to participate in joint procurement contracts for consolidated building maintenance services	Team Leader Engineering	Progressing	This has been the subject of ongoing work with SHOROC, with key building works identified.
	Pursue available funding to undertake access audits for all community facilities	Team Leader Engineering	Completed	The Access Audit was completed for consideration by the Access and Mobility Community Consultative Committee. The matter will be reported to Council in late 2014.
	Provide improved façade treatment/external signage for the Mosman Art Gallery	Manager Cultural Services/Gallery Director	Progressing	Funding has been provided in Council's 2014-15 Budget to undertake these works.
	Develop planning and costing for the conversion of the Art Gallery's Grand Hall into a flexible space suitable for concerts and exhibitions and possible conversion of the outside area of the Art Gallery & Community Centre for more effective community use	Manager Cultural Services/Gallery Director	Progressing	Funding has been provided in Council's 2014-15 Budget to undertake these works, with final options subject to available funding.
	Continue to pursue funding opportunities for improved lighting at Mosman Art Gallery	Manager Cultural Services/Gallery Director	Progressing	Replacement of existing lighting with new LED technology in office areas took place in 2013-14. This work was funded under the Waste and Sustainability Improvement Payment Program with some limited residual funds being available

Strategy	Action	Responsibility	Status	Comment
				in 2014-15 to begin the process of replacing existing Gallery artwork lighting with LED luminaires.
Deliver civic and public spaces that promote community connections, complement Mosman's character, foster vitality in local business precincts and incorporate safe, accessible, functional and well-designed facilities	<ul style="list-style-type: none"> <li>Implementation of planting program in accordance with Street Tree Master Plan</li> <li>Programmed Playground and Street Tree Inspections</li> <li>Participation in National Benchmarking Surveys</li> <li>Visual Amenity – Signage and Advertising Community Consultative Committee</li> </ul>	Team Leader Engineering	Progressing	Council participated in the national Institute of Public Works Engineering Australasia open space and parks benchmarking survey in 2013-14, with the remainder of tasks progressing satisfactorily during the year.
	Review Contract for Tree Management	Team Leader Engineering	Completed	The contract was extended for one year given satisfactory performance. The contract performance will continue to be monitored by Council staff. The next contract review is scheduled for November 2015.
	Complete Street and Parks Tree Inventory for priority areas	Team Leader Engineering	Not Progressing	Further progress on this project is subject to completion of the e-inspection process for assets.
	Develop policies and protocols for style, form and location of local signage	Team Leader Engineering	Not Progressing	This project will be delivered in 2015.
	Undertake further planning and costing for Stage 2 of the Military Road Streetscape Improvement Program	Team Leader Engineering	Not Progressing	This project is on hold pending a review of options for the Raglan West car park site. It is anticipated that the Raglan West Car Park Options will be reported to Council in 2015.
	Progress the Spit Junction Masterplan project	Manager Urban Planning	Not Progressing	Council considered a report on the Spit Junction Masterplan on 3 June 2014 and resolved to reaffirm the controls in Mosman LEP2012 and to give consideration to planning proposals for individual sites in Spit Junction.

## Healthy Environment

Strategy	Action	Responsibility	Status	Comment
Enhance community knowledge and awareness and foster long-term sustainable behaviours through engagement programs	<ul style="list-style-type: none"> <li>• Walk Mosman iPhone App promotion</li> <li>• PIRATES sustainability programs and actions</li> <li>• Living Mosman Program implementation</li> <li>• Living Mosman e-newsletters</li> <li>• Engagement and education programs for schools, youth and the community</li> <li>• Waste avoidance and resource recovery programs</li> <li>• Community water and energy efficiency programs</li> <li>• Compost Revolution Program participation</li> </ul>	Manager Environment and Services	Progressing	<p>Living Mosman program has been successfully completed for 2013-14. The new program for workshops and events in 2014-15 has been completed and delivered to residents.</p> <p>Walk Mosman iPhone app was promoted in the Mosman Daily, the Mosman newsletter, and via social media. There have been 2,200 downloads of the Walk Mosman app.</p> <p>Pirates have run programs for staff during 2013-14 including the Switch off Blitz to reduce energy consumption and Food 4 Thought sessions.</p>
	Design and promote the Underwater Trail Program	Manager Environment and Services	Progressing	Council received a grant from the Recreational Fishing Trust to commence stage 1 of the Underwater Trail program, including signage and education.
	Develop and implement a community 'Take Action' Program	Manager Environment and Services	Progressing	Community program commenced including involvement in citizen science based programs. Program to continue in 2014-15.
	Investigate a program in partnership with community/businesses to reduce/ban HDPE plastic bags	Manager Environment and Services	Not progressing	The program was put on hold in 2013-14 as it was dependent on receiving grant funds. The program will commence in 2014-15, subject to grant funding.
	Develop and implement Waste to Art Schools Program	Manager Environment and Services	Progressing	Workshops for Waste to Music have been conducted for two schools as well as the Northern Beaches and Mosman Sustainable

Strategy	Action	Responsibility	Status	Comment
				Schools Network. Program to continue in 2014-15.
Preserve and enhance biodiversity on both public and private land, including Mosman's urban forest, bushland, reserves, open space, beaches, intertidal zone and the marine environment	<ul style="list-style-type: none"> <li>Manual cleaning of Chinaman's Beach and other nominated beaches</li> <li>Environmental considerations incorporated into marine asset refurbishment/contracts</li> <li>Responsible Pet Ownership and Backyard Biodiversity Program</li> <li>Wildlife Reporting Tool promotion</li> </ul>	Manager Environment and Services	Progressing	<p>Manual cleaning of Chinamans Beach has been ongoing as per the contract and environmental considerations have been included in marine asset contracts.</p> <p>The Responsible Pet Ownership program including 'There is no such thing as the Dog Poo Fairy' campaign commenced in 2013-14 and is still underway (to be completed in 2015).</p>
	<ul style="list-style-type: none"> <li>Coordination, support and promotion of the volunteer Bush care Program</li> <li>Bushland Management Contracts</li> <li>Unmade Roads Program</li> <li>Community Gardens</li> <li>Phytophthora Cinnamomi Plan implementation</li> <li>Feral Animal control program</li> </ul>	Team Leader Engineering	Progressing	All activities included in this task have progressed well in 2013-14 and are on-going.
	Conduct a monitoring program of beach wrack and the intertidal zone at selected Mosman beaches	Manager Environment and Services	Progressing	The Beach Wrack program was designed and commenced with a summer program study by a student from University of NSW.
	Implement the Caring for Our Coast Program	Manager Environment and Services	Completed	The Caring for our Coast grant program was completed during 2013-14. The Program will continue in 2014-15 in line with the Underwater Trails program.
Implement total water cycle management approaches to maximise water conservation, reuse and efficiency, and	<ul style="list-style-type: none"> <li>Harbourwatch data collection and reporting</li> <li>Water quality monitoring as required</li> <li>SQID Data collection</li> </ul>	Manager Environment and Services	Completed	Data collected during 2013-14 forms the basis of ongoing monitoring and reporting in the State of the Environment Report Scorecard.

Strategy	Action	Responsibility	Status	Comment
improve water quality	Implement and report on the Water Efficiency Management Plan	Manager Environment and Services	Completed	Actions in the plan have been implemented and reported to the NSW Government. The Plan will be reviewed in 2014-15.
	Undertake actions in the SQID Review Report subject to funding	Team Leader Engineering	Progressing	Council is collaborating with Sydney Water regarding issues identified in the report and investigations by Sydney Water are ongoing. Council has increased the frequency of cleaning SQIDs, with a decrease in resident complaints.
Reduce waste to landfill through the implementation of waste avoidance, minimisation, reuse and recycling strategies and initiatives	<ul style="list-style-type: none"> <li>Waste Dumping Policy/Procedures</li> <li>Public place recycling bin installations</li> <li>Waste and Recycling Services Contract</li> <li>Recycling/disposal program promotion for household hazardous chemicals/fridges and other materials</li> <li>Litter and Illegal Dumping Strategy implementation</li> <li>Community Waste Programs including Clothes Swap</li> <li>E-Waste Strategy implementation</li> <li>Support for Clean Up Australia Day</li> <li>Consideration of options for specific waste collection services under proposed common collection system</li> </ul>	Manager Environment and Services	Completed	<p>Actions have been completed for 2013-14 financial year.</p> <p>Public place recycling bins were installed in parks/reserves, the litter strategy was implemented and reviewed, an e-waste drop off event was held in September 2013 and March 2014 with participants and tonnages increasing with each event.</p> <p>Waste programs including clothes swap and garage sale trail were implemented to provide an opportunity for the community to reuse items.</p> <p>Regional programs were promoted to the community.</p>
	Develop a waste management procedures manual	Manager Environment and Services	Progressing	Currently being undertaken, for completion in 2014-15.
	Review and implement a Local Approvals Policy for Management	Manager Environment and Services	Progressing	Initial work on policy commenced in 2013-14 with a view to finalisation in 2014-15.



Strategy	Action	Responsibility	Status	Comment
	of Waste in Public Places			
	Conduct location and condition audits for street and reserve bins	Team Leader Engineering	Completed	Replacement bins were purchased in 2013-14 and have been installed.
	Conduct a Service Audit and implement an awareness program for Multi-Unit Dwellings	Manager Environment and Services	Progressing	The Waste Audit and survey of multi-unit dwellings has been completed. The findings will be used to design the education campaign to be rolled out during 2014-15.
	Implement an illegal dumping 'report it' program	Manager Environment and Services	Completed	Form developed and is currently included in the new website design to go live during 2014-15.
	Participate in the tender for the regional Common Waste Collection System and implementation of the system	Team Leader Engineering	Progressing	Work continued on this project, with Senior Executive staff participating in SHOROC and Kimbriki working groups.
Implement and promote an integrated sustainable transport network throughout Mosman to increase the uptake of health-wise transport modes	<ul style="list-style-type: none"> <li>Walk Mosman iPhone App promotion</li> <li>Care Share Scheme monitoring and promotion</li> <li>Sustainable Transport and Fleet Action Plan review and implementation</li> <li>Sustainable transport maps/website information</li> </ul>	Manager Environment & Services	Progressing	<p>The Walk Mosman App has been promoted via the local media, social media and community newsletters. There have been 2,200 downloads of the App. Promotion will continue in 2014-15.</p> <p>The Sustainable Transport and fleet action plan was reviewed in 2013-14 and actions undertaken including offsetting the greenhouse gas emissions from Council's fleet.</p>
	<ul style="list-style-type: none"> <li>Walking tracks and bike paths developed and maintained</li> <li>Sustainable transport infrastructure and education programs</li> </ul>	Team Leader Engineering	Progressing	Work on these projects was ongoing through 2013-14.
Implement energy efficiency and conservation measures to reduce energy consumption, and apply mitigation, adaptation	<ul style="list-style-type: none"> <li>Earth Hour and Climate Clever Program participation</li> <li>Inclusion of solar panels or other energy efficient measures in building design plans or redevelopment of council</li> </ul>	Manager Environment and Services	Completed	<p>Council participated in Earth Hour in March 2014, and hosted two workshops for the community leading up to Earth Hour.</p> <p>Participation in the Climate Clever Shop continued during 2013-14, however, Council's membership ended on 30 June 2014 and it was</p>

Strategy	Action	Responsibility	Status	Comment
and resilience strategies to address climate change risks	buildings <ul style="list-style-type: none"> <li>Energy efficient lighting retrofits of Council buildings</li> </ul>			determined that we would not continue with this partnership program.  The first stage of the energy efficiency retrofit at the Art Gallery was completed.
	<ul style="list-style-type: none"> <li>Coastal Zone Management Plan</li> <li>Mosman Flood Study</li> <li>Climate Change Risk Assessment Adaptation actions</li> <li>Monitoring of State/Government programs/policies on climate change</li> <li>Options for solar lighting in parks and reserves dependant on funding</li> </ul>	Team Leader Engineering	Not Progressing	Coastal Zone Management Plan - Existing hazard study has been completed. Council has resolved to delay further action pending advice and outcomes of other studies. A draft report on the Mosman Flood Study is being reviewed.  Remaining actions are pending State Government Stage 2 Reforms.
	Implement the Energy Management Plan	Manager Environment and Services	Progressing	The Energy Management Plan was reviewed during 2013-14. Actions completed included the LED lighting retrofit at the Library and the first stage of the Art Gallery.  Energy consumption data for 2013-14 shows a reduction in energy consumption at Council sites including the Vista Street Car park where retrofit programs have been completed.
	Review and complete actions in the Greenhouse Gas Reduction Plan	Manager Environment and Services	Completed	Actions completed for 2013-14.
Implement policies, practices and services to ensure the continued health and wellbeing of the Mosman community, and cleanliness of the local environment	<ul style="list-style-type: none"> <li>Inspection program for food shops</li> <li>Reporting in accordance with the Food Service Plan</li> <li>Food safety awareness programs for businesses</li> <li>Inspection program for beauty salons, hairdressers and skin penetration businesses</li> <li>Inspection/testing of cooling</li> </ul>	Manager Environment and Services	Completed	Monitoring and audits during 2013-14 showed 100% compliance with the site environmental management plans for Balmoral Oval and the Northern Nursery School.  Environmental legislation was enforced based on complaints, investigations and pollution incidents. Of note is that 100% of food shops, cooling towers and skin penetration businesses were inspected.

Strategy	Action	Responsibility	Status	Comment
	towers and public swimming pools <ul style="list-style-type: none"> <li>• Water pollution, sewer leak and noise investigations</li> <li>• Asbestos Policy implementation</li> <li>• Enforcement of the Public Health Act, Local Government Act, Protection of the Environment Operations Act, Food Act and associated regulations and policies</li> <li>• Contract administration (Street &amp; Gutter, Graffiti, Public Amenity Buildings Cleaning)</li> <li>• Contractor performance, WHS and toxic/harmful chemicals audits</li> <li>• Compliance with site Environmental Management Plans for Balmoral Park and Northern Nursery School</li> <li>• Contractor compliance electronic reporting system</li> </ul>			Reporting in accordance with the food service plan was completed for 2013-14.
	Finalise and implement an IT based integrated data management system for health inspections	Manager IT Services	Not Progressing	Due to budget restrictions and the Compliance structure review no further action has been taken on developing an inspection system.
	Implement the Incident Response Plan	Manager Environment and Services	Progressing	Plan implemented as required. Plan to be reviewed in 2014-15.
	Develop a protocol for handling of noise complaints	Manager Environment and Services	Not Progressing	Development of protocol postponed until completion of the consultants compliance review. Project to commence in 2015.
	Tender and commence a new contract for Beach and Reserves Cleaning	Team Leader Engineering	Completed	Council approved new contract in 2103 with the appointment of TJ, WL and Wescon Pty Ltd.

Strategy	Action	Responsibility	Status	Comment
Lobby and/or work with Federal and State Governments, and regional organisations/local councils to advocate for stronger policy and legislation, and implement programs to achieve robust, sustained environmental outcomes	<ul style="list-style-type: none"> <li>• Monitor environmental legislative developments, and enforce legislation as required</li> <li>• Collaborative networks, committees and regional forums</li> <li>• Environmental action plan reporting (State Government)</li> <li>• Grant application submissions</li> <li>• New/ongoing regional and/or state government program coordination</li> <li>• Council environmental policies/plans review</li> <li>• State of the Environment Report</li> <li>• Regional Ready Set Grow Program</li> <li>• Support for local community groups</li> </ul>	Manager Environment and Services	Completed	<p>Council was represented on committees and forums during 2013-14.</p> <p>Environmental policies and plans were reviewed and updated.</p> <p>The State of the Environment Report Scorecard and Environmental Sustainability Action Plan have been completed.</p> <p>Council was successful in receiving a grant under the Recreational Fishing Trust for the 'Caring for Our Coast' program to continue in 2014-15.</p> <p>The Ready Set Grow program was implemented regionally including one Mosman School. An additional two Schools have joined the program for 2014-15.</p>
	Collaborate with the SHOROC member Councils on regional environmental programs	Manager Environment and Services	Completed	Collaborated with SHOROC on the regional tender for the Planet Footprint water and energy reporting modules. Worked with SHOROC and other neighbouring Councils on regional waste projects.

## Traffic and Transport

Strategy	Action	Responsibility	Status	Comment
Lobby State and Federal Government to improve transport along Peninsula and the Spit and Military Road Corridor	<ul style="list-style-type: none"> <li>Progressive implementation of the SHOROC Regional Strategy – ‘Shaping Our Future’</li> <li>Ongoing lobbying of State and Federal Government for preferred traffic and transport solutions including Bus Rapid Transit and a tunnel from the northern beaches to the Warringah Freeway</li> <li>Oppose 24 Hour Clearways and 24 Hour Dedicated kerbside Bus Lanes through the Spit and Military Road Corridor</li> <li>Opposition to peak hour rat runs through residential streets including the Pearl Bay Avenue Rat Run through Beauty Point</li> <li>Ongoing lobbying to maintain and improve local bus and ferry services</li> </ul>	General Manager	Completed	<p>Ongoing lobbying efforts on traffic and transport issues have taken place at both local and SHOROC level including formal representations and submissions, and meetings with Ministers and senior public servants.</p> <p>Regionally, combined advocacy efforts culminated with the announcement of the \$644 million Northern Beaches Transport Action Plan, a five-year program of works to implement the package of transport infrastructure upgrades developed collectively by the SHOROC councils as the 2011 Shaping Our Future strategy.</p>
Lobby State and Federal Government to improve transport along Peninsula and the Spit and Military Road Corridor	Analyse trial closure results with a view to the permanent closure of the Pearl Bay Avenue Rat Run	Team Leader Engineering	Completed	The State government announced an end to this trial and granted Council \$450,000 to implement a traffic management scheme. Despite objections from Council to the end of the trial, the scheme has been implemented and will continue to be reviewed.
	Actively participate in further planning and engagement by the NSW Government in relation to Military Road/Spit Road transport solutions	Manager Assets and Services	Progressing	Work continued with SHOROC to lobby the State government for improved transport options, including a tunnel for the northern beaches and peninsula.
Improve safety and accessibility in local streets through appropriate traffic management and increased opportunities for active transport	<ul style="list-style-type: none"> <li>Vehicle speed and volume counts in local streets</li> <li>Review of Construction Traffic Management Plans</li> <li>Advocacy for improved street lighting including Street Lighting Improvement Program</li> <li>Implementation of Road Safety Action Plan</li> <li>Local Traffic Management Plans</li> <li>Annual report – Traffic Accidents</li> <li>Mosman Rider community bus</li> <li>Traffic management facilities and signage</li> </ul>	Team Leader Engineering	Progressing	<p>The Annual Road Safety Report was completed and reported to Council</p> <p>All other items progressed well during 2013-14 and are on-going.</p>

Strategy	Action	Responsibility	Status	Comment
	<ul style="list-style-type: none"> <li>Local Traffic Committee</li> <li>Active Transport Community Consultative Committee</li> <li>RMS liaison – approvals, funding, partnerships</li> </ul>			
	Complete the Mosman Bikeplan 2013-2018	Team Leader Engineering	Completed	Development of the Mosman Bikeplan was substantially completed in 2013-14, with public consultation scheduled for 2014-15.
	Complete a Traffic Signage Inventory subject to grant funding	Team Leader Engineering	Progressing	No funding was provided in 2013-14 to undertake this work; however funds have been included in Council's 2014-15 Budget. This project is also related to the development of new asset management software and will commence upon completion of that project.
	Subject to funding, progressively implement recommended actions in the Pedestrian Access Mobility Plan	Team Leader Engineering	Completed	Pedestrian Access Mobility Works continue to be reviewed and implemented subject to funding availability and during 2013-14 a number of kerb ramps were completed.
Have a managed parking strategy to meet the demands of residents and visitors	<ul style="list-style-type: none"> <li>Parking regulation and enforcement</li> <li>Provision of Scooter parking and motor bike parking</li> <li>Investigation of Resident Parking Schemes on Local Streets</li> <li>Public and paid parking areas</li> <li>Disabled parking provision</li> </ul>	Team Leader Engineering	Progressing	Consultation for a Parking Strategy commenced in 2014 with a view to completing the Strategy in 2015.
	Install Parking Management Devices in Council Car Parks	Team Leader Engineering	Not Progressing	Tender specifications were prepared for works in 2013 and reported to Council in 2014. Council resolved to defer the matter subject to completion of a Parking Strategy.
	Review existing Parking Strategy and develop a Mosman Parking Policy	Team Leader Engineering	Progressing	Consultation for a Parking Strategy commenced in 2014 with a view to completing the Strategy in 2015.
	Review options for improved business centre parking including redevelopment of existing sites and new contributions plans	Team Leader Engineering	Progressing	Consultation for a Parking Strategy commenced in 2014 with a view to completing the Strategy in 2015.

# : Economic

## Local Economy

Strategy	Action	Responsibility	Status	Comment
Support economic activity through appropriate planning controls, projects and partnerships with local businesses, associations and networks	Mosman Business Centres Development Control Plan (DCP)	Manager Urban Planning	Not Progressing	Review of the Business Centres DCP arising from proposed planning reforms is on hold while the outcomes of the reforms are still pending.
	<ul style="list-style-type: none"> <li>Business association partnerships – including Mosman Chamber of Commerce, BNI Balmoral and Mosman Village Business Association</li> <li>Christmas Window Decoration Competition</li> </ul>	Director Community Development	Completed	<p>An ongoing dialogue has been maintained with the primary business association, the Mosman Chamber of Commerce. Council has supported local networking sessions hosted by the Chamber and staff and Councillors have held meetings with members of the Chamber Executive to discuss local business needs and potential collaboration opportunities.</p> <p>In December 2013 Council and the Chamber again successfully collaborated to deliver the Christmas Window Decoration Competition for local businesses. The Chamber is kept informed of any information received by Council that may be of interest to local businesses.</p>
	Community cultural and economic development partnerships with local businesses	Manager Cultural Services/Gallery Director	Completed	Meetings have taken place between staff and Mosman Chamber of Commerce representatives to discuss changes to the Chamber's involvement in the 2015 Festival of Mosman, the redesign of the In Situ Sculpture Festival and possible involvement in future Council led events and activities.
	Business community consultation and education	Manager Urban Planning	Progressing	The Development Services team continues to provide development advice to business. Council provides a Duty Planner for face to face advice. Local businesses were consulted in conjunction with the exhibition of the Spit Junction Masterplan.

Strategy	Action	Responsibility	Status	Comment
	Investigate the establishment of a regular Business forum to promote dialogue and to explore partnership opportunities with local businesses and business associations	Director Community Development	Progressing	There have been a variety of meetings with the Mosman Chamber of Commerce involving both Councillors and staff over the course of the year. A regular and positive dialogue has been developed with the Chamber Executive.
Sensitively promote Mosman's unique qualities, heritage and identity as part of local and regional initiatives	<ul style="list-style-type: none"> <li>Provision of information to residents and visitors directly through Council's website, publications and media promotions</li> <li>Dissemination of information through partnerships with other local publications and promotions across the wider metropolitan area</li> </ul>	Director Community Development	Completed	<p>Information was regularly disseminated throughout the year via a range of media and promotional channels including Council's website.</p> <p>Four editions of the Mosman Now community newsletter were published in hard copy and electronic format and distributed to all local households and businesses.</p> <p>Work progressed on the review of Council's website, which will be relaunched in a new format later in 2014.</p> <p>Weekly advertising continued in the Mosman Daily including a monthly column by the Mayor, and discussions were held with other media and publishing outlets in relation to further promotional opportunities.</p> <p>Web-based information dissemination was enhanced with further use of social media and the Youth blog, and additional take-up of Council e-newsletters across a range of topics including planning, Library and the Art Gallery news.</p>
	Participate in SHOROC regional business initiatives	Director Community Development	Completed	Staff participated in a preliminary meeting to review opportunities for a regional economic development group, coordinated by SHOROC. It is anticipated that this group will be established in 2014-15.
	Development of stronger links with Destination NSW and other relevant agencies through funding and partnership arrangements	Director Community Development	Completed	Opportunities for additional funding and greater collaboration/partnerships with external agencies are routinely pursued across Council operations. An example during the year was the establishment



Strategy	Action	Responsibility	Status	Comment
				by Council staff of a working group comprising major local landholders and tourist operators looking at future opportunities to work together on cultural, promotional and improvement projects.
	Coordinate local working group involving key agencies including SHFT, NPWS, Taronga Zoo and other local stakeholders to serve as an ongoing forum for development of ideas and initiatives supporting sustainability, cultural and community development, as well as programs and facilities for residents and visitors	Manager Cultural Services/Gallery Director	Completed	Working group including Taronga Zoo, Mosman Chamber of Commerce, Sydney Harbour Federation Trust, National Parks and Wildlife Services, Sydney Institute of Marine Science, HMAS Penguin and Council staff met in June 2014 to discuss major events and cultural matters including the 2014 Out and About Concert Series, the Bungaree Bicentennial celebrations in 2015, the 2015 Festival of Mosman and the centenary celebrations for Taronga Zoo in 2016.
Capitalise on regional, State and Federal initiatives to help support businesses and the local economy	Promotion and support for business workshops, training and other resources offered locally by external providers including State and Federal government	Director Community Development	Completed	Council provides venues and promotional support for training, workshops and other resources provided locally by external agencies including State and Federal Government. These initiatives are also communicated to the Mosman Chamber of Commerce for dissemination to members. Over the course of the year Council facilitated two visits by the Small Biz Bus to Mosman, an initiative of the Small Business Commissioner, which brings free advisory sessions to local business people.
	Pursue opportunities to work in partnership with Northside Business Enterprise Centre and the Small Biz Connect program to assist Mosman businesses	Director Community Development	Completed	A useful dialogue has been developed with the Northside Business Enterprise Centre and Council has continued to promote the Small Biz Connect Program available through that Centre. Council facilitated two visits by the Small Biz Bus to Mosman during the year, providing free advice to local business people.
Pursue improvements to accessibility, functionality and public domain in and	Mosman Rider bus service	Manager Community Services	Completed	Timetabling changes introduced to the service during this financial year have been successfully implemented and patronage is steady.

Strategy	Action	Responsibility	Status	Comment
around business centres	Community information, education and promotion – sustainable transport options	Manager Environment and Services	Progressing	Information provided to the community on sustainable transport options. The Amazing Spit event to be held in August 2014.
	Cycling and pedestrian accessibility works	Team Leader Engineering	Progressing	Progressed well during 2013/14. This is an on-going program.
	Implementation of 'Shaping our Future' and 'Shaping Our Sustainable Future' – SHOROC's regional strategy and sub-strategy, with focus on housing, jobs, health, transport and sustainability	General Manager	Completed	Council has continued its support for and commitment to these regional strategies and their implementation, with key focus areas over the year being on planning, transport and traffic issues.
	Participate in SHOROC lobbying efforts and associated feasibility studies/works delivering regional transport solutions – particularly in relation to the east/west and north/south transport corridors	General Manager	Completed	Council participated in ongoing lobbying efforts on traffic and transport issues including formal representations and submissions, and meetings with Ministers and senior public servants. Regionally, combined advocacy efforts culminated with the announcement of the \$644 million Northern Beaches Transport Action Plan, a five-year program of works to implement the package of transport infrastructure upgrades developed collectively by the SHOROC councils as the 2011 Shaping Our Future strategy.

# : Governance

## Leadership and Engagement

Strategy	Action	Responsibility	Status	Comment
Deliver a high level of customer service that is responsive, appropriate and subject to continuous improvement.	<ul style="list-style-type: none"> <li>Regular surveys of customer/community satisfaction, including use of online tools</li> <li>Service and efficiency reviews</li> </ul>	Director Community Development	Completed	<p>Customer and community surveys have been undertaken for a variety of services, projects and issues over the course of the year. The latest Biennial Community Survey was also conducted in June 2014, gauging resident views of Council services and local issues.</p> <p>Service reviews have also been completed or substantially commenced in the areas of Compliance and Communications, with a review of Customer Service also proposed.</p>
	Complaint investigation, systems and monitoring	Director Corporate Services	Progressing	Requests for action and complaints received are documented, classified, investigated and actioned accordingly.
	Undertake a random survey of at least 400 Mosman residents biennially to ascertain community views on local issues and Council performance	Director Community Development	Completed	The 2014 Biennial Mosman Community Survey report was undertaken in June 2014, with the final report due for completion in Quarter 1, 2014-15.
	Review and adopt Customer Service Guarantee	Manager Governance	Progressing	Draft Customer Service Charter prepared and referred to Executive Team for further development in conjunction with the current review of the Customer Service and Records sections.
	Review and monitor improvements to Customer Service Centre	Director Corporate Services	Progressing	This review involves both the Records Section and the Customer Service area of Council. Funding has been provided in the 2014-15 budget to undertake changes in the Customer Service area to be undertaken in the first half on

Strategy	Action	Responsibility	Status	Comment
				<p>2014-15.</p> <p>A Draft Records Management Strategy has been prepared to assist in determining the structure and future direction of the Records section. This will be finalised as part of the overall review of Customer Service.</p>
Provide strong and effective leadership on issues of significance to Council and the Mosman community	<ul style="list-style-type: none"> <li>Ongoing liaison with, lobbying of and submissions to State and Federal Government agencies and representatives</li> <li>Committee for an Independent Mosman</li> </ul>	General Manager	Completed	<p>The Committee for an Independent Mosman met twice during the year to consider ongoing matters relevant to local government reform, including the final report of the Independent Local Government Review Panel.</p> <p>Submissions lodged during the year included those in relation to the Commonwealth Home Support Program, the Crown Lands legislation White Paper, the proposed aged care development at Middle Head, proposed Aboriginal Cultural Heritage legislation, and the final reports of the Independent Local Government Review Panel and the Local Government Acts Taskforce.</p>
	Advocate for recognition of local government in the Australian Constitution	General Manager	Progressing	There was no further action regarding this matter during the year. The proposed Referendum in relation to recognition of local government in the Australian Constitution was shelved shortly before the 2013 Federal election. Council's policy position on the matter remains unchanged and further lobbying and advocacy will be undertaken as required.
	Represent the interests of Council and the Mosman community in the Independent Review of Local Government in NSW, and the response by the NSW Government	General Manager	Completed	Council was actively involved in monitoring and responding to the deliberations of the Independent Local Government Review Panel during the year. This included facilitating the local Committee for an Independent Mosman. Both Council and the Committee made submissions on the final report of the

Strategy	Action	Responsibility	Status	Comment
				Independent Local Government Review Panel in March/April 2014.
	Participate in regional planning and advocacy initiatives to strengthen local outcomes for Mosman	General Manager	Completed	Ongoing efforts to provide improved outcomes for Mosman residents have been undertaken through both local and regional advocacy during the year. Advocacy has focussed primarily on local government and planning reform, together with traffic and transport issues.
	Advocate for retention of the Beauty Point rat run closure following conclusion of the trial period in July 2013	General Manager	Not Progressing	Although the longer term implementation of the Beauty Point rat run closure was eventually stopped by a decision of the Minister for Roads, Council maintained its commitment to improving safety on local streets by successfully lobbying for significant funding from Roads and Maritime Services to implement traffic calming works in the area. These works have subsequently been constructed under Council's direction.
	Monitor and participate in review of the NSW Local Government Act and Environmental Planning & Assessment Act	General Manager	Completed	Council maintained an active watch on each of the proposals during the year. In March 2014 Council made a formal submission to the NSW Government in relation to the final report of the NSW Local Government Act Taskforce. After Council had earlier made representations regarding the planning reforms proposed through amendments to the EPA Act, these reforms stalled during the second quarter of the year, and have been the subject of little progress since.
	Participate in SHOROC lobbying efforts and associated feasibility studies/works delivering regional transport solutions – particularly in relation to the east/west and north/south transport corridors	General Manager	Completed	Ongoing lobbying efforts on traffic and transport issues have taken place at both local and SHOROC level including formal representations and submissions, and meetings with Ministers and senior public servants. Regionally, combined advocacy efforts culminated with the announcement of the \$644 million Northern Beaches Transport Action Plan, a five-year

Strategy	Action	Responsibility	Status	Comment
				program of works to implement the package of transport infrastructure upgrades developed collectively by the SHOROC councils as the 2011 Shaping Our Future strategy.
Explore, develop and maintain partnerships, networks and affiliations that support and enhance local governance and improved community outcomes	<ul style="list-style-type: none"> <li>Regional resource-sharing, project and service delivery</li> <li>Issue and profession-based networks, forums and working groups</li> <li>Regional Strategy implementation – ‘Shaping our Future’, ‘Shaping our Sustainable Future’ and Regional Community Indicators (SHOROC)</li> <li>Political, strategic and professional support of SHOROC</li> </ul>	General Manager	Completed	Council has maintained its commitment to SHOROC and to regional outcomes, as well as pursuing broader opportunities for collaboration through the proposed Northern Sydney Council of Mayors. Advocacy efforts, investigation of joint procurement and service provision opportunities, and participation in joint forums and working groups are all ongoing.
	Membership and support of Shorelink	Manager Library Resources	Completed	Council has been a member of the Shorelink Library Network for 30 years.
	Contribute to the further development of joint procurement and service delivery models with other Councils	General Manager	Completed	Council maintained its commitment to pursuing joint procurement opportunities through SHOROC, as well as participating in discussions and investigations for wider collaboration and cooperation with NSROC.
	Actively partner in the successful implementation of a new regional Waste Management Model, including alternate waste technology and common collection systems.	General Manager	Completed	<p>Councillors and staff have continued to contribute to the ongoing development of new regional waste management models through SHOROC Board meetings and other meeting forums. Tender specifications for a common waste collection system will be developed later this year with a view to receiving Council approval to issue the tender by March 2015.</p> <p>Investigations and discussions regarding interim waste disposal options following closure of the Belrose landfill site were also progressed. In the latter part of the year SHOROC received funding and engaged a Regional Waste Coordinator to</p>

Strategy	Action	Responsibility	Status	Comment
				assist in the development a new Regional Waste Strategy.
	Contribute to the development of the SHOROC Regional Liveability Strategy	General Manager	Progressing	The Regional Liveability Strategy has not progressed through SHOROC, however during the year Council staff contributed to the development of Regional Youth and Ageing Strategies for Northern Sydney.
	Implement new Shorelink Library Management System	Manager Library Resources	Completed	The Aurora Library Management System was implemented in June 2013, with fine-tuning and staff training continuing throughout 2013-2014. Good feedback received from staff and customers.
Build and maintain a commitment to integrated planning and reporting that responds to community aspirations, sets direction and measures performance according to Council and community targets	<ul style="list-style-type: none"> <li>MOSPLAN</li> <li>Quarterly and annual reporting</li> <li>Community Sustainability Indicators</li> <li>State of the Environment Reporting</li> <li>Strategic Asset Management</li> <li>Workforce Plan</li> <li>Long Term Financial Plan</li> </ul>	General Manager	Completed	Further development and improvement of Council's suite of integrated planning and reporting documentation was undertaken during 2013-14. A revised Delivery Program for 2013-2017 and Operational Plan for 2014-15 were adopted by Council in June 2014.
	Review and improve Council's Delivery Program and Operational Plan	General Manager	Completed	Council adopted the latest version of its (revised) 2013-2017 Delivery Program, 2014-15 Operational Plan and Budget in June 2014. The adopted plans include improved financial information and clearer linkages between budget and program information.
	Strengthen linkages between strategic and financial planning and reporting	Director Community Development	Completed	Council's revised 2013-2017 Delivery Program and 2014-15 Operational Plan were adopted in June 2014. These documents included an improved level of financial information and stronger linkages between this information and Council programs.

Strategy	Action	Responsibility	Status	Comment
	Enhance business planning skills and implementation across Council	Manager Human Resources	Progressing	Business Planning Training for Directors and Managers was conducted in June 2014. Along with the launch of the Leadership Development Program.
Actively inform and engage the community on matters of local interest, encouraging broad participation and providing a range of opportunities for community involvement	<ul style="list-style-type: none"> <li>Community engagement and information dissemination including meetings, forums, workshops, front-line customer service, hard-copy publications, surveys, websites, social media and e-distribution</li> <li>Public Council Meetings including Question Time</li> </ul>	General Manager	Completed	Council has actively informed and engaged the community over the course of the year. This has included Council's major biennial Community Survey as well as a variety of issues or service based surveys, public meetings, focus groups and market stalls as well as diverse communications including newsletters, advertising, social media, website properties and e-communications. Question time has been a regular feature of Ordinary Council Meetings.
	Regular production and distribution of Mosman Now (weekly column and quarterly newsletter) and other media releases/liaison as required	Director Community Development	Completed	The Mosman Now community letter was published four times during the year and distributed in hard copy to all local householders and businesses, as well as electronically to e-newsletter subscribers.
	Review Council's Community Engagement Strategy, including preparation of an Engagement Resource Kit for staff.	Manager Community Services	Progressing	This review will be progressed in 2014-15.
	Implement and monitor Council's revised suite of Community Consultative Committees.	Director Community Development	Completed	Community Consultative Committees continued to meet during the year, with most meeting on a quarterly basis. Committee membership will be revisited in 2014-15.
	Implement and monitor revised approach to newspaper advertising and community newsletters	Director Community Development	Completed	The revised approach to Council advertising, including the weekly Mosman Now column and the monthly Mayoral column is now embedded and working well.
Acknowledge and support	<ul style="list-style-type: none"> <li>Civic receptions</li> </ul>	General Manager	Completed	In January 2014 Council celebrated Australia



Strategy	Action	Responsibility	Status	Comment
community aspirations, initiatives and achievements	<ul style="list-style-type: none"> <li>• Citizen and Young Citizen of the Year</li> <li>• Australia Day, Mosman Day and Hunter Day celebrations</li> <li>• Citizenship Ceremonies</li> </ul>			Day at the Drill Hall, conferring the honour of Citizen of the Year and Young Citizen of the Year on Mr John Dansie and Ms Brooke O'Callaghan respectively. Throughout the year Council conducted six citizenship ceremonies.
Acknowledge and support community aspirations, initiatives & achievements	School Citizenship Awards	Manager Governance	Completed	School Citizenship Awards 2013 facilitated and successfully completed.

## Governance and Risk

Strategy	Action	Responsibility	Status	Comment
Support the ongoing financial sustainability of Mosman Council by applying sound financial planning, principles and practices	<ul style="list-style-type: none"> <li>• Rating structure review</li> <li>• Preparation and auditing of financial reports</li> <li>• Loan program management</li> <li>• Budget preparation, review and reporting</li> <li>• Review of 10 year Financial Plan</li> </ul>	Chief Financial Officer	Completed	<p>The corporate overhead allocation model for the Domestic Waste Management Charge was reviewed and implemented. Considerable effort has been made during 2013-14 in re-aligning Council's General Ledger against organisational structure to simplify and improve budget management.</p> <p>The revised structure has via PowerBudget been aligned to MOSPLAN Outcomes and Asset Management Plans, improving Council's financial analytical capabilities. Some further refinement will be undertaken to align the Ledger with the Asset Management Plans.</p>
	Review of Investment Properties Business Plan	Manager Governance	Not Progressing	Not progressed. This project is subject to a determination of redevelopment proposals for Council's Spit Junction properties.
	Further improve integration of Council's Budget with the Community Strategic Plan - MOSPLAN	Chief Financial Officer	Completed	The implementation of PowerBudget has allowed significant improvements and productivity gains in producing and reviewing budget information for incorporation into MOSPLAN.

Strategy	Action	Responsibility	Status	Comment
	Undertake a fair valuation of infrastructure assets in accordance with Division of Local Government requirements	Chief Financial Officer	Completed	Apart from newly acquired roads, no fair value revaluations were required by the Office of Local Government for the year ended 30 June 2014. Council has no new roads.
	Implement a new Capitalisation and Disposal Policy for infrastructure assets	Team Leader Engineering	Completed	This policy was completed in 2013, endorsed by the Audit Committee and adopted by Council.
	Review online payment options for all Council revenue	Chief Financial Officer	Progressing	Council has increased the number of online options for payment. Further development will be undertaken during 2014-15. Additionally, Council is working towards full PCI compliance in regard to information held within its systems where Credit Card details are held.
	Introduce a stormwater Levy to fund key stormwater works	Team Leader Engineering	Completed	The new Stormwater Levy was introduced in 2013 with significant works being undertaken, including the Bay Street Stormwater Upgrade and works at The Esplanade.
Anticipate and proactively manage risks relating to Council operations and the wider Mosman community	Regular asset/compliance/regulatory audits	Team Leader Engineering	Progressing	These activities are ongoing, with further development in relation to e-inspections being undertaken in 2014.
	Safeguarding security of Council IT systems and information	Manager IT Services	Progressing	Payment Card Industry Data Security Standard review was completed in December 2013 with action items progressing. End point protection was undertaken as part of normal operations and security awareness was promoted within Council.
	<ul style="list-style-type: none"> <li>Insurance policy/portfolio review and renewal</li> <li>Risk Management Policy, Procedures and Processes</li> <li>Risk management training and promotion</li> </ul>	Director Corporate Services	Progressing	<p>Council's insurance portfolio was reviewed to ensure its interests were covered prior to renewal in June 2014.</p> <p>Significant work has been undertaken with regards to assessing risks associated with a total review of Council's Business Continuity Plan which is in its final stage of development. Training in the operation of the plan and desk top rehearsal to be</p>

Strategy	Action	Responsibility	Status	Comment
				conducted during 2014-15.
Anticipate and proactively manage risks relating to Council operations and the wider Mosman community	Review the Business Recovery Plan for Council facilities	Manager Governance	Progressing	Major review undertaken by risk consultant engaging staff. Draft plan finalised and due for referral to Executive Team for further development in first half of 2014-15.
	Progressively upgrade facilities and hardware to facilitate IT business recovery	Manager IT Services	Progressing	<p>The Disaster Recovery Project Plan has been finalised and action items are underway.</p> <p>Core Application such as E-Mail, Authority and ECM Dataworks have been converted to virtual machines to enhance data protection and recovery capability.</p> <p>A private link has been established between the Drill Hall and Library sites for phone connectivity, as well as a Business Resumption Service for ISDN protection.</p> <p>Work is progressing on recovery procedures for critical systems.</p>
	Implement an effective Enterprise Risk Management strategy	Director Corporate Services	Progressing	The major task in 2013-14 was to undertake a total review of Council's Business Continuity Plan which is in its final stages of development. Training in the operation of the plan and the conduct of a desk top rehearsal are to be undertaken in 2014-15.
	Review work health and safety procedures and training requirements	Manager Human Resources	Progressing	<p>A range of WHS training has been undertaken, including:</p> <ul style="list-style-type: none"> <li>• First Aid training</li> <li>• Refresher WHS Committee</li> <li>• Manual Handling sessions</li> <li>• Children's Services have trialled On-line Manual Handling training</li> <li>• EEO - Bully free Mosman</li> <li>• Chemical Risk Management</li> <li>• Verbal Judo</li> </ul>

Strategy	Action	Responsibility	Status	Comment
Provide a working environment that attracts and retains quality staff and encourages continuous improvement and service excellence	<ul style="list-style-type: none"> <li>• Workforce Plan</li> <li>• Review and negotiation of Employment Agreements</li> <li>• Promotion &amp; review of EEO Management Plan</li> <li>• Identification &amp; provision of quality training and staff skill development</li> <li>• Annual Employee Performance and Development Plans</li> <li>• Biennial employee engagement survey</li> <li>• Regular Work Health and Safety (WHS) audits, inspections and reports</li> <li>• Work injury rehabilitation and return to work program</li> <li>• Workers Compensation</li> <li>• Staff immunisation and Employee Assistance programs</li> <li>• Staff well-being programs</li> <li>• Staff Induction Program</li> </ul>	Manager Human Resources	Progressing	<p>The Workforce Plan 2013-2014 is in place and the Mosman Enterprise Agreement was ratified in May 2013.</p> <p>In relation to the EEO Management Plan the following activities have occurred:</p> <ul style="list-style-type: none"> <li>• Disability Awareness Workshop March 2014</li> <li>• Cultural Diversity Training May 2014</li> <li>• Bullying and Harassment Training completed for all staff during August 2013.</li> </ul> <p>Quality training and staff development:</p> <ul style="list-style-type: none"> <li>• Preliminary analysis of corporate and compliance training undertaken - deployment of training undertaken during 2013-2014</li> <li>• Conference and external training for personal development in place</li> <li>• Tertiary Assistance Program</li> </ul> <p>In relation to the Annual Employee Performance and Development there has been an increased focus on monitoring and completion rate.</p> <p>Staff well-being programs have included:</p> <ul style="list-style-type: none"> <li>• Health and Fitness Incentive Program in place (includes: reimbursement of expenses (capped at \$100 per annum)</li> <li>• Weight Watchers at Work Program</li> <li>• Global Corporate Challenge (sponsored by Council 50% of entry)</li> </ul> <p>The Staff Induction Program has been reviewed and updated to incorporate compliance with WHS and employment related legislation.</p>
	Formalise the Corporate Training Calendar including Staff Induction Program	Manager Human Resources	Progressing	A Corporate training calendar and staff induction program has been implemented.
	Review and enhance work health safety procedures and systems	Manager Human Resources	Progressing	A significant amount of work has been undertaken in this area including:

Strategy	Action	Responsibility	Status	Comment
				<ul style="list-style-type: none"> <li>Review of State Cover Audit 2013 and formulated WHS Action Plan.</li> <li>Work Health and Safety (WHS) Corporate Practice Statement adopted May 2014.</li> <li>Work Health and Safety (WHS) Corporate Practice adopted.</li> <li>WHS responsibilities incorporated into all Position Descriptions.</li> <li>Inclusion of WHS as an agenda item of Executive (and other) team meeting minutes</li> <li>Enhancement of WHS reporting in HR monthly report to Executive.</li> <li>Communication/promotion of WHS via Executive Team Bulletin and MOSMatters</li> <li>Update and replacement of WHS Committee Terms of Reference.</li> </ul>
	Review Performance Appraisal process for staff	Manager Human Resources	Progressing	PULSE – Integrated Planning and Reporting Implementation of online Performance Management System completed and deployed. New format under development for 2014-2015.
	Improve contract management capability across the organisation	Manager Human Resources	Progressing	<p>Training in Contract Management (for all managers and/or staff undertaking contract management responsibilities) completed in April 2014.</p> <p>Consultant has been engaged to review and prepare a Contract Management Manual and Guidelines, inclusive of WHS requirements.</p>
Contribute to a safer Mosman community through planning, partnerships, education, and emergency management	Ongoing partnerships and collaboration with Harbourside Local Area Command (HBLAC), State Emergency Service, Fire Brigade and Ambulance services	Director Corporate Services	Progressing	<p>Council staff have continued to work co-operatively with Harbourside Local Area Command, State Emergency Services, Fire and Rescue, Rural Fire Service and Ambulance Service as and when required.</p> <p>There was close liaison in the organisation of the Royal Australian Navy Centenary Celebrations in October 2013 and the 2013/14 New Year's Celebrations.</p>

Strategy	Action	Responsibility	Status	Comment
	<ul style="list-style-type: none"> <li>Provision of Local Emergency Management Officer (LEMO) for Mosman-North Sydney and attendance at Local Emergency Management Committee meetings</li> <li>Review and enhancement of CCTV installations</li> <li>24 hour incident and make-safe callout system for Council's assets</li> <li>Manly-Mosman District Bushfire Management Plan implementation</li> <li>Road safety promotion and education</li> </ul>	Team Leader Engineering	Completed	<p>Actions completed for 2013-14.</p> <p>Safe Call Out in place for 2013-14 and the Manly-Mosman Bushfire Management Plan implemented.</p> <p>Road safety education programs completed during the year include Child Restraint Day, Safety Around Schools and Drink Driving.</p>
	<ul style="list-style-type: none"> <li>Development and implementation of community safety strategies and projects</li> <li>Participation in Liquor Accord</li> </ul>	Manager Community Services	Completed	Mosman Council holds a watching brief on the Liquor Accord and is periodically invited to meetings. Council has Associate Member status as it is not a Licensee.
	Implementation of anti-graffiti strategies	Manager Environment and Services	Progressing	Progressing as per the graffiti contract.
	<ul style="list-style-type: none"> <li>New police officer 'Introductions to Mosman' – Harbourside Local Area Command</li> <li>Companion Animals education, enforcement and registration</li> </ul>	Director Corporate Services	Progressing	<p>This is an ongoing action.</p> <p>Council again conducted a Pets Day Out as part of the 2013 Festival of Mosman with planning undertaken for a 10th anniversary event in 2014.</p> <p>Staff work with Harbourside Local Area Command proactively with public safety issues particularly in regards to road safety and special event management.</p>
	<ul style="list-style-type: none"> <li>Inspection and audit of all assets in accordance with Asset Management Plans (AMPs)</li> <li>Repair and replacement of assets in accordance with AMPs and funding availability</li> </ul>	Team Leader Engineering	Progressing	Majority of inspections completed with e-based inspections to commence in 2015.
	Undertake formal review of Asset Management Systems and Process	Team Leader Engineering	Completed	This project was completed in August 2013, with policy documentation adopted by Council.
Support good governance,	<ul style="list-style-type: none"> <li>Participation in the Northern Councils Internal</li> </ul>	Director Corporate	Progressing	All Committee members, Chief Financial Officer

Strategy	Action	Responsibility	Status	Comment
customer service and communication with contemporary policies, systems and processes	<p>Audit Group. (Hunters Hill, Lane Cove, Manly, Mosman, North Sydney and Willoughby)</p> <ul style="list-style-type: none"> <li>• Delivery of an internal audit function in accordance with Council's Internal Audit Charter and the Audit Committee Charter</li> <li>• Procurement and contract management systems and processes</li> </ul>	Services		<p>and Director Corporate Services attended Australian Institute of Internal Auditors Local Government Internal Audit Forum in November 2013.</p> <p>Internal Audit undertook audits as per adopted program with all recommendations for improvement being implemented. No audits resulted in a report that the control environment was below an acceptable standard.</p>
	<ul style="list-style-type: none"> <li>• Maintenance and review of network, hardware and software infrastructure</li> <li>• Review of IT policies and processes for improved business systems procedures</li> </ul>	Manager IT Services	Progressing	<p>As part of the 2013-2014 roll-out 94 desktop computers have been replaced. Microsoft Office 2010 was deployed to all end-user desktops in October 2013.</p> <p>A major upgrade of the Finance and Property Application Authority was completed in January 2014. New systems for Health Management, Asset Management, Corporate Reporting, Budgeting and Property Management were implemented throughout the year.</p> <p>Action items from the 2012 Network Review are progressing as funding becomes available.</p>
	<ul style="list-style-type: none"> <li>• Review and update of policies and delegations</li> <li>• Statutory Annual Reports required under Local Government Act (including Management Plan and Code of Conduct), Government Information (Public Access) Act, and Public Interest Disclosures Act</li> <li>• Induction and ongoing training for staff regarding Council's confidentiality, access to information and privacy policies, and the GIPA Act</li> <li>• Systems and procedures to ensure effective records management including compliance with GIPA and Privacy Acts</li> <li>• Servicing and supporting Council meetings</li> </ul>	Manager Governance	Completed	All actions undertaken as planned.

Strategy	Action	Responsibility	Status	Comment
Systems and processes	Councillor training and advice	General Manager	Completed	Training and advice has been provided to Councillors as required.
Contemporary policies, systems and processes	Develop and implement an electronic Delegations Register to capture and allocate delegations of authority to all staff positions	Manager Governance	Progressing	Delegations to General Manager finalised and scheduled to be considered at the Council meeting on 8 July 2014. The commissioning of an electronic Delegations module for Council's Integrated Planning and Reporting software and finalising templates for delegations and positions is planned for the first half of 2014-15. A legislative compliance database is being investigated
	Audit Council's records management system to ensure compliance with State Records Act, Privacy Act and GIPA	Manager Governance	Progressing	Ongoing random audits of systems conducted. Sample document registrations reviewed reflecting correct application of classifications and indexes to documents and good level of compliance with Privacy Act and GIPA Act. Non-compliant elements of the records management system are addressed as they are identified. Progress in disposal program towards compliance with State Records Act. Further work is to be done in regards to meeting full compliance.
	Review, enhance and document the IT Strategy to meet Council's future needs	Manager IT Services	Completed	The 2014-2017 IT Strategic Directions paper was adopted by the Executive Team in April 2014.
	Review Council Policy in accordance with legislative requirements and other imperatives for good governance	Manager Governance	Completed	A number of policies have been reviewed and adopted by Council in the past 12 months. A Policy and Procedures Review Panel has been established to facilitate review of all governance policies within three years.
	Determine and implement organisation structure	General Manager	Completed	Council reviewed and determined its organisation structure in March 2014.



## 2. REPORT ON KEY PERFORMANCE INDICATORS WITHIN MOSPLAN BY THEME

Key Performance Indicators (KPIs) provide insight into how Council, as an efficient and progressive local government organisation, is delivering against the four MOSPLAN themes. These Indicators are not subject to the same level of external influence as Community Sustainability Indicators for the Environment, Social and Economic themes, and therefore can be confidently viewed as true measures of Council performance.

Reporting on Key Performance Indicators by program per theme for the period 1 July 2013 to 30 June 2014 appears in this section. Data marked with an asterisk (\*) is the mean score out of 10 from the Mosman Community Survey 2014.

### Mosman Community Survey 2014

The survey was conducted in June 2014 utilising a sample of 402 residents of the Mosman Local Government Area by means of a computer based random selection process using the electronic White Pages. The sample was weighted by age to reflect the 2011 Australian Bureau of Statistics census data.

A rating scale of 0 to 10 was used in all rating questions, where 0 was the lowest importance or satisfaction and 10 the highest importance or satisfaction. The scale allowed for a mid-range position for those who had a divided or neutral opinion. The mean ratings for each of the criteria have been assigned a determined level of 'importance' or 'satisfaction' as follows.

<i>Rating</i>	<i>Explanation of level of importance/satisfaction/agreement</i>
2.49 or lower	Very low
2.50 – 3.49	Low
3.50 – 4.99	Moderately low
5.00 – 6.24	Moderate
6.25 – 6.99	Moderately high
7.00 – 7.99	High
8.00 – 8.99	Very high
9.00 +	Extreme

### Report on Key Performance Indicators for the period 1 July 2013 to 30 June 2014

#### SOCIAL - Community Wellbeing

##### Program Coordination: Manager, Community Services

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Services and facilities for children and families	7.13*
• Services and facilities for older people	6.96*
• Overall range and quality of community facilities and activities	7.22*
• Services and facilities for people with a disability	6.42*
• Access to Council information and Council support	6.65*
• Services for young people	6.11*
• Services and facilities for people from culturally and linguistically diverse backgrounds	5.66*

Performance Measures	Actual 2013-14
No. of volunteers in Council services	452
Mosman Rider passenger numbers per annum	42,172
No. of Community Transport trips per annum	8,929
No. of children immunised per annum	446
No. of needs-based programs delivered by Youth Services per annum	22

## SOCIAL - Library and Information

### Program Coordination: Manager, Library Services and Manager, Library Resources

Performance Measures	Actual 2013-14
Residents satisfied with Library services	7.72*
% Library users satisfied with Library services and resources	94
No. of Library visits per capita per annum	9.8
No. of Loans per capita per annum	12.5
No. of website visits per annum	608,288
No. of website page views per annum	1,775,316

## SOCIAL - Library and Information

### Program Coordination: Manager, Cultural Services

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Mosman Art Gallery and Community Centre	6.83*
• Local festivals and events	6.46*
• Overall range of facilities and activities relevant to culture and the arts	6.55*
% users satisfied - Mosman Market	95
Total visitation per annum - Mosman Art Gallery	81,000
No. of events held per annum at the Mosman Art Gallery:	
• Exhibitions	24
• Education programs	88
• Special events	104
No. of community events held per annum	43
No. of attendees at community events per annum	72,000
No. of Gallery Friends and Volunteers	350

Performance Measures	Actual 2013-14
No. of members of the Creative Circle philanthropy program	23
No. of events, projects and activities undertaken with Mosman's Friendship Communities per annum	4

## ENVIRONMENT - Built Environment

### Program Coordination: Manager, Urban Planning and Manager, Development Services

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Managing development - land use planning	5.91*
• Protection of heritage values and buildings	6.94*
• Development approvals process	5.22*
• Providing and maintaining local roads	6.75*
• Providing and maintaining footpaths	6.53*
No. of metres of storm water pipes renewed per annum	490
% programmed seawall renewal works completed per annum	100
% programmed road renewal works completed per annum	100

## ENVIRONMENT - Healthy Environment

### Program Coordination: Manager, Environment and Services

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Waste and recycling collection services	7.70*
• Overall cleanliness, appearance and management of public spaces	7.79*
• Cleaning of streets	7.59*
• Management and protection of the environment	7.42*
• Enforcement of health and food regulations	7.48*
• Litter control and rubbish dumping	7.33*
• Condition of public toilets	6.39*

## ENVIRONMENT - Community Spaces

### Program Coordination: Manager, Assets and Services

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Provision and maintenance of parklands including bushland, harbour foreshores, local parks and bushland trails	7.77*
• Sport and recreational facilities	6.86*
• Overall cleanliness, appearance and management of public spaces	7.79*
% users satisfied - Sporting Fields	Not available
No. of users per annum - Marie Bashir Mosman Sports Centre (hours)	2305
No. of users per annum - Mosman Swim Centre	157,292
Average no. of ovals bookings per week (hours)	209

## ENVIRONMENT - Traffic and Transport

### Program Coordination: Manager, Assets and Services

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Traffic Management	5.84*
• Enforcement of restrictions	5.79*
• Provision of carparking	6.02*
• Providing and maintaining bikepaths	5.27*
No. of (off-street) public carparking spaces	690
No. of traffic accidents reported on local roads per annum	63 <sup>#</sup>
No. kilometres of marked bike paths in Mosman (off road)	2.87

<sup>#</sup>2012-13 data - 2013-14 data not available

## ECONOMIC - Local Economy

### Program Coordination: Director, Community Development

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Council assisting economic development with the business community and visitors	5.92*
• Overall cleanliness, appearance and management of public spaces	7.79*

Performance Measures	Actual 2013-14
Cost per passenger trip - Mosman Rider (\$)	6.13

## GOVERNANCE - Leadership and Engagement

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### Program Coordination: Director, Community Development

Performance Measures	Actual 2013-14
Residents satisfied with:	
• Council engaging (consulting) with the community	6.04*
• Access to Council information and Council support	6.65*
• Council leadership on matters important to the community	5.87*
• Council advocacy on matters impacting on Mosman and neighbouring areas	6.34*
• Overall delivery of Council services	6.80*

## GOVERNANCE - Governance and Risk

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### Program Coordination: Manager Governance

Performance Measures	Actual 2013-14
Residents satisfied with access to Council information and Council support	6.65*
Residents who feel safe in their local community	8.82*
% of customer service telephone enquiries resolved on first contact	Not available
% of formal complaints resolved within 10 days	84

# SECTION TWO

## Statutory Information

## 1. CONDITION OF PUBLIC WORKS

### Stormwater Drainage

In 2013, Council's Stormwater Asset Management Plan (SWAMP) was reviewed and adopted. This involved a revaluation of the stormwater network. The SWAMP provides an objective method of assessing one problem area against another and therefore provides Council with a priority list of works. The work included CCTV investigation of 15% of the stormwater pipeline network – over 9km. Priority maintenance and capital works for the next 12 years has been determined and an accelerated program has been devised with additional funding from the introduction of the Stormwater Levy being used.

Council continues to allocate funding for the maintenance and renewal of stormwater drainage assets though its existing budget and in 2013-14 increased its frequency of pit cleaning.

### Stormwater Pollution Control and Creek Rehabilitation

In June 2000 Council adopted the Community Environmental Contract (CEC), which is a program of environmental works including retro-fitting of Stormwater Quality Improvement Devices (SQID) to the existing drainage network. The SQID filter stormwater from over 90% of the treatable area of Mosman.

This successful program has since come to an end with 38 SQID installed. Council continues to allocate funding for the maintenance of these SQID.

Description	Estimate of funds required to bring works to satisfactory standards	Estimate of annual expenses of maintaining the works at that standard	Maintenance and capital works program for 2013-14
Stormwater Drainage Assets, including SQID	\$1,356,000	\$667,000	\$769,000

### Road Assets

A comprehensive condition survey and valuation of all its road assets was conducted in 2010. Road assets include roads, kerb and gutter, footpaths, street furniture, traffic control devices such as roundabouts and refuges, lines and signs and retaining walls/rock faces.

With the completion of the audit, a comprehensive Road Asset Management Plan (RAMP) was developed in 2011. This document has provided Council with a 10 year capital works program and identified a list of priority maintenance works.

In 2012 Council, with the assistance of a resident Asset Management Reference Group, began examining the levels of service on road assets, unit rates and useful lives. This has resulted in greater consistency with other Councils and improved accuracy. New unit rates and useful lives are now reviewed annually and the matter is reported annually to the Audit Committee.

The RAMP was subsequently updated and adopted by Council in 2013 to reflect new figures.

It is clear from the RAMP that significant funding was required to maintain these assets at a satisfactory level and that an injection of funding was required to bring those assets with an unsatisfactory rating up to a satisfactory rating. The retaining walls asset class was identified as requiring the majority of the funding.

In 2012-13 Council was successful in its application to the NSW Government for a reduced interest subsidy loan under the first round of the Local Infrastructure Renewal Scheme (LIRS). Council has subsequently been successful in its application to the second round of the LIRS.

Description	Estimate of funds required to bring works to satisfactory standards	Estimate of annual expenses of maintaining the works at that standard	Maintenance and capital works program for 2013-14
Road Assets	\$3,912,000	\$2,697,000	\$5,200,000

### Marine Structures

In 2011, a full condition audit and Asset Management Plan for all seawalls, jetties and wharfs was completed. Given the harsh marine environment, assets in this class are subject to ongoing maintenance and renewal. Given the significant investment over the years in its marine structures through the CEC program and Infrastructure Levy, the condition of these assets is relatively good. However, given the short useful life of many of these assets, continued investment is required to ensure they are maintained in good condition.

This financial year's maintenance and capital works program is also inclusive of additional funding under the second round of the LIRS.

Description	Estimate of funds required to bring works to satisfactory standards	Estimate of annual expenses of maintaining the works at that standard	Maintenance and capital works program for 2013-14
Marine Assets	\$199,000	\$68,000	\$1,029,000

## 2. RATES AND CHARGES WRITTEN OFF DURING THE YEAR

The *Local Government Act 1993* provides for concessions in relation to the payment of rates, charges and interest. Section 575 of the Act provides for reductions in rates and charges for eligible pensioners. The amount of rates and charges reduced must be written off by Council. Clause 132 of the *Local Government (General) Regulation 2005* requires details of written off rates and charges to be included in annual report.

During 2013-14 Council wrote off pensioner rates and charges of \$125,813 and \$45,388 respectively.

## 3. OVERSEAS VISITS BY COUNCILLORS, COUNCIL STAFF OR OTHER PERSONS REPRESENTING COUNCIL

Person	Date	Destination	Funding
Cr Elizabeth Moline	May 2014	Heilongjiang Province, China - Mudanjiang and Harbin - Friendship Agreement visit.	Nil
Ms Jing Li (Finance Officer)	May 2014	Heilongjiang Province, China - Mudanjiang and Harbin - Friendship Agreement visit.	Nil
Mr Neal Garrett (Caretaker)	May 2014	Heilongjiang Province, China - Mudanjiang and Harbin - Friendship Agreement visit.	Nil



#### 4. MAYORAL AND COUNCILLOR FEES AND EXPENSES

The following fees and expenses with regard to the Mayor and Councillors were paid during 2013-14:

Details	\$
Mayoral allowance	37,230
Councillors' fees	119,420
Catering and receptions	9,129
Child care	123
Delegates expenses	6,156
Travelling	2,491
Phone line rentals to Councillors' residences	700
Mobile phone for Mayor's use for Council business	276
Mayoral Discretionary Fund (Cl.1.1 Expenses Policy) <ul style="list-style-type: none"><li>• Taldumande Youth Services (\$1,000)</li><li>• Sydney Film Festival Sponsorship (\$2,000)</li><li>• Humpty Dumpty Foundation - Sponsor's Dinner 2014 (\$500)</li><li>• Humpty Dumpty Foundation - Mayor's Donation (\$500)</li><li>• Mayor's Christmas Lunch (\$416)</li><li>• Mudanjiang Girls Project (\$1,000)</li><li>• Donation - See Beyond Borders (\$500)</li></ul>	5,916
<b>TOTAL</b>	<b>181,441</b>

Councillors are provided with meals when attending Council and Committee Meetings and other official functions and receptions, which are included in Catering/Receptions above.

The cost of attendance of Councillors at conferences and seminars together with training and skill development is included in Delegates expenses above. Council does not pay expenses for any spouse, partner or other person who may accompany a Councillor.

Training sessions were provided to Councillors in relation to the Code of Meeting Practice and Code of Conduct. A detail of other workshops attended by Councillors appears at page 12.

In addition, Councillors are provided, upon request, with phone lines and equipment including laptop computers, printers and facsimiles on loan, in accordance with Council's "Policy for the Payment of Expenses and Provision of Facilities to Mayor and Councillors".

Details of equipment provided to Councillors on a loan basis during the year follows. Consumables for printers and facsimile machines on loan are provided upon request:

Item 2013-14

Printers/facsimile 3 Councillors  
Tablet Device 5 Councillors

A desk-top computer and printer are also available for Councillors' use in the Councillors' Lounge office at the Civic Centre.

The "Policy on Payment of Expenses and Provision of Facilities to Mayor and Councillors" is available on Council's website at [www.mosman.nsw.gov.au](http://www.mosman.nsw.gov.au).

## 5. CONTRACTS

Details of contracts awarded during 2013-14 (other than employment contracts and contracts for less than \$150,000) follow.

Activity	Contractor	Date Awarded	Term of Contract	Tender Price \$
Clifton Gardens Jetty Refurbishment	Waterway Constructions Pty Ltd	2 July 2013	8 weeks 14 August 2013 - 20 September 2013	174,600
Beach and Reserve Cleaning 2013-2020	TJ, WL and Wescon Pty Ltd	6 August 2013	7 years	681,781 (per annum)
Military Road and Athol Wharf Road Resurfacing	Roadworx Surfacing Pty Ltd	7 May 2014	3 weeks 7 May 2014 - 30 May 2014	776,239
Traffic Calming Devices Mosman	Ozpave (Aust) Pty Ltd	16 June 2014	8 weeks from 30 June 2014	214,432

## 6. LEGAL COSTS AND EXPENSES

The costs for 2013-14 referred to in this statement are those direct third party payments in relation to legal proceedings. Costs associated with staff to progress these matters and attend court are not included as they are considered to be part of normal duties.

Total costs incurred for a particular matter may not be invoiced and paid within the same financial year, so this statement should be read in conjunction with previous and subsequent statements. Land and Environment Court matters also include any consultancy costs associated with the appeal.

### Land and Environment Matters

Property	Development Application No.	Status	Consistency with Staff Recommendation	Cost \$
22B Burran Avenue	8.2012.063.1	Dismissed	No	682.51
60 Moruben Road	8.2012.221.1	Upheld with amended plans	Yes	3,068.91
24 Lavoni Street	8.2012.250.2	Upheld with amended plans	Yes	8,369.56
31 Clanalpine Street	8.2013.111.3	Upheld with amended plans	Yes	23,282.89

Property	Development Application No.	Status	Consistency with Staff Recommendation	Cost \$
31 Clanalpine Street	8.2009.100.3	Upheld with amended plans	Yes	455.01
61A Muston Street	8.2012.165.3	Upheld with amended plans	Yes	9,546.36
11 Prince Albert Street	8.2012.282.1	Dismissed	No	17,784.05
<b>TOTAL</b>				<b>63,189.29</b>

## Local Court Matters

During 2013-14, 21 matters were referred for mention or defended hearings to the Local Court. They related to the following offences:

- Illegal Parking 40
- Breach the weight limit on road 1\*
- Development not carried out in accordance with approval 1

Council incurred direct costs during the period in defending these matters. Fines and costs awarded by the Local Court were recovered in those matters not withdrawn or dismissed by the Local Court.

*\*Legislation changed in February 2014 limiting Council's powers to enforce the weights of vehicles.*

## 7. PRIVATE WORKS

There were no works carried out on private land during 2013-14.

## 8. DONATIONS AND SUBSIDIES

No monies were paid during 2013-14 in respect of donations and subsidies under section 356 of the *Local Government Act 1993*.

## 9. EXTERNAL BODIES EXERCISING FUNCTIONS DELEGATED BY COUNCIL

No external bodies exercised functions delegated by Council during the period.

## 10. COMPANIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST

### Kimbriki Recycling and Waste Disposal Centre at Kimbriki Road, Terrey Hills

Kimbriki Environmental Enterprises Pty Limited (ACN: 136 789 261) was created effective 1 July 2009 to operate the Kimbriki Recycling and Waste Disposal Centre.

Manly, Mosman, Pittwater and Warringah Councils are shareholders in the Company with Warringah as the majority shareholder with 51% of the shares, Pittwater 34.45%, Manly 10.71% and Mosman 3.84%.

## **11. PARTNERSHIPS, CO-OPERATIVES AND JOINT VENTURES WHICH THE COUNCIL WAS A PARTY**

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### **Shorelink co-operative library network**

Mosman Council is a member of the Shorelink Co-operative Library Network together with the Councils of Lane Cove, Manly, North Sydney and Willoughby. Shorelink provides the computerisation of all library and community information services.

### **SHOROC regional organisation of Councils**

Mosman, Manly, Pittwater and Warringah Councils have established SHOROC - Regional Organisation of Councils. Matters in which the group gets involved include:

- Transport and Traffic issues
- Joint tenders and resource sharing
- Graffiti
- Safe Communities
- Procurement initiatives
- Police and Justice
- Waste Management
- Health Services
- Finance and Competition Policy
- Regional Plans

### **Sydney Coastal Councils Group**

Sydney Coastal Councils Group (SCCG) is a voluntary Regional Organisation of Councils. Member Councils include Botany Bay, Hornsby, Leichhardt, Manly, Mosman, North Sydney, Pittwater, Randwick, Rockdale, Sutherland, Sydney, Warringah, Waverley, Willoughby and Woollahra. The SCCG was established to promote cooperation between member Councils, advocate on behalf of member Councils, and build capacity for coordinated action on issues relating to the sustainable management of the urban coastal environment.

Mosman Council is an active member and is represented on the Full Group, the Technical Committee and various Advisory and Working Groups.

## **12. EQUAL EMPLOYMENT OPPORTUNITY MANAGEMENT**

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Mosman Council is committed to the development of a culture that actively supports employment equity and diversity principles. This is underpinned by management policies and corporate practices that respect social inclusion and cultural diversity within the Council and community.

The Equal Employment Opportunity (EEO) Management Plan aims to ensure that Council upholds the principles of merit, that there is an absence of discrimination in employment and we achieve a fair distribution of people from EEO target groups across all levels and types of work. The accompanying EEO Action Plan encompasses: Communication and Awareness; Policy, Practices, Evaluation and Reporting; and the Appointment, Selection and Recruitment Process. These are reviewed annually in conjunction with MOSPLAN.

Mosman Council is well represented by employees from culturally and linguistically diverse backgrounds; and have a gender balance of 60% female and 40% male. Council welcomes and encourages people from other minority groups including people with disabilities, Aboriginal People and Torres Strait Islanders.

### 13. SENIOR STAFF

In conformity with the provisions of the *Local Government Act 1993*, Council has determined the following to be senior staff:

- General Manager
- Director Community Development
- Director Corporate Services
- Director Environment and Planning

The total amount of money payable in respect of the employment of senior staff during 2013-14 amounted to **\$860,466**.

The following remuneration packages of senior staff include the total value of the salary component, the total amount payable by Council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the employee may be a contributor, the total value of non-cash benefits elected under the package including professional development and total amount payable by Council by way of fringe benefits tax for any non-cash benefits.

Position	Salary (including salary sacrifice)	Superannuation (Council contribution)	Car allowance	Total
General Manager <sup>1</sup>	\$271,185	\$22,866	\$7,368	\$301,419
Senior Staff <sup>2</sup>	\$498,048	\$51,076	\$9,923	\$559,047
<b>Total</b>	<b>\$769,233</b>	<b>\$73,942</b>	<b>\$17,291</b>	<b>\$860,466</b>

1 Former General Manager employed from 1 July 2013 to 15 September 2013  
Current General Manager employed from 16 September 2013 to 30 June 2014

2 Director Community Development employed 1 July 2013 to 30 June 2014  
Director Corporate Services employed 1 July 2013 to 30 June 2014  
Director Environment and Planning employed 1 July 2013 to 26 November 2013. Position vacant as at reporting date.

### 14. COMPANION ANIMALS ACT AND REGULATION

Statement on activities relating to enforcing and ensuring compliance with the *Companion Animals Act 1998* and *Companion Animals Regulation 2008* during 2013-14:

Pound data collection returns are lodged with the Office of Local Government annually in accordance with the Office's guidelines.

During 2013-14:

- 16 dogs were impounded to Council's facility
- 29 dogs were returned to their owners
- 3 cats were impounded to Council's facility
- 100% return rate for identified companion animals

Dog attacks are reported to the Office of Local Government in accordance with the Office's guidelines.

Companion animal community education is provided by Rangers during routine patrols, information on Council's website, distribution of anti-barking strategies to dogs reported to Council and a Pets Day Out is held annually.

Mosman has a very high rate of compliance regarding de-sexing of companion animals and no strategies or promotions are currently required. Mosman has a 100% return rate for companion animals. However, should an animal not be claimed or it is surrendered, it will be re-homed through Council's pound.

Mosman currently has four 24-hour off leash areas and an additional five off leash areas at other times.

Dogs off leash exercise areas (24-hour):

- Rawson Park (excepting netball courts and inside fenced oval)
- Lawry Plunkett Reserve (top of Plunkett Road)
- Reid Park
- Spit Reserve (West)

Dogs off the leash are also permitted on the grassed areas of the following reserves all day Monday to Friday; and prior to 9am and after 4pm on Saturday, Sunday and Public Holidays:

- Clifton Gardens Reserve
- Sirius Park
- Rosherville Reserve

Dogs off the leash are permitted on the beach and in the water in the following areas all day Monday to Friday; and prior to 9am and after 4pm on Saturday, Sunday and Public Holidays:

- Sirius Cove
- Spit West and Spit East Reserves

## 15. PRIVACY MANAGEMENT PLAN

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Council has adopted a Privacy Management Plan to accord with section 33 of the *Privacy and Personal Information Protection Act 1998* and the Privacy Code of Practice for Local Government. The Plan shows how Council incorporates the provisions of the Act into its everyday activities.

Council last revised and adopted its Privacy Management Plan in April 2013 to reflect the Model Privacy Management Plan for Local Government issued by the Office of Local Government and amended to provide best practice provisions from Council's existing adopted Plan not provided for in the Model Plan.

Council received no privacy complaints during 2013-14.

## 16. PLANNING AGREEMENTS

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Section 93F(1) of the *Environmental Planning and Assessment Act 1979* provides for voluntary planning agreements or other arrangements between Council and a developer:

- a. who has sought a change to an environmental planning instrument, or
- b. who has made, or proposes to make, a development application, or
- c. who has entered into an agreement with, or is otherwise associated with, a person to whom paragraph (a) or (b) applies, under which the developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose.

Council upon entering into one or more planning agreements must, while any such planning agreements remain in force, include in its annual report particulars of compliance with and the effect of the planning agreements during the year to which the report relates.

### Bridgepoint Pedestrian Bridge, Military Road, Mosman

Council entered into a Voluntary Planning Agreement (VPA) with oOh! media Assets Pty Limited on 8 August 2012. The VPA relates to Council's approval of a S82A review of Development Application 8.2009.343.1 for a supersite sign, upgrade of the façade of Bridgepoint Pedestrian Bridge and Shopping Centre, Military Road, Mosman for a period of 15 years from the date of that consent. The VPA requires the developer to pay to Council an annual contribution for the erection and display of outdoor advertising signage on the eastern and western sides of the footbridge (Lot 2 DP 805982 Military Road).

The first annual contribution was payable the first business day after the first display of signage appeared on the footbridge. The first display of signage appeared on 17 June 2013 and the appropriate payment was made to Council by the developer. The annual contribution is reviewed annually and is payable on the anniversary of the payment date of 18 June.

The annual contribution for the period 18 June 2014 to 17 June 2015 was \$439,813.20. The contribution was paid by the developer to Council and allocated for expenditure in the 2013-14 financial year in the following manner:

- Annual principal and interest repayment of loan taken up in 2011-2012 for Military Road upgrade works \$278,915.74
- Internal Restriction (Infrastructure Replacement) for expenditure on infrastructure works scheduled for 2014-2015 \$160,897.46

## 17. CODE OF CONDUCT

Council is required to report annually on Code of Conduct complaints for the reporting period 1 September to 31 August.

Council received five Code of Conduct complaints about Councillors during the reporting period 1 September 2013 to 31 August 2014.

The following statistics for the reporting period have been provided to the Office of Local Government:

Number of Complaints		
1a	The total number of complaints <b>received</b> in the period about councillors under the code of conduct	5
1b	The number of complaints <b>finalised</b> in the period about councillors under the code of conduct	3
Overview of Complaints and Cost		
2a	The number of complaints <b>finalised at the outset</b> by alternative means by the General Manager or Mayor	3
2b	The number of conduct complaints <b>referred to a conduct reviewer</b>	3
2h	The number of complaints being investigated that are <b>not yet finalised</b>	3
2i	The <b>total cost</b> of dealing with code of conduct complaints made about councillors including staff costs	\$15,941*

\* A number of accounts from conduct reviewers were outstanding as at reporting date.

Of the five Code of Conduct complaints made about Councillors in the reporting period, two were withdrawn and three were referred to a conduct reviewer however were not finalised at reporting

date. Of these complaints, one had been formally referred by the reviewer for mediation at reporting date and was subsequently resolved by informal discussion, negotiation and apology.

There was one complaint from the 2012-13 reporting period that remained not finalised at that period's report date. This complaint was subsequently finalised in 2013-14 with the issuing of an apology.

## 18. GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

Section 125 of the *Government Information (Public Access) Act 2009* requires Council to prepare an annual report on Council's obligations under the Act. The following report was submitted to both the Minister for Local Government and Information Commissioner.

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	0	0	0	0	0
Members of the public (other)	0	6	1	0	0	1	0	0
<b>Total</b>	<b>0</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>

\*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Info not held	Info already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	2	0	0	0	1	0	0
Access applications that are partly personal information applications and partly other	0	5	1	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>



\*A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

PLEASE NOTE: The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	1
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	4
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

\*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	5
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	7
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	0
Total	9

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
Internal review	0	3	3
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
<b>Total</b>	0	3	3

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
Applications by access applicants	3
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

## 19. PUBLIC INTEREST DISCLOSURES ACT 1994

Section 6CA of the *Public Interest Disclosures Act 1994* requires Council to provide the NSW Ombudsman with information about Council's obligations in relation to public interest disclosures every six months. The following information was forwarded to the Ombudsman during 2013-14:

Details	2013-14
Number of public officials performing their day to day functions who have made a public interest disclosure	2
Number of public interest disclosures received in total	2
Number of public interest disclosures received relating to:	
Corrupt conduct	0
Maladministration	1
Serious and substantial waste of public money or local government money	1
Government information contraventions	1
Local Government pecuniary interest contraventions	0
Number of public interest disclosures finalised	2
Is there a public interest disclosures policy in place	Yes
What actions has the General Manager of Mosman Council taken to ensure that staff awareness responsibilities under section 6E(1)(b) of the Act have been met.	
<i>Section 6E(1)(b) states "the staff of the public authority are aware of the contents of the policy and the protections under this Act for a person who makes a public interest disclosure"</i>	
The following actions were taken during 2013-14:	
<ul style="list-style-type: none"> <li>• Staff are aware of the contents of the policy and the protections under the Act for a person who makes a public interest disclosure</li> <li>• Staff undertaking that they have read and understood Mosman Council's internal reporting policy</li> <li>• Training has been provided for staff in public disclosures</li> <li>• Training has been provided by a private sector organisation</li> </ul>	

- Email message to all staff
- Links available on internet and intranet sites
- Messages in staff newsletters
- Messages on staff noticeboards
- Posters provided
- Training provided to new staff during induction
- Policies are discussed at staff meetings
- In June 2014 Council adopted a revised Public Interest Disclosures Policy to align with the Ombudsman's model policy and guidelines including recent amendments to the Public Interest Disclosures Act 1994. Staff have been educated in relation to the new policy.

## 20. FORMAL COMPLAINTS

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During 2013-14 a total of 12 complaints were received, investigated and responded to as formal complaints under Council's Complaints Handling Policy. Of these, 10 complaints were responded to within the 10 day response period required by the policy and two were responded to outside the 10 day response period in view of the complex nature of the complaints.

## 21. FRAUD AND CORRUPTION PREVENTION ACTIVITIES

---

Mosman Council is committed to good governance and ethical behaviour as a key ingredient of responsible, transparent, effective and accountable local government. Fraud and corruption control are key components of good governance. Council is committed to protecting its revenue, expenditure and property from any attempt (either by the public, contractors, or its own employees) to gain by deceit, financial or other benefits.

Council has adopted a Prevention of Fraud and Corrupt Conduct Policy which is designed to protect public funds and assets, the integrity, security and reputation of the Council and its employees, and maintain a high level of services to the community. The purpose of this policy is to demonstrate that Council does not tolerate dishonest or fraudulent behaviour and is committed to deterring and preventing such behaviour, in line with the community expectation that Council employees acknowledge and fulfil their responsibility to protect public money and property.

This policy is supported by a Prevention of Fraud and Corrupt Conduct Plan and reporting of breaches is supported by Council's Code of Conduct and Public Interest Disclosures Policy. (Council reviewed and adopted its Public Interest Disclosures Policy in June 2014). Council has appointed the Mayor, General Manager, all Directors, Manager Human Resources and Manager Governance as Public Interest Disclosure Officers.

Council has also implemented an Audit Committee which includes three external representatives one of whom must be the Chairman. Further, Council has introduced a follow up check on the organisation's compliance with the Policy by using the Fraud Control Health Check provided by the Audit Office.

Council encourages members of the public to report possible fraud or corruption direct to the General Manager, Mayor or Public Interest Disclosure Officers or directly to the Independent Commission Against Corruption.

# **SECTION THREE**

**Financial Reports for the Year ended  
30 June 2014  
including Auditor's Report**

# Mosman Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

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*Proud to be Mosman  
Protecting our Heritage  
Planning our Future  
Involving our Community*

**Mosman**  
COUNCIL

## Mosman Council

### General Purpose Financial Statements

for the financial year ended 30 June 2014

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- Statement of Financial Position	6
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#### Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian Currency.
  - (iv) These financial statements were authorised for issue by the Council on 08 October 2014. Council has the power to amend and reissue these financial statements.
-

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

## Understanding Council's Financial Statements

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### Introduction

Each year, individual Local Governments across NSW 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 2014.

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 values 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 financial statements are required to be audited by external accountants (that generally specialise in Local Government).

In NSW, the Auditor provides two audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance and position.
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.

Submissions from the public can be made 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.

## Mosman Council

### General Purpose Financial Statements for the financial year ended 30 June 2014

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

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


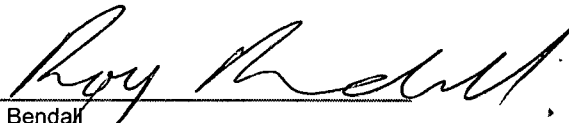
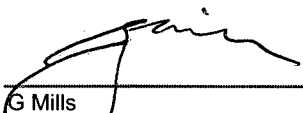
- The *Local Government Act 1993* (as amended) and the Regulations made thereunder
- The Australian Accounting Standards and professional pronouncements
- The Local Government Code of Accounting Practice and Financial Reporting

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

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

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

Signed in accordance with a resolution of Council made on 07 October 2014.

  
\_\_\_\_\_  
P Abelson  
MAYOR  
\_\_\_\_\_  
R Bendall  
COUNCILLOR  
\_\_\_\_\_  
V Lee  
GENERAL MANAGER  
\_\_\_\_\_  
G Mills  
RESPONSIBLE ACCOUNTING OFFICER



## Mosman Council

## Income Statement

for the financial year ended 30 June 2014

Budget <sup>1</sup> 2014	\$ '000	Notes	Actual 2014	Actual 2013
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
22,723	Rates and Annual Charges	3a	22,611	21,747
9,058	User Charges and Fees	3b	9,790	8,879
470	Interest and Investment Revenue	3c	438	399
3,668	Other Revenues	3d	6,524 <sup>2</sup>	11,632
2,065	Grants and Contributions provided for Operating Purpose	3e,f	1,996 <sup>3</sup>	2,510
1,914	Grants and Contributions provided for Capital Purposes	3e,f	2,922	2,774
<b>Other Income:</b>				
-	Net gains from the disposal of assets	5	-	57
-	Net Share of interests in Joint Ventures and Associated Entities using the equity method	19	31	83
<b>39,898</b>	<b>Total Income from Continuing Operations</b>		<b>44,312</b>	<b>48,081</b>
<b>Expenses from Continuing Operations</b>				
15,270	Employee Benefits and On-Costs	4a	14,966	14,497
627	Borrowing Costs	4b	677	654
11,538	Materials and Contracts	4c	11,686	11,094
6,194	Depreciation and Amortisation	4d	5,557 <sup>4</sup>	6,148
-	Impairment	4d	-	-
5,306	Other Expenses	4e	6,066	6,242
-	Net Losses from the Disposal of Assets	5	20	-
<b>38,935</b>	<b>Total Expenses from Continuing Operations</b>		<b>38,972</b>	<b>38,635</b>
<b>963</b>	<b>Operating Result from Continuing Operations</b>		<b>5,340</b>	<b>9,446</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>963</b>	<b>Net Operating Result for the Year</b>		<b>5,340</b>	<b>9,446</b>
<b>963</b>	<b>Net Operating Result attributable to Council</b>		<b>5,340</b>	<b>9,446</b>
-	<b>Net Operating Result attributable to Non-controlling Interests</b>		-	-
<b>(951)</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>2,418</b>	<b>6,672</b>

<sup>1</sup> Original Budget as approved by Council - refer Note 16

<sup>2</sup> Exceeds budget due to unbudgeted fair value increment to Investment Properties - refer to Note 14. Prior year actual contains fair value adjustments.

<sup>3</sup> Financial Assistance Grants for 2013-14 are lower, reflecting a timing difference due to a change in how the grant is paid - refer Note 3 (e)

<sup>4</sup> Revised useful lives in Asset Management Plan of infrastructure assets resulted in reduced expense for Roads (by \$331k) and Stormwater Drainage (by \$67k). Equipment depreciation lower by \$67k due to identification duplicated assets in other asset classes - refer Statement of Comprehensive Income and Note 9(a)

## Mosman Council

# Statement of Comprehensive Income

for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
<b>Net Operating Result for the year</b> (as per Income statement)		<b>5,340</b>	<b>9,446</b>
<b>Other Comprehensive Income:</b>			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of IPP&E	20b (ii)	-	25,344
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>-</b>	<b>25,344</b>
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Other movements: Adjustment of 'Plant' and 'Other' assets that had also been measured in Infrastructure valuations.	20b (ii)	(431)	-
<b>Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met</b>		<b>(431)</b>	<b>-</b>
<b>Total Other Comprehensive Income for the year</b>		<b>(431)</b>	<b>25,344</b>
<b>Total Comprehensive Income for the Year</b>		<b>4,909</b>	<b>34,790</b>
Total Comprehensive Income attributable to Council		4,909	34,790
Total Comprehensive Income attributable to Non-controlling Interests		-	-

## Mosman Council

Statement of Financial Position  
as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	6a	10,150	9,624
Investments	6b	-	-
Receivables	7	4,051	3,082
Inventories	8	164	143
Other	8	186	132
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>14,551</b>	<b>12,981</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	29	56
Inventories	8	-	-
Infrastructure, Property, Plant and Equipment	9	463,132	461,261
Investments accounted for using the equity method	19	674	678
Investment Property	14	46,821	44,535
Intangible Assets	25	312	328
<b>Total Non-Current Assets</b>		<b>510,968</b>	<b>506,858</b>
<b>TOTAL ASSETS</b>		<b>525,519</b>	<b>519,839</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	8,509	7,570
Borrowings	10	1,880	1,990
Provisions	10	3,745	4,137
<b>Total Current Liabilities</b>		<b>14,134</b>	<b>13,697</b>
<b>Non-Current Liabilities</b>			
Payables	10	-	-
Borrowings	10	9,086	8,966
Provisions	10	294	80
<b>Total Non-Current Liabilities</b>		<b>9,380</b>	<b>9,046</b>
<b>TOTAL LIABILITIES</b>		<b>23,514</b>	<b>22,743</b>
<b>Net Assets</b>		<b>502,005</b>	<b>497,096</b>
<b>EQUITY</b>			
Retained Earnings	20	290,803	285,463
Revaluation Reserves	20	211,202	211,633
Council Equity Interest		502,005	497,096
Non-controlling Interests		-	-
<b>Total Equity</b>		<b>502,005</b>	<b>497,096</b>

## Mosman Council

Statement of Changes in Equity  
for the financial year ended 30 June 2014

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2014</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		285,463	211,633	<b>497,096</b>	-	<b>497,096</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/13)</b>		<b>285,463</b>	<b>211,633</b>	<b>497,096</b>	-	<b>497,096</b>
<b>c. Net Operating Result for the Year</b>		<b>5,340</b>	-	<b>5,340</b>	-	<b>5,340</b>
d. Other Comprehensive Income						
- Other Reserves Movements	20b (ii)	-	(431)	<b>(431)</b>	-	<b>(431)</b>
<b>Other Comprehensive Income</b>		-	<b>(431)</b>	<b>(431)</b>	-	<b>(431)</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>5,340</b>	<b>(431)</b>	<b>4,909</b>	-	<b>4,909</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>290,803</b>	<b>211,202</b>	<b>502,005</b>	-	<b>502,005</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2013</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		276,017	186,289	<b>462,306</b>	-	<b>462,306</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/12)</b>		<b>276,017</b>	<b>186,289</b>	<b>462,306</b>	-	<b>462,306</b>
<b>c. Net Operating Result for the Year</b>		<b>9,446</b>	-	<b>9,446</b>	-	<b>9,446</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	25,344	<b>25,344</b>	-	<b>25,344</b>
<b>Other Comprehensive Income</b>		-	<b>25,344</b>	<b>25,344</b>	-	<b>25,344</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>9,446</b>	<b>25,344</b>	<b>34,790</b>	-	<b>34,790</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>285,463</b>	<b>211,633</b>	<b>497,096</b>	-	<b>497,096</b>

## Mosman Council

## Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
22,705	Rates and Annual Charges		22,735	21,643
9,037	User Charges and Fees		9,953	8,836
465	Investment and Interest Revenue Received		416	411
4,096	Grants and Contributions		4,031	5,219
-	Bonds, Deposits and Retention amounts received		1,923	774
3,626	Other		3,879	3,735
<b>Payments:</b>				
(15,195)	Employee Benefits and On-Costs		(15,144)	(14,339)
(11,540)	Materials and Contracts		(12,240)	(10,603)
(627)	Borrowing Costs		(663)	(661)
(75)	Bonds, Deposits and Retention amounts refunded		(1,303)	(958)
(5,306)	Other		(6,100)	(6,272)
<b>7,186</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>7,487</b>	<b>7,785</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
-	Sale of Investment Securities		11,050	10,600
-	Sale of Infrastructure, Property, Plant and Equipment		31	145
36	Distributions Received from Joint Ventures and Associates		35	40
<b>Payments:</b>				
-	Purchase of Investment Securities		(11,050)	(7,850)
-	Purchase of Investment Property		-	(70)
(6,545)	Purchase of Infrastructure, Property, Plant and Equipment		(7,037)	(5,426)
<b>(6,509)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(6,971)</b>	<b>(2,561)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
2,000	Proceeds from Borrowings and Advances		2,000	2,460
<b>Payments:</b>				
(1,928)	Repayment of Borrowings and Advances		(1,860)	(1,539)
(130)	Other (Repayment of Deferred Creditors)		(130)	(130)
<b>(58)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>10</b>	<b>791</b>
<b>619</b>	<b>Net Increase/(Decrease) in Cash and Cash Equivalent</b>		<b>526</b>	<b>6,015</b>
4,874	plus: <b>Cash and Cash Equivalents - beginning of year</b>	11a	9,624	3,609
<b>5,493</b>	<b>Cash and Cash Equivalents - end of the year</b>	11a	<b>10,150</b>	<b>9,624</b>

Please refer to Note 11 for additional cash flow information

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

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n/a - not applicable

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

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

##### (a) Basis of preparation

###### (i) Background

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

- Australian Accounting Standards and Australian Accounting Interpretations issued by the Australian Accounting Standards Board
- the *Local Government Act 1993* and Regulation
- the Local Government Code of Accounting Practice and Financial Reporting

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

###### (ii) Compliance with International Financial Reporting Standards (IFRS)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS, or
- (b) specifically exclude application by Not for Profit entities.

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

Under the *Local Government Act 1993* (the Act), Regulations and Local Government Code of

Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

###### (iii) New and amended standards adopted by Council

During the current year, the following relevant standards became mandatory for Council and have been adopted:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value, however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Council to review the valuation methodology.

The level of disclosures regarding fair value have increased significantly and have been included in the financial statements at Note 27.

AASB 119 Employee Benefits introduced revised definitions for short-term employee benefits.

Whilst the Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period, there has been no effect on the amounts disclosed as leave liabilities since Council's existing valuation policy was to discount annual leave payable more than 12 months after the end of the reporting period to present values.

###### (iv) Early adoption of Accounting Standards

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

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

###### (v) Basis of Accounting

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

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non current assets (eg. Infrastructure, Property, Plant and Equipment and Investment Property) that are accounted for at fair valuation.

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

#### (vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

#### (vii) Critical Accounting Estimates

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

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

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

#### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

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

#### **Critical judgements in applying Council's accounting policies**

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94A Commitments - Council has used significant judgement in determining future Section 94A income and expenditure in Note 17.

#### (b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

#### **Rates, Annual Charges, Grants and Contributions**

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

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

A provision for the impairment on rates receivables has not been established as unpaid rates represent a



## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

charge against the rateable property that will be recovered when the property is next sold.

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

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it when:

- (i) it is probable that the economic benefits comprising the contribution will flow to the Council
- (ii) the amount of the contribution can be measured reliably

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94A of the EPA Act 1979.

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

Developer contributions may only be expended for the purposes for which the contributions were required however the Council may apply contributions according to the priorities established in work schedules.

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

#### User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue

when the service has been provided, the payment is received, or when the penalty has been applied, whichever occurs first.

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

#### Sale of Infrastructure, Property, Plant and Equipment

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

#### Interest and Rents

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

Interest Income from Cash and Investments is accounted for using the effective interest rate at the date that interest is earned.

#### Dividend Income

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

#### Other Income

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

#### (c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30 June 2014) and (ii) all the related operating results (for the financial year ended the 30th June 2014).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

##### (i) The Consolidated Fund

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

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

The following entities have been included as part of the Consolidated Fund:

- General Purpose Operations

##### (ii) The Trust Fund

In accordance with the provisions of Section 411 of the Act, a separate and distinct Trust Fund is maintained to account for all money and property 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 property subject to Council's control have been included in these statements.

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

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

##### (iii) Joint Ventures

##### Jointly Controlled Assets and Operations

The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.

##### Jointly Controlled Entities

Any interests in Joint Venture Entities and Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings and reserves is recognised in the balance sheet.

##### (iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity method of accounting – in a similar fashion to Joint Venture Entities and Partnerships.

Such entities are usually termed Associates.

##### (v) County Councils

Council is not a member of any County Councils.

##### (vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

##### (d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

##### Finance Leases

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

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

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

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

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

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

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

##### Operating Leases

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

##### (e) Cash and Cash Equivalents

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

- 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 balance sheet and incorporated into Cash and Cash Equivalents for presentation of the Cash Flow Statement.

##### (f) Investments and Other Financial Assets

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

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

Each classification depends on the purpose/intention for which the investment was originally acquired.

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

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

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

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

Derivatives are classified as held for trading unless they are designated as hedges.

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

##### (ii) Loans and receivables

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

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

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

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

has the positive intention and ability to hold to maturity.

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

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

##### (iv) Available-for-sale financial assets

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

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

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

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

##### Financial Assets – Reclassification

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

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

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

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

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

##### General Accounting and Measurement of Financial Instruments:

##### (i) Initial Recognition

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

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

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

##### (ii) Subsequent Measurement

**Available-for-sale financial assets and financial assets at fair value through profit and loss** are subsequently carried at fair value.

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

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

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

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

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

##### Impairment

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

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. 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. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

##### (iii) Types of Investments

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

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its Investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

##### (g) Fair value estimation

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

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

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

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

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

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

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



## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

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

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

##### **(h) Receivables**

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

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

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

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

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

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

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

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

##### **(i) Inventories**

##### **Raw Materials and Stores, Work in Progress and Finished Goods**

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

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

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

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

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

##### **Land Held for Resale/Capitalisation of Borrowing Costs**

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

##### (j) Infrastructure, Property, Plant and Equipment (IPP&E)

###### Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

At balance date, the following classes of IPP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(o)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges and footpaths** (Internal Valuation)
- **Drainage Assets** (External Valuation)
- **Community Land** (External Valuation and where appropriate internal)
- **Land Improvements** (Internal Valuation)
- **Other Structures** (External Valuations)
- **Other Assets** (as approximated by depreciated historical cost)

###### Initial Recognition

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

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

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar

borrowing could be obtained from an independent financier under comparable terms and conditions.

Where IPP&E assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

###### Subsequent costs

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

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

###### Asset Revaluations (including indexation)

In accounting for Asset Revaluations relating to IPP&E:

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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

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

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

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

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

##### Capitalisation Thresholds

Items of IPP&E are not capitalised unless their cost of acquisition exceeds the following:

##### Land

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

##### Plant and Equipment

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

##### Buildings and Land Improvements

Park Furniture & Equipment	> \$5,000
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##### Building

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

Other Structures	> \$5,000
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##### Stormwater Assets

Drains and Culverts	> \$5,000
Other	> \$5,000

##### Transport Assets

Road construction and reconstruction	> \$5,000
Reseal/Re-sheet and major repairs	> \$5,000

##### Depreciation

Depreciation on Council's IPP&E assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's IPP&E include:

##### Plant and Equipment

- Office Equipment	5 to 10 years
- Office furniture	5 to 10 years
- Computer Equipment	4 years
- Other plant and equipment	5 to 10 years

##### Other Equipment

- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years

##### Buildings

- Buildings	50 to 100 years
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##### Stormwater Drainage

- Drainage Infrastructure	100 years
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##### Transportation Assets

- Sealed Roads : Surface	40 years
- Sealed Roads : Structure	100 years
- Unsealed roads	100 years
- Road Pavements	100 years
- Kerb, Gutter and Paths	80 years

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

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

##### Disposal and De-recognition

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

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



## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 1. Summary of Significant Accounting Policies

### (k) Land

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

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

### (l) Land under roads

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

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

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

### (m) Intangible Assets

Council's interest in Kimbriki Waste Services Access Rights is recognised as an Intangible Asset and will be amortised over the life of the asset.

### (n) Crown Reserves

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

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

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

### (o) Investment property

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

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

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

The last full revaluation for Council's Investment Properties was dated 30 June 2013.

### (p) Impairment of assets

All Council's IPP&E is subject to an annual assessment of impairment.

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

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

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

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

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

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

### (q) Payables

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

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

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

##### **(r) Borrowings**

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

Borrowings are subsequently measured at amortised cost.

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

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

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

##### **(s) 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.

##### **(t) Provisions**

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

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

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in

settlement is determined by considering the class of obligations as a whole.

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

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

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

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

##### **(u) Employee benefits**

###### **(i) Short Term Obligations**

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

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

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

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

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

Wages and salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

###### **(ii) Other Long Term Obligations**

The liability for all long service leave and annual leave in respect of services provided by employees

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

up to the reporting date (which is not expected to be wholly settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

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

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

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how long service leave can be taken, all long service leave for employees with four or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than four years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

#### **(iii) Retirement benefit obligations**

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

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

#### **Defined Benefit Plans**

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

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using

the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

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

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

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

The last valuation of the Scheme was performed by Richard Boyfield (AFS Licence #411770) and covers the period ended 30 June 2014.

However, the position is monitored annually and the Actuary has estimated that as at 30 June 2014 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2014 was \$319,975.

The amount of additional contributions included in the total employer contribution advised above is \$126,244.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$504,976 as at 30 June 2014.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

arrangement where assets and liabilities are pooled together for all member councils.

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

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

##### Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30 June 2014.

##### (v) Self insurance

Council does not self insure.

##### (w) Allocation between current and non-current assets and liabilities

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

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

##### Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the

liability is classified as current even if not expected to be settled within the next 12 months.

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

##### (x) Taxes

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

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax.

##### Goods and Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

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

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Statement of Financial Position.

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

Investing and Financing cash flows are treated on a net basis where recoverable from the ATO, therefore are exclusive of GST.

The GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

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

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

##### **(y) New accounting standards and interpretations**

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2014.

**Council has not adopted any of these standards early.**

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

##### **Applicable to Local Government with implications:**

##### **AASB 9 Financial Instruments associated standards:**

- *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6*
- *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures*

*AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)*

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 however is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, as AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the International Accounting Standard Board to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

The Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

##### **Applicable to Local Government with no implications for Council:**

##### **AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets (effective for 30 June 2015 Financial Statements)**

There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.

##### **Applicable to Local Government however not relevant to Council at this stage:**

##### **AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective for 30 June 2015 Financial Statements for not-for-profit entities)**

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard



## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 1. Summary of Significant Accounting Policies

introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure

requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2015.

There are no other standards that are "not yet effective" and expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

#### **(z) Rounding of amounts**

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

#### **(aa) Comparative Figures**

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

#### **(ab) Disclaimer**

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

# Notes to the Financial Statements

for the financial year ended 30 June 2014

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current and Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Governance	-	-	-	1,627	1,547	1,265	(1,627)	(1,547)	(1,265)				
Community Wellbeing	1,611	1,704	1,663	2,677	2,579	2,118	(1,066)	(875)	(455)	813	783	4,273	4,289
Library and Information	173	182	232	2,061	2,010	1,881	(1,888)	(1,828)	(1,649)	81	123	7,359	7,327
Arts and Culture	549	614	523	1,305	1,385	1,356	(756)	(771)	(833)	80	124	4,407	4,288
Built Environment <sup>2</sup>	2,537	3,553	8,123	5,562	5,858	6,574	(3,025)	(2,305)	1,549	1,124	617	180,912	178,642
Community Spaces <sup>3</sup>	5,204	8,096	8,701	4,479	5,077	4,899	725	3,019	3,802	-	-	250,653	248,944
Healthy Environment	5,910	5,845	5,790	7,629	6,890	7,641	(1,719)	(1,045)	(1,851)	60	28	658	622
Transport and Traffic <sup>4</sup>	5,012	5,887	4,901	1,148	1,246	1,713	3,864	4,641	3,188	-	-	58,978	58,939
Local Economy	-	-	-	-	-	-	-	-	-	-	-	-	-
Leadership and Engagement	-	-	-	1,870	1,914	1,148	(1,870)	(1,914)	(1,148)	-	-	25	33
Governance and Risk	525	706	524	10,577	10,466	10,040	(10,052)	(9,760)	(9,516)	-	-	17,580	16,077
<b>Total Functions and Activities</b>	<b>21,521</b>	<b>26,587</b>	<b>30,457</b>	<b>38,935</b>	<b>38,972</b>	<b>38,635</b>	<b>(17,414)</b>	<b>(12,385)</b>	<b>(8,178)</b>	<b>2,158</b>	<b>1,675</b>	<b>524,845</b>	<b>519,161</b>
Share of gains/(losses) in Associates and Joint Ventures (using the Equity Method)	36	31	83	-	-	-	36	31	83	-	-	674	678
General Purpose Income <sup>1</sup>	18,341	17,694	17,541	-	-	-	18,341	17,694	17,541	499	862	-	-
<b>Operating Result from Continuing Operations</b>	<b>39,898</b>	<b>44,312</b>	<b>48,081</b>	<b>38,935</b>	<b>38,972</b>	<b>38,635</b>	<b>963</b>	<b>5,340</b>	<b>9,446</b>	<b>2,657</b>	<b>2,537</b>	<b>525,519</b>	<b>519,839</b>

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

2. 2013 Actual Income includes reversal of Stormwater Asset revaluation decrement. 2014 Actual Income includes grant funding for roads in excess of original budget.

3. Actual Income Includes Investment Property revaluation increments in both years.

4. 2014 Income exceeds budget due to higher volume of parking fees and fines and the disaggregation of fines processing contractor from fines income.

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

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

**Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:**

#### **GOVERNANCE**

Costs of democratic processes including Councillor Fees, Council and Committee Meetings, Public Disclosure and Compliance. Part of 'Leadership and Engagement' and 'Governance and Risk' Functions in Council's management plan but separate here to comply with Office of Local Government Regulations.

#### **COMMUNITY WELLBEING**

Community Connection and Volunteering, Children/Family, Youth, Older People, People with a disability, Healthy Lifestyle and Fitness, Aboriginal Culture, Heritage and Reconciliation and Culturally and Linguistically Diverse People.

#### **LIBRARY AND INFORMATION**

Library Resources, Library Services, Information Technology, Building Education, Local Studies, Website.

#### **ARTS AND CULTURE**

Cultural Development, Gallery, Community Arts and Crafts, Civic Events, Friendship Agreements.

#### **BUILT ENVIRONMENT**

Development Assessment and Regulation. Zoning Framework, Planning Policy Development, Heritage Housing Strategy. Roads. Stormwater Drainage.

#### **COMMUNITY SPACES**

Parks, Gardens, Playgrounds and Civic Spaces, Recreational Facilities, Beaches, Sea Pools and Foreshores. Council Owned Buildings and Facilities.

#### **HEALTHY ENVIRONMENT**

Atmospheric Environment, Biodiversity, Trees, Land and Coastal Management, Noise, Environmental/Sustainability Education, Environmental Health, Waste Management and Cleaning and Environmental Services.

#### **TRANSPORT AND TRAFFIC**

Facilities, Traffic Management, Pedestrians, Bicycles, Public Transport.

#### **LOCAL AND REGIONAL ECONOMY**

Business & Employment, Marketing Mosman, Regional Economic Development.

#### **LEADERSHIP AND ENGAGEMENT**

Council Secretariat and Civic Involvement, Governance and Communication.

#### **GOVERNANCE AND RISK**

Finance and Corporate Assets, Information and Communication Systems, Insurance and Risk Management, Human Resources, Strategic Asset and Property Management.



## Mosman Council

Notes to the Financial Statements  
for the financial year ended 30 June 2014

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Rates and Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		15,229	14,774
Business		1,589	1,538
<b>Total Ordinary Rates</b>		<b>16,818</b>	<b>16,312</b>
<b>Special Rates</b>			
Nil			
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		5,534	5,412
Stormwater Management Services		237	-
Section 611 Charges		22	23
<b>Total Annual Charges</b>		<b>5,793</b>	<b>5,435</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>22,611</b>	<b>21,747</b>

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

**(b) User Charges and Fees**

<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		70	59
<b>Total User Charges</b>		<b>70</b>	<b>59</b>
<b>Other User Charges and Fees</b>			
<b>(i) Fees and Charges - Statutory and Regulatory Functions</b> (per s.608)			
Planning and Building Regulation		756	643
Regulatory Fees		91	54
Section 149 Certificates (EPA Act)		160	139
Section 603 Certificates		103	80
<b>Total Fees and Charges - Statutory/Regulatory</b>		<b>1,110</b>	<b>916</b>

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
<b>(b) User Charges and Fees (continued)</b>			
<b>(ii) Fees and Charges - Other (incl. General User Charges) (per s.608)</b>			
Advertising-Bridgepoint Bridge		439	426
Art Prize Fees		34	32
Children's Leisure and Learning		8	9
Community Restaurant		29	29
Cultural Centre		110	81
Dinghy Storage Racks		30	30
Family Day Care Parent Levy		-	10
Filming Permits		9	5
Footpath Occupation		206	176
Hoarding Fees		124	262
Kidzone - Vacation		80	81
Lease Rentals (Property)		996	935
Leaseback Fees - Council Vehicles		8	7
Market Days (Stall Holders)		107	96
Meals on Wheels		85	95
Mini Skips		34	26
Mosman Occasional Child Care		277	275
Occasional Child Care		6	8
Out of School Care		337	269
Oval Rents		254	226
Parking Fees - On Street		2,134	1,780
Parking Fees - Foreshore		1,250	1,055
Parking Fees - Foreshore (Stickers)		229	216
Parking Fees - Resident Parking Scheme Permits		44	40
Photocopying - Civic Centre		2	3
Photocopying - Library		9	9
Reserve Rents		76	83
Restoration Charges		992	699
Section 153 Land Leases		57	131
Stand Plant Permits		108	108
Trading Rights - Foreshore		10	25
Vacation Care		21	29
Vehicular Crossing		31	20
Vehicular Crossing - Inspection Fees		11	9
Work Zone Fees		180	217
Other		283	402
<b>Total Fees and Charges - Other</b>		<b>8,610</b>	<b>7,904</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>9,790</b>	<b>8,879</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
<b>(c) Interest and Investment Revenue (incl. losses)</b>			
<b>Interest and Dividends</b>			
- Interest on Overdue Rates and Annual Charges (incl. Special Purpose Rates)		45	55
- Interest earned on Investments (interest and coupon payment income)		393	344
<b><u>TOTAL INTEREST AND INVESTMENT REVENUE</u></b>		<b><u>438</u></b>	<b><u>399</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates and Annual Charges (General Fund)		45	55
General Council Cash and Investments		332	312
<b>Restricted Investments/Funds - External:</b>			
Development Contributions			
- Section 94		61	32
<b><u>Total Interest and Investment Revenue Recognised</u></b>		<b><u>438</u></b>	<b><u>399</u></b>
<b>(d) Other Revenues</b>			
Fair Value Adjustments - Investment Properties	14	2,286	3,387
Rental Income - Investment Properties	14	1,771	1,778
Reversal of prior period revaluation decrements (applicable to IPP&E)	9(a)	-	4,571
Fines		2,283	1,759
Commissions and Agency Fees		21	21
Other		163	116
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>6,524</u></b>	<b><u>11,632</u></b>

## Mosman Council

Notes to the Financial Statements  
for the financial year ended 30 June 2014

## Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance - General Component	316	581	-	-
Financial Assistance - Local Roads Component	118	216	-	-
Pensioners' Rates Subsidies - General Component	65	65	-	-
<b>Total General Purpose</b>	<b>499</b>	<b>862</b>	<b>-</b>	<b>-</b>

<sup>1</sup> The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income and is a timing difference only.

**Specific Purpose**

## Pensioners' Rates Subsidies:

- Domestic Waste Management	29	28	-	-
Aged Care	497	565	-	-
Child Care	316	218	-	-
Environmental Protection	31	-	-	-
Excess Weight Subsidy	10	9	-	-
Housing and Community Amenities	130	297	-	-
Library - per capita	55	54	-	-
Library - special projects	26	69	-	-
Recreation and Culture	80	124	37	28
Traffic Route Subsidy	75	75	-	-
Transport (Roads to Recovery)	-	-	-	208
Transport (Other Roads and Bridges Funding)	-	-	872	-
<b>Total Specific Purpose</b>	<b>1,249</b>	<b>1,439</b>	<b>909</b>	<b>236</b>
<b>Total Grants</b>	<b>1,748</b>	<b>2,301</b>	<b>909</b>	<b>236</b>

**Grant Revenue is attributable to:**

- Commonwealth Funding	726	797	-	208
- State Funding	1,022	1,504	909	28
	<b>1,748</b>	<b>2,301</b>	<b>909</b>	<b>236</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
<b>(s93 and s94 - EP&amp;A Act, s64 of the LGA):</b>				
S 94 - Contributions towards amenities/services	-	-	560	478
S 94A - Fixed Development Consent Levies	-	-	1,118	1,160
<b>Total Developer Contributions</b> 17	<b>-</b>	<b>-</b>	<b>1,678</b>	<b>1,638</b>
<b>Other Contributions:</b>				
Community Services	-	2	-	-
Local Infrastructure Renewal Scheme Subsidy	90	-	-	-
Recreation and Culture	-	43	204	-
Roads and Bridges	-	-	131	900
RMS Contributions (Regional Roads, Block Grant)	158	164	-	-
<b>Total Other Contributions</b>	<b>248</b>	<b>209</b>	<b>335</b>	<b>900</b>
<b>Total Contributions</b>	<b>248</b>	<b>209</b>	<b>2,013</b>	<b>2,538</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>1,996</b>	<b>2,510</b>	<b>2,922</b>	<b>2,774</b>

\$ '000	Actual 2014	Actual 2013
<b>(g) Restrictions relating to Grants and Contributions</b>		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	1,490	524
add: Grants and contributions recognised in the current period but not yet spent:	1,964	1,433
less: Grants and contributions recognised in a previous reporting period now spent:	(374)	(467)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>1,590</b>	<b>966</b>
<b>Unexpended and held as Restricted Assets</b>	<b>3,080</b>	<b>1,490</b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	774	441
- Developer Contributions	2,306	1,049
	<b>3,080</b>	<b>1,490</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 4. Expenses from Continuing Operations

<b>\$ '000</b>	<b>Notes</b>	<b>Actual 2014</b>	<b>Actual 2013</b>
<b>(a) Employee Benefits and On-Costs</b>			
Salaries and Wages		11,142	10,936
Travel		250	246
Employee Leave Entitlements (ELE)		1,539	1,375
Superannuation - Defined Contribution Plans		967	970
Superannuation - Defined Benefit Plans		320	319
Workers' Compensation Insurance		549	472
Fringe Benefit Tax (FBT)		73	48
Training Costs (other than Salaries & Wages)		115	119
Other		11	12
<b><u>TOTAL EMPLOYEE COSTS EXPENSED</u></b>		<b><u>14,966</u></b>	<b><u>14,497</u></b>
Number of "Equivalent Full Time" Employees at year end		<b>161</b>	<b>168</b>
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		<b>168</b>	<b>168</b>
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		677	654
<b>Total Interest Bearing Liability Costs Expensed</b>		<b><u>677</u></b>	<b><u>654</u></b>
<b>(ii) Other Borrowing Costs</b>			
Nil			
<b><u>TOTAL BORROWING COSTS EXPENSED</u></b>		<b><u>677</u></b>	<b><u>654</u></b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
<b>(c) Materials and Contracts</b>			
Raw Materials and Consumables		182	244
Contractor and Consultancy Costs			
- Aged Services		160	114
- Bushcare		472	457
- Cleansing		2,255	2,218
- Consultancies		89	365
- Development Assessment and Urban Planning		207	257
- Infrastructure		661	431
- Internal Audit		57	77
- Parks, Gardens and Civic Spaces		681	579
- Plant Running		130	114
- Recreational Facilities		569	547
- Structures		679	581
- Tree Pruning/Removal		239	228
- Waste Management		2,851	2,757
- Other Contractor and Consultancy Costs		1,326	1,175
Auditors Remuneration		37	36
Infringement Notice Contract Costs (SEINS)		323	257
Legal Expenses:			
- Legal Expenses: Planning & Development		453	325
- Legal Expenses: Other		92	62
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments		92	115
Printing		131	155
<b><u>TOTAL MATERIALS AND CONTRACTS</u></b>		<b><u>11,686</u></b>	<b><u>11,094</u></b>

### 1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

#### (i) Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor

#### Remuneration for audit and other assurance services

#### Total Auditor Remuneration

37	36
<b>37</b>	<b>36</b>
<b>37</b>	<b>36</b>

### 2. Operating Lease Payments are attributable to:

Computers

92	115
<b>92</b>	<b>115</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
(d) Depreciation, Amortisation and Impairment					
Plant and Equipment <sup>1</sup>		-	-	176	329
Office Equipment		-	-	150	150
Furniture and Fittings		-	-	22	33
Land Improvements (depreciable)		-	-	13	13
Buildings - Non Specialised		-	-	478	478
Buildings - Specialised		-	-	280	280
Other Structures		-	-	8	7
Infrastructure:					
- Roads <sup>2</sup>		-	-	2,444	2,775
- Footpaths		-	-	245	244
- Stormwater Drainage <sup>3</sup>		-	-	374	441
- Other Open Space/Recreational Assets		-	-	1,107	1,128
Other Assets					
- Heritage Collections		-	-	-	2
- Library Books		-	-	240	238
- Other		-	-	4	14
Intangible Assets	25	-	-	16	16
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>		<b>-</b>	<b>-</b>	<b>5,557</b>	<b>6,148</b>

<sup>1</sup> Duplicated assets identified and value adjusted down with lower depreciation as a consequence.

<sup>2</sup> Useful lives of subclass of road assets, vehicular crossings, were reviewed in Asset Management Plan, lower depreciation calculated.

<sup>3</sup> Useful lives of stormwater assets were reviewed in Asset Management Plan resulting in lower depreciation calculated.



## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		156	192
Bad and Doubtful Debts		3	126
Bank Charges		65	74
Catering		81	89
Computer Software Charges		1,007	773
Contributions/Levies to Other Levels of Government			
- Department of Planning Levy		192	148
- Local Government NSW		24	39
- NSW Fire and Rescue Levy		984	985
Councillor Expenses - Mayoral Fee		37	37
Councillor Expenses - Councillors' Fees		119	119
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		31	34
Donations, Contributions and Assistance to other organisations (Section 356)		340	330
Election Expenses		-	155
Electricity and Heating		522	388
Equipment Maintenance		7	168
Insurance		773	749
Leases - Photocopiers		50	55
Leases - Property		48	44
Postage		75	73
Street Lighting		400	550
Subscriptions and Publications		65	75
Telephone and Communications		81	75
Waste Disposal and Recycling Centre		673	633
Water		197	140
Other		136	191
<b><u>TOTAL OTHER EXPENSES</u></b>		<b><u>6,066</u></b>	<b><u>6,242</u></b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2014	Actual 2013
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		-	46
less: Carrying Amount of Property Assets Sold / Written Off		-	-
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>46</b>
<b>Plant and Equipment</b>			
Proceeds from Disposal - Plant and Equipment		31	99
less: Carrying Amount of Plant and Equipment Assets Sold / Written Off		(51)	(88)
<b>Net Gain/(Loss) on Disposal</b>		<b>(20)</b>	<b>11</b>
<b>Financial Assets*</b>			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		11,050	10,600
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(11,050)	(10,600)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>-</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(20)</b>	<b>57</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 6a. - Cash Assets and Note 6b. - Investments

		2014	2014	2013	2013
\$ '000	Notes	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash and Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		400	-	499	-
Cash-Equivalent Assets <sup>1</sup>					
- Deposits at Call		750	-	-	-
- Short Term Deposits		9,000	-	9,125	-
<b>Total Cash and Cash Equivalents</b>		<b>10,150</b>	<b>-</b>	<b>9,624</b>	<b>-</b>
Investments (Note 6b)					
Nil					
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>10,150</b>	<b>-</b>	<b>9,624</b>	<b>-</b>

<sup>1</sup> Those Investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, Cash Equivalents and Investments were  
classified at year end in accordance with  
AASB 139 as follows:**

### Cash and Cash Equivalents

a. "At Fair Value through the Profit and Loss"	<b>10,150</b>	<b>-</b>	<b>9,624</b>	<b>-</b>
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### Investments

Nil

### Note 6(b-i)

#### Reconciliation of Investments classified as "Held to Maturity"

Balance at the Beginning of the Year	-	-	2,750	-
Additions	11,050	-	7,850	-
Disposals (sales and redemptions)	(11,050)	-	(10,600)	-
<b>Balance at End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Mosman Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 6c. Restricted Cash, Cash Equivalents and Investments - Details

	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
<b>\$ '000</b>				
<b>Total Cash, Cash Equivalents and Investments</b>	<b>10,150</b>	<b>-</b>	<b>9,624</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	4,475	-	4,020	-
Internal Restrictions (refer below)	4,362	-	4,273	-
Unrestricted	1,313	-	1,331	-
	<b>10,150</b>	<b>-</b>	<b>9,624</b>	<b>-</b>
<b>2014 \$ '000</b>	<b>Opening Balance</b>	<b>Transfers to Restrictions</b>	<b>Transfers from Restrictions</b>	<b>Closing Balance</b>
<b>Details of Restrictions</b>				
<b>External Restrictions - Included in Liabilities</b>				
Specific Purpose Unexpended Loans-General (A)	1,176	-	(1,176)	-
<b>External Restrictions - Included in Liabilities</b>	<b>1,176</b>	<b>-</b>	<b>(1,176)</b>	<b>-</b>
<b>External Restrictions - Other</b>				
Developer Contributions - General (B)	1,049	1,739	(482)	2,306
Specific Purpose Unexpended Grants (C)	441	333	-	774
Domestic Waste Management (D)	1,354	41	-	1,395
<b>External Restrictions - Other</b>	<b>2,844</b>	<b>2,113</b>	<b>(482)</b>	<b>4,475</b>
<b>Total External Restrictions</b>	<b>4,020</b>	<b>2,113</b>	<b>(1,658)</b>	<b>4,475</b>
<b>Internal Restrictions</b>				
Plant and Vehicle Replacement	100	20	-	120
Infrastructure Replacement	766	739	(407)	1,098
Employees Leave Entitlement	750	50	-	800
Carry Over Works	71	-	(71)	-
Deposits, Retentions and Bonds	2,000	-	-	2,000
Financial Assistance Grant	420	-	(420)	-
Swim Centre	166	125	-	291
IT Reserve	-	24	-	24
Library RFID Project Reserve	-	16	-	16
Youth Services IT Project Reserve	-	13	-	13
<b>Total Internal Restrictions</b>	<b>4,273</b>	<b>987</b>	<b>(898)</b>	<b>4,362</b>
<b>TOTAL RESTRICTIONS</b>	<b>8,293</b>	<b>3,100</b>	<b>(2,556)</b>	<b>8,837</b>

A Loan moneys which must be applied for the purposes for which the loans were raised.

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

C Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

D Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 7. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates and Annual Charges		316	29	413	56
Interest and Extra Charges		14	-	21	-
User Charges and Fees		1,006	-	1,147	-
Accrued Revenues					
- Interest on Investments		42	-	13	-
- Other Income Accruals		1,347	-	898	-
Government Grants and Subsidies		1,036	-	242	-
Net GST Receivable		352	-	212	-
Other Debtors		-	-	269	-
<b>Total</b>		<b>4,113</b>	<b>29</b>	<b>3,215</b>	<b>56</b>
<b>less: Provision for Impairment</b>					
User Charges and Fees		(62)	-	(94)	-
Other Debtors		-	-	(39)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(62)</b>	<b>-</b>	<b>(133)</b>	<b>-</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>4,051</u></b>	<b><u>29</u></b>	<b><u>3,082</u></b>	<b><u>56</u></b>
<b>Externally Restricted Receivables</b>					
<b>Domestic Waste Management</b>		103	-	147	-
<b>Total External Restrictions</b>		<b>103</b>	<b>-</b>	<b>147</b>	<b>-</b>
<b>Internally Restricted Receivables</b>					
Nil					
<b>Unrestricted Receivables</b>		<b>3,948</b>	<b>29</b>	<b>2,935</b>	<b>56</b>
<b>TOTAL NET RECEIVABLES</b>		<b>4,051</b>	<b>29</b>	<b>3,082</b>	<b>56</b>

### Notes on Debtors above:

- Rates and Annual Charges Outstanding are secured against the property.
- Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- Interest was charged on overdue rates & charges at 9.00% (2013 10.00%).  
Generally all other receivables are non interest bearing.
- Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 8. Inventories and Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Stores and Materials		99	-	88	-
Trading Stock		65	-	55	-
<b>Total Inventories</b>		<b>164</b>	<b>-</b>	<b>143</b>	<b>-</b>
<b>Other Assets</b>					
Prepayments		186	-	132	-
<b>Total Other Assets</b>		<b>186</b>	<b>-</b>	<b>132</b>	<b>-</b>
<b><u>TOTAL INVENTORIES / OTHER ASSETS</u></b>		<b><u>350</u></b>	<b><u>-</u></b>	<b><u>275</u></b>	<b><u>-</u></b>

#### Externally Restricted Assets

There are no restrictions applicable to the above assets.

#### Other Disclosures

#### Inventory Write Downs

There were no amounts recognised as an expense relating to the write down of Inventory balances held during the year.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other assets held.

## Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 9a. Infrastructure, Property, Plant and Equipment

\$ '000	as at 30/6/2013					Asset Movements during the Reporting Period				as at 30/6/2014				
	At Cost	At Fair Value	Accumulated		Carrying <sup>1</sup> Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments <sup>2</sup> and Transfers	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment								Dep'n	Impairment	
Capital Work in Progress	-	-	-	-	-	444	-	-	-	444	-	-	-	444
Plant and Equipment	-	2,792	1,935	-	857	165	(51)	(176)	(127)	-	2,866	2,198	-	668
Office Equipment	-	1,079	652	-	427	76	-	(150)	-	-	898	545	-	353
Furniture and Fittings	-	410	265	-	145	8	-	(22)	(36)	-	419	324	-	95
Art Collection	-	4,266	-	-	4,266	135	-	-	-	-	4,401	-	-	4,401
<b>Land:</b>														
- Operational Land	-	112,190	-	-	112,190	-	-	-	-	-	112,190	-	-	112,190
- Community Land	-	102,687	-	-	102,687	-	-	-	-	-	102,687	-	-	102,687
Land Improvements - depreciable	-	796	129	-	667	22	-	(13)	-	-	818	142	-	676
Buildings - Non Specialised	-	43,778	16,186	-	27,592	73	-	(478)	-	-	43,851	16,664	-	27,187
Buildings - Specialised	-	21,693	6,370	-	15,323	36	-	(280)	-	-	21,728	6,649	-	15,079
Other Structures	-	604	215	-	389	-	-	(8)	-	-	605	224	-	381
<b>Infrastructure:</b>														
- Roads	-	209,574	99,555	-	110,019	4,526	-	(2,444)	-	-	214,102	102,001	-	112,101
- Footpaths	-	20,577	5,891	-	14,686	155	-	(245)	-	-	20,733	6,137	-	14,596
- Stormwater Drainage	-	63,880	13,962	-	49,918	588	-	(374)	-	-	64,468	14,336	-	50,132
- Other Open Space/Recreational Assets	-	36,221	15,291	-	20,930	1,405	-	(1,107)	-	-	37,626	16,398	-	21,228
<b>Other Assets:</b>														
- Heritage Collections	-	23	10	-	13	1	-	-	-	-	24	10	-	14
- Library Books	-	2,128	1,303	-	825	260	-	(240)	-	-	1,944	1,099	-	845
- Other	-	357	30	-	327	-	-	(4)	(268)	-	60	5	-	55
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	-	<b>623,055</b>	<b>161,794</b>	-	<b>461,261</b>	<b>7,894</b>	<b>(51)</b>	<b>(5,541)</b>	<b>(431)</b>	<b>444</b>	<b>629,420</b>	<b>166,732</b>	-	<b>463,132</b>

Additions to Buildings and Infrastructure Assets are made up of Asset Renewals (\$6,783k) and New Assets (\$0).

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

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant and Equipment.

1. Assets were re-categorised in the opening carrying value per new Office of Local Government categories. The bulk of assets previously categorised 'Land - depreciable' and 'Other Structures' are now categorised 'Other Open Space/Recreational'.

2. Adjustments are assets that were bought on to the asset register prior to fair valuation in the specified class that were subsequently also counted in infrastructure fair valuations.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 9b. Externally Restricted Infrastructure, Property, Plant and Equipment

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**\$ '000**

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

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

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



## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 10a. Payables, Borrowings and Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods and Services - operating expenditure		1,250	-	1,783	-
Goods and Services - capital expenditure		1,781	-	1,017	-
Payments Received In Advance		89	-	35	-
Accrued Expenses:					
- Borrowings		56	-	42	-
- Other Expenditure Accruals		20	-	-	-
Security Bonds, Deposits and Retentions		5,313	-	4,693	-
<b>Total Payables</b>		<b>8,509</b>	<b>-</b>	<b>7,570</b>	<b>-</b>
<b>Borrowings</b>					
Loans - Secured <sup>1</sup>		1,880	9,086	1,860	8,966
Deferred Payment Liabilities		-	-	130	-
<b>Total Borrowings</b>		<b>1,880</b>	<b>9,086</b>	<b>1,990</b>	<b>8,966</b>
<b>Provisions</b>					
Employee Benefits:					
Annual Leave		1,558	-	1,481	-
Long Service Leave		2,187	294	2,656	80
<b>Total Provisions</b>		<b>3,745</b>	<b>294</b>	<b>4,137</b>	<b>80</b>
<b>Total Payables, Borrowings and Provisions</b>		<b>14,134</b>	<b>9,380</b>	<b>13,697</b>	<b>9,046</b>
<b>(i) Liabilities relating to Restricted Assets</b>					
		2014		2013	
		Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>					
Domestic Waste Management		183	-	147	-
Other		-	-	346	-
Liabilities relating to externally restricted assets		183	-	493	-
<b>Internally Restricted Assets</b>					
Nil					
Total Liabilities relating to restricted assets		183	-	493	-
Total Liabilities relating to Unrestricted Assets		13,951	9,380	13,204	9,046
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>14,134</b>	<b>9,380</b>	<b>13,697</b>	<b>9,046</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 15.

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 10a. Payables, Borrowings and Provisions (continued)

	Actual 2014	Actual 2013
\$ '000		

### (ii) Current Liabilities not anticipated to be settled within the next 12 months

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

Provisions - Employees Benefits	2,143	2,629
Payables - Security Bonds, Deposits & Retentions	4,700	4,093
	<b>6,843</b>	<b>6,722</b>

## Note 10b. Description of and movements in Provisions

Class of Provision	2013	2014				
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/14
Annual Leave	1,481	1,075	(998)	-	-	1,558
Long Service Leave	2,736	635	(890)	-	-	2,481
<b>TOTAL</b>	<b>4,217</b>	<b>1,710</b>	<b>(1,888)</b>	<b>-</b>	<b>-</b>	<b>4,039</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash and Cash Equivalent Assets	6a	10,150	9,624
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>10,150</b>	<b>9,624</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>5,340</b>	<b>9,446</b>
Adjust for non cash items:			
Depreciation & Amortisation		5,557	6,148
Net Losses/(Gains) on Disposal of Assets		20	(57)
Non Cash Capital Grants and Contributions		(93)	-
Reversal of prior period IPP&E revaluation decrements costed DIRECT to the P&L		-	(4,571)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investment Properties		(2,286)	(3,387)
Share of Net (Profits) or Losses of Associates/Joint Ventures		(31)	(83)
<b>+/- Movement in Operating Assets and Liabilities and Other Cash Items:</b>			
Decrease/(Increase) in Receivables		(871)	98
Increase/(Decrease) in Provision for Doubtful Debts		(71)	(171)
Decrease/(Increase) in Inventories		(21)	19
Decrease/(Increase) in Other Assets		(54)	(30)
Increase/(Decrease) in Payables		(533)	472
Increase/(Decrease) in accrued Interest Payable		14	(7)
Increase/(Decrease) in Other Liabilities		674	(250)
Increase/(Decrease) in Employee Leave Entitlements		(178)	158
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES FROM THE STATEMENT OF CASH FLOWS</b>		<b>7,487</b>	<b>7,785</b>
<b>(c) Non-Cash Investing and Financing Activities</b>			
Other Dedications Artworks		93	-
<b>Total Non-Cash Investing and Financing Activities</b>		<b>93</b>	<b>-</b>
<b>(d) Financing Arrangements</b>			
<b>Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		90	90
Credit Cards / Purchase Cards		55	47
<b>Total Financing Arrangements</b>		<b>145</b>	<b>137</b>

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.  
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date and not recognised in the financial statements as liabilities:			
<b>Property, Plant and Equipment</b>			
Infrastructure		750	2,000
<b>Total Commitments</b>		<b>750</b>	<b>2,000</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		750	2,000
<b>Total Payable</b>		<b>750</b>	<b>2,000</b>
<b>Sources for Funding of Capital Commitments:</b>			
Externally Restricted Reserves		450	-
Internally Restricted Reserves		300	-
New Loans (to be raised)		-	2,000
<b>Total Sources of Funding</b>		<b>750</b>	<b>2,000</b>

#### (b) Finance Lease Commitments

Nil

#### (c) Operating Lease Commitments (Non Cancellable)

##### a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:

Within the next year	154	140
Later than one year and not later than 5 years	169	191
<b>Total Non Cancellable Operating Lease Commitments</b>	<b>323</b>	<b>331</b>

##### b. Non Cancellable Operating Leases include the following assets:

Office Equipment with an average lease term of 3 years.

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

##### Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

#### (d) Investment Property Commitments

Nil

## Mosman Council

Notes to the Financial Statements  
for the financial year ended 30 June 2014

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

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 20132012	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue <sup>(1)</sup>				
(excl. Capital Grants and Contributions) - Operating Expenses	121	0.31%	-3.83%	-6.65%
Total continuing operating revenue <sup>(1)</sup>	39,073			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue <sup>(1)</sup>				
(less ALL Grants and Contributions)	37,077	88.29%	86.78%	84.72%
Total continuing operating revenue <sup>(1)</sup>	41,995			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions <sup>(2)</sup>	9,973	1.40 : 1	1.36	1.35
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	7,108			
4. Debt Service Cover Ratio				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	6,355	2.38	2.31	2.11
Principal Repayments (from the Statement of Cash Flows)	2,667			
+ Borrowing Interest Costs (from the Income Statement)				
5. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	359	1.55%	2.21%	1.80%
Rates, Annual and Extra Charges Collectible	23,146			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits	10,150	3.25	3.35	2.30
Payments from cash flow of operating and financing activities	3,120			

## Notes

<sup>(1)</sup> Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and net share of interests in joint ventures.

<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

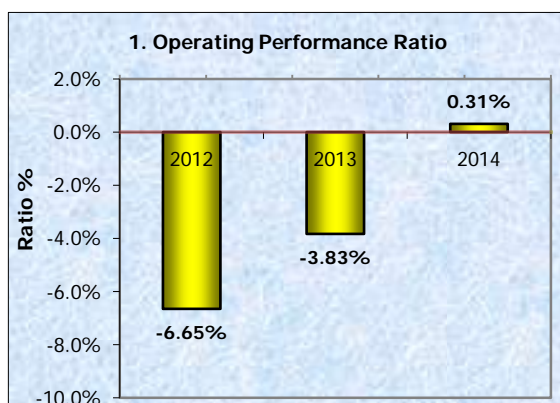
<sup>(3)</sup> Refer to Note 10(a).

<sup>(4)</sup> Refer to Note 10(a)(ii) - excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

## Mosman Council

Notes to the Financial Statements  
for the financial year ended 30 June 2014

## Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

**Purpose of Operating Performance Ratio**

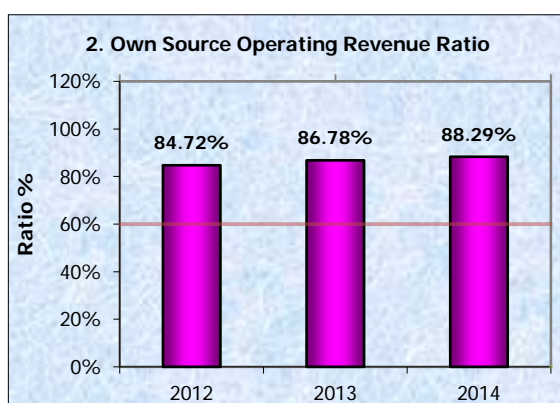
This ratio measures Council's achievement of containing operating expenditure within operating revenue.

**Commentary on 2013/14 Result**

**2013/14 Ratio 0.31%**

A slight positive ratio reflects improvements in revenue such as parking fees and fines and stormwater levy as compared to previous years and a lower depreciation expense.

Source for Benchmark: Code of Accounting Practice and Financial Reporting

**Purpose of Own Source Operating Revenue Ratio**

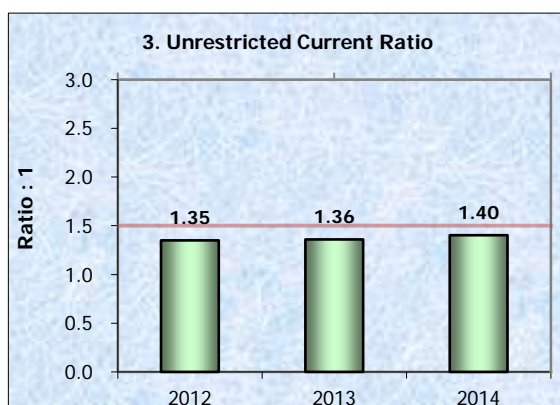
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

**Commentary on 2013/14 Result**

**2013/14 Ratio 88.29%**

A moderate improvement is noted in Council's own source income ratio. The ratio comfortably exceeds the Office of Local Government's (OLG) benchmark.

Source for Benchmark: Code of Accounting Practice and Financial Reporting

**Purpose of Unrestricted Current Ratio**

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

**Commentary on 2013/14 Result**

**2013/14 Ratio 1.40 : 1**

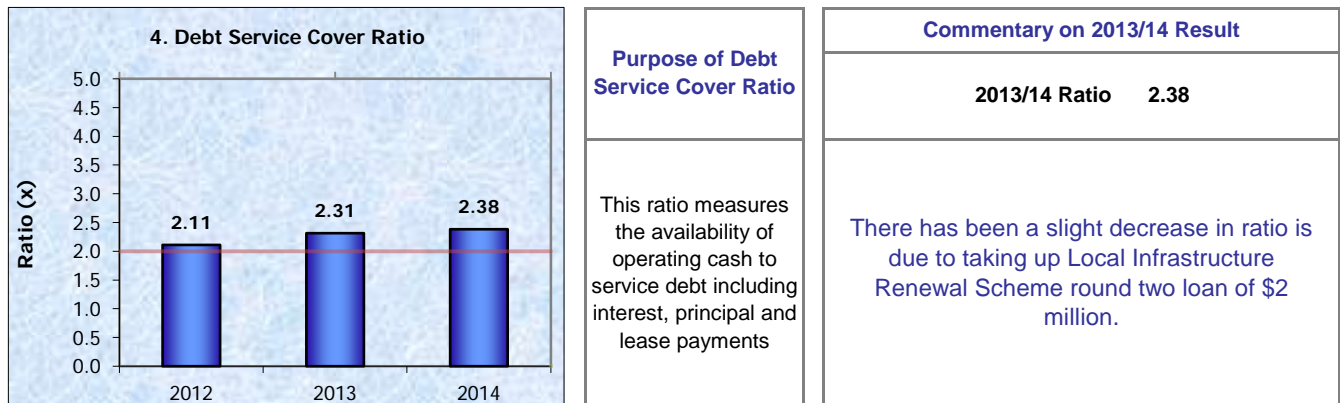
A slight improvement is noted in the reporting year. It is short of the OLG benchmark of 1.5:1. Some local government practitioners consider a ratio of 1:1 sufficient.

Source for Benchmark: Code of Accounting Practice and Financial Reporting

## Mosman Council

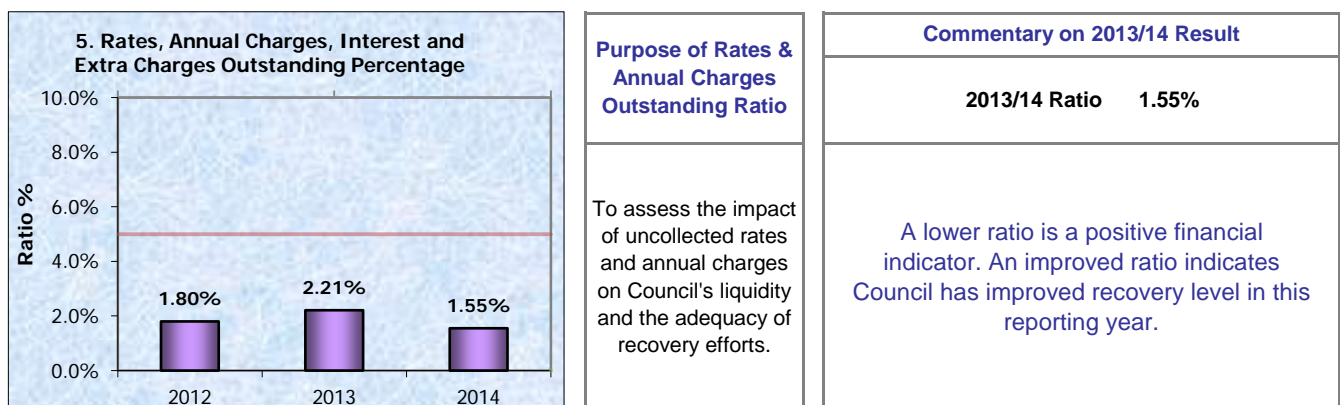
### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



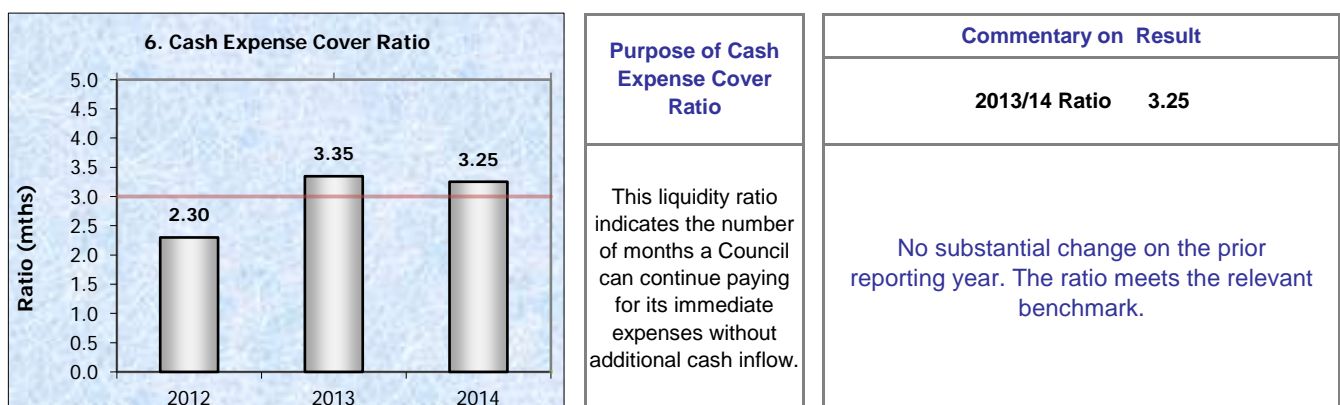
— Minimum 2.00

Source for Benchmark: NSW Treasury Corporation



— Maximum 5.00%

Source for Benchmark: Office of Local Govt - Comparative Information (10/11)



— Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting



## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 14. Investment Properties

\$ '000	Notes	Actual 2014	Actual 2013
<b>(a) Investment Properties at Fair value</b>			
<b><u>Investment Properties on Hand</u></b>		<b><u>46,821</u></b>	<b><u>44,535</u></b>
<b>Reconciliation of Annual Movement:</b>			
Opening Balance		44,535	41,078
- Capitalised Expenditure - this year		-	70
- Net Gain/(Loss) from Fair Value Adjustments		2,286	3,387
<b>CLOSING BALANCE - INVESTMENT PROPERTIES</b>		<b><u>46,821</u></b>	<b><u>44,535</u></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 2014 revaluations were based on Independent Assessments made by:  
Scott Fullarton Valuations Pty Ltd Registered Valuer No. 2144

#### (c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

#### (d) Leasing Arrangements

Details of leased Investment Properties are as follows:

Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are receivable as follows:

Within 1 year	1,893	1,830
Later than 1 year but less than 5 years	5,202	5,687
Later than 5 years	2,230	3,025
<b>Total Minimum Lease Payments Receivable</b>	<b><u>9,325</u></b>	<b><u>10,542</u></b>

Council links leases to market reviews and the Sydney All Groups CPI. Leases of retail premises have historically been granted on a three plus three year basis while the restaurant premises are a longer term of between 10 and 21 years, although there are exceptions due to extenuating circumstances.

The short term leases provide for rent reviews by CPI annually and to market in the first year of the term of the lease or term pursuant to exercise of an option (that is every three years). The longer term leases for the restaurants provide for market and CPI reviews every year on an alternate basis.



## Mosman Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 14. Investment Properties (continued)

\$ '000	Notes	Actual 2014	Actual 2013
<b>(e) Investment Property Income and Expenditure - summary</b>			
<b>Rental Income from Investment Properties:</b>			
- Minimum Lease Payments		1,771	1,778
<b>Direct Operating Expenses on Investment Properties:</b>			
- that generated rental income		(46)	(30)
<b>Net Revenue Contribution from Investment Properties</b>		<b>1,725</b>	<b>1,748</b>
plus:			
<b>Fair Value Movement for year</b>		<b>2,286</b>	<b>3,387</b>
<b>Total Income attributable to Investment Properties</b>		<b>4,011</b>	<b>5,135</b>

## Note 15. Financial Risk Management

Council's activities expose it to a variety of financial risks including **(1)** price, **(2)** interest rate and **(3)** credit.

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

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets and Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2014	2013	2014	2013
<b>Financial Assets</b>				
Cash and Cash Equivalents	10,150	9,624	10,150	9,624
Receivables	4,080	3,138	4,079	3,138
<b>Total Financial Assets</b>	<b>14,230</b>	<b>12,762</b>	<b>14,229</b>	<b>12,762</b>
<b>Financial Liabilities</b>				
Payables	8,420	7,535	8,419	7,535
Loans/Advances	10,966	10,956	10,966	10,956
<b>Total Financial Liabilities</b>	<b>19,386</b>	<b>18,491</b>	<b>19,385</b>	<b>18,491</b>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (a) Cash and Cash Equivalents, Financial assets 'at fair value through the profit and Loss' "Available-for-sale" financial assets and "Held-to-maturity" Investments

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's Finance area manages the Cash and Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the *Local Government Act 1993* and Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest Rate** - the risk that movements in interest rates could affect returns and income.
- **Credit** - 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.

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>2014</b>				
Possible impact of a 1% movement in Interest Rates	102	102	(102)	(102)
<b>2013</b>				
Possible impact of a 1% movement in Interest Rates	96	96	(96)	(96)

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (b) Receivables

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 & annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2014 Rates and Annual Charges	2014 Other Receivables	2013 Rates and Annual Charges	2013 Other Receivables
<b>(i) Ageing of Receivables - %</b>				
Current (not yet overdue)	92%	89%	88%	88%
Overdue	8%	11%	12%	12%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>(ii) Ageing of Receivables - value</b>				
Current (not yet overdue)	316	3,475	413	2,470
Past due by more than 90 days	29	322	56	332
	<b>345</b>	<b>3,797</b>	<b>469</b>	<b>2,802</b>
<b>(iii) Movement in Provision for Impairment of Receivables</b>			2014	2013
Balance at the beginning of the year			133	304
+ new provisions recognised during the year			3	10
- amounts already provided for & written off this year			(74)	(181)
<b>Balance at the end of the year</b>			<b>62</b>	<b>133</b>

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (c) Payables and Borrowings

Payables and Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2014									
Trade/Other Payables	5,313	3,107	-	-	-	-	-	8,420	8,420
Loans and Advances	-	1,880	1,913	1,713	1,190	1,109	3,162	10,966	10,966
Total Financial Liabilities	5,313	4,987	1,913	1,713	1,190	1,109	3,162	19,386	19,386
2013									
Trade/Other Payables	4,693	2,842	-	-	-	-	-	7,535	7,535
Loans and Advances	-	1,989	1,799	1,824	1,622	913	2,809	10,956	10,956
Total Financial Liabilities	4,693	4,831	1,799	1,824	1,622	913	2,809	18,491	18,491

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities and interest rate structures.

The following interest rates were applicable to Council's Borrowings at balance date:

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	8,420	0.0%	7,535	0.0%
Loans and Advances - Fixed Interest Rate	10,966	6.6%	10,956	6.7%
	<u>19,386</u>		<u>18,491</u>	

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 2013-14 was adopted by the Council on 04 June 2013.

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

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

**Note that for Variations of Budget to Actual :**

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

**F** = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2014 Budget	2014 Actual	2014 -----Variance-----		
<b>REVENUES</b>					
Rates and Annual Charges	22,723	22,611	(112)	(0%)	<b>U</b>
User Charges and Fees	9,058	9,790	732	8%	<b>F</b>
Interest and Investment Revenue	470	438	(32)	(7%)	<b>U</b>
Other Revenues	3,668	6,524	2,856	78%	<b>F</b>
Council realised a fair value gain on Investment Properties of \$2.3 million (see Note 14) and parking fines exceeding the initial budget by approximately \$0.3 million.					
Operating Grants and Contributions	2,065	1,996	(69)	(3%)	<b>U</b>
Capital Grants & Contributions	1,914	2,922	1,008	53%	<b>F</b>
Section 94 and 94A contributions exceeded initial budget by approximately \$0.5 million. An additional grant of \$0.45 million was sourced for the Pearl Bay traffic project.					
Share of Net Profits - Joint Ventures and Associat	-	31	31	0%	<b>F</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 16. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 ----- Variance* -----	
<b>EXPENSES</b>				
Employee Benefits and On-Costs	15,270	14,966	304	2% <b>F</b>
Borrowing Costs	627	677	(50)	(8%) <b>U</b>
Materials and Contracts	11,538	11,686	(148)	(1%) <b>U</b>
Depreciation and Amortisation	6,194	5,557	637	10% <b>F</b>
Council's engineers conducted a review of the useful life of its infrastructure assets resulting in a downward revision of depreciation expense in accordance with Council's adopted policy.				
Other Expenses	5,306	6,066	(760)	(14%) <b>U</b>
The Waste and Disposal Item within Note 4(e) was funded in the original budget within Materials and Contracts (\$673k)				
Net Losses from Disposal of Assets	-	20	(20)	0% <b>U</b>

\$ '000	2014 Budget	2014 Actual	2014 ----- Variance* -----	
<b>Budget Variations relating to Council's Cash Flow Statement include:</b>				
Cash Flows from Operating Activities	7,186	7,487	301	4.2% <b>F</b>
Cash Flows from Investing Activities	(6,509)	(6,971)	(462)	7.1% <b>U</b>
Cash Flows from Financing Activities	(58)	10	68	(117.2%) <b>F</b>

## Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 17. Statement of Developer Contributions

\$ '000

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

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

#### SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	-	560	-	-	(482)	-	78	-	(78)	-	-
S94 Contributions - under a Plan	-	560	-	-	(482)	-	78	-	(78)	-	-
S94A Levies - under a Plan	1,049	1,118	-	61	-	-	2,228				-
Total S94 Revenue Under Plans	1,049	1,678	-	61	(482)	-	2,306				-
<b>Total Contributions</b>	<b>1,049</b>	<b>1,678</b>	<b>-</b>	<b>61</b>	<b>(482)</b>	<b>-</b>	<b>2,306</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 17. Statement of Developer Contributions (continued)

\$ '000

### S94 CONTRIBUTIONS - UNDER A PLAN

#### CONTRIBUTION PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	-	560	-	-	(482)	-	78	-	(78)	-	-
<b>Total</b>	<b>-</b>	<b>560</b>	<b>-</b>	<b>-</b>	<b>(482)</b>	<b>-</b>	<b>78</b>	<b>-</b>	<b>(78)</b>	<b>-</b>	<b>-</b>

### S94A LEVIES - UNDER A PLAN

#### CONTRIBUTION PLAN - OPEN SPACE & CAR PARKING

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	1,049	1,118	-	61	-	-	2,228	-	-		-
<b>Total</b>	<b>1,049</b>	<b>1,118</b>	<b>-</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>2,228</b>				<b>-</b>



## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 18. Contingencies and Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, however their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

### LIABILITIES NOT RECOGNISED:

#### 1. Guarantees

##### (i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable - similar to the accounting for Defined Contributions Plans.

##### (ii) Statewide Limited

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

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

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

##### (iii) StateCover Limited

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

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

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

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

##### (iv) Other Guarantees

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

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

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

\$ '000

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

##### 2. Other Liabilities

##### (i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

##### (ii) S94 Plans

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

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

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

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

##### 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 June 2008.

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 19. Controlled Entities, Associated Entities and Interests in Joint Ventures

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, Bodies and other Outside Organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of Councils (i) interest and (ii) control and the type (form) of entity/operation, as follows:

##### Subsidiaries

**Note 19(a)**

Operational Arrangements where Councils Control (but not necessarily Interest) exceeds 50%

##### Associated Entities and Joint Venture Entities

**Note 19(b) (i)&(ii)**

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself.

Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for Joint Ventures Entities, Council Jointly Controls the Operations with other parties.

##### Joint Venture Operations

**Note 19(c)**

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under Joint Venture Operations, Council Jointly Controls the operations with the Other Parties involved.

#### Accounting Recognition:

(i) Subsidiaries disclosed under Note 19(a), and Joint Venture Operations disclosed at Note 19(c), are accounted for on a Line by Line Consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Associated Entities and Joint Venture Entities as per Notes 19(b)(i) and (ii) are accounted for using the Equity Accounting Method - and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2014	Actual 2013	Actual 2014	Actual 2013
Associated Entities	34	88	631	632
Joint Venture Entities	(3)	(5)	43	46
<b>Total</b>	<b>31</b>	<b>83</b>	<b>674</b>	<b>678</b>

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 19. Controlled Entities, Associated Entities and Interests in Joint Ventures

\$ '000

##### (a) Subsidiaries (ie. Entities and Operations controlled by Council)

Council has no interest in any Subsidiaries.

##### (b) Associated Entities and Joint Venture Entities

###### (i) ASSOCIATED ENTITIES

###### (a) Net Carrying Amounts - Council's Share

Name of Entity	Principal Activity	2014	2013
Kimbriki Environmental Enterprises P/L	Waste Management and Disposal	631	632
<b>Total Carrying Amounts - Associated Entities</b>		<b>631</b>	<b>632</b>

###### (b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2014	2013	2014	2013	2014	2013
Kimbriki Environmental Enterprises P/L	4%	4%	4%	4%	25%	25%

###### (c) Movement in Carrying Amounts of Council's Equity Interest

	Kimbriki Environmental Enterprises P/L	
	2014	2013
Opening Balance	632	584
Share in Operating Result	77	88
Distributions Received	(35)	(40)
Adjustments to Equity	(43)	-
<b>Council's Equity Share in the Associated Entity</b>	<b>631</b>	<b>632</b>

###### (d) Summarised Financial Information of Associated Entities - Council's Share

2014	Assets	Liabilities	Net Assets	Revenues	Profit
Kimbriki Environmental Enterprises P/L	926	295	631	1,069	77
<b>Totals</b>	<b>926</b>	<b>295</b>	<b>631</b>	<b>1,069</b>	<b>77</b>
 2013	 Assets	 Liabilities	 Net Assets	 Revenues	 Profit
Kimbriki Environmental Enterprises P/L	790	158	632	932	88
<b>Totals</b>	<b>790</b>	<b>158</b>	<b>632</b>	<b>932</b>	<b>88</b>

## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 19. Controlled Entities, Associated Entities and Interests in Joint Ventures

\$ '000

### (b) Associated Entities and Joint Venture Entities (continued)

#### (ii) JOINT VENTURE ENTITIES

##### (a) Carrying Amounts

Name of Entity	Principal Activity	2014	2013
Shorelink Library Network	Sharing of Library Infrastructure	43	46
<b>Total Carrying Amounts - Joint Venture Entities</b>		<b>43</b>	<b>46</b>

##### (b) Relevant Interests

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2014	2013	2014	2013	2014	2013
Shorelink Library Network	13%	14%	17%	17%	20%	20%

##### (c) Movement in Carrying Amounts

		Shorelink Library Network	
		2014	2013
Opening Balance		46	51
Share in Operating Result		(3)	(5)
<b>Council's Equity Share in the Joint Venture Entity</b>		<b>43</b>	<b>46</b>

##### (d) Share of Joint Ventures Assets and Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
<b>2014</b>					
Shorelink Library Network	51	5	13	-	43
<b>Totals</b>	<b>51</b>	<b>5</b>	<b>13</b>	<b>-</b>	<b>43</b>
<b>2013</b>					
Shorelink Library Network	49	8	11	-	46
<b>Totals</b>	<b>49</b>	<b>8</b>	<b>11</b>	<b>-</b>	<b>46</b>

##### (e) Share of Joint Ventures Revenues, Expenses and Results

	2014			2013		
	Revenues	Expenses	Result	Revenues	Expenses	Result
Shorelink Library Network	69	72	(3)	82	87	(5)
<b>Totals</b>	<b>69</b>	<b>72</b>	<b>(3)</b>	<b>82</b>	<b>87</b>	<b>(5)</b>

##### (c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

## Mosman Council

## Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
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## (a) Retained Earnings

**Movements in Retained Earnings were as follows:**

Balance at beginning of Year (from previous years audited accounts)		285,463	276,017
a. Net Operating Result for the Year		5,340	9,446
<b>Balance at End of the Reporting Period</b>		<b>290,803</b>	<b>285,463</b>

## (b) Reserves

**(i) Reserves are represented by:**

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		211,202	211,633
<b>Total</b>		<b>211,202</b>	<b>211,633</b>

**(ii) Reconciliation of movements in Reserves:****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance		211,633	186,289
- Revaluations for the year	9(a)	-	25,344
- Other movements: Adjustments re Note 9(a)	9(a)	(431)	-
<b>- Balance at End of Year</b>		<b>211,202</b>	<b>211,633</b>

**TOTAL VALUE OF RESERVES**

<b>211,202</b>	<b>211,633</b>
----------------	----------------

**(iii) Nature and Purpose of Reserves****Infrastructure, Property, Plant and Equipment Revaluation Reserve**

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

## (c) Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

## (d) Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 21. Financial Result and Financial Position by Fund

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\$ '000

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Council utilises only a General Fund for its operations.

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

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Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

#### Note 23. Events occurring after the Reporting Date

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Events that occur between the end of the reporting period (ending 30 June 2014) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 08/10/14.

Events that occur after the Reporting Period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the Reporting Period**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2014.

##### **(ii) Events that provide evidence of conditions that arose after the Reporting Period**

These financial statements (and figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2014 and which are only indicative of conditions that arose after 30 June 2014.

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

#### Note 24. Discontinued Operations

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

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 25. Intangible Assets

	Actual 2014	Actual 2013
<b>\$ '000</b>		
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
<b>Opening Values:</b>		
Gross Book Value (1/7)	344	360
Accumulated Amortisation (1/7)	(16)	(16)
Accumulated Impairment (1/7)	-	-
<b>Net Book Value - Opening Balance</b>	<b>328</b>	<b>344</b>
<b>Movements for the year</b>		
- Amortisation charges	(16)	(16)
<b>Closing Values:</b>		
Gross Book Value (30/6)	328	344
Accumulated Amortisation (30/6)	(16)	(16)
Accumulated Impairment (30/6)	-	-
<b><u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u></b> <sup>1</sup>	<b><u>312</u></b>	<b><u>328</u></b>

<sup>1</sup> The Net Book Value of Intangible Assets represent:

- Rights to participate in Kimbriki Environmental Enterprises Pty Ltd.	312	328
	<b>312</b>	<b>328</b>

#### Note 26. Reinstatement, Rehabilitation and Restoration Liabilities

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



## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, Property, Plant and Equipment
- Investment Property

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured & recognised at fair value:

		Fair Value Measurement Hierarchy			
2014		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
	of latest	prices in	observable	unobservable	
	Valuation	active mkts	inputs	inputs	
Recurring Fair Value Measurements					
Investment Properties					
Retail, Commercial Office and Residential	30/06/14	-	-	46,821	46,821
Total Investment Properties		-	-	46,821	46,821
Infrastructure, Property, Plant and Equipment					
Plant and Equipment	30/06/14	-	-	668	668
Office Equipment	30/06/14	-	-	353	353
Furniture and Fittings	30/06/14	-	-	95	95
Art Collection	25/10/12	-	-	4,401	4,401
Operational Land	30/06/13	-	-	112,190	112,190
Community Land	1/07/11	-	-	102,687	102,687
Land Improvements - Depreciable	30/06/14	-	-	676	676
Buildings Non-Specialised	30/06/13	-	-	27,187	27,187
Buildings Specialised	30/06/13	-	-	15,079	15,079
Other Structures	30/06/11	-	-	381	381
Roads	30/06/10	-	-	112,101	112,101
Footpaths	30/06/10	-	-	14,596	14,596
Stormwater Drainage	30/06/13	-	-	50,132	50,132
Other Open Space/Recreational Assets	30/06/11	-	-	21,228	21,228
Heritage Collections	30/06/14	-	-	14	14
Library Books	30/06/14	-	-	845	845
Other Assets	30/06/14	-	-	55	55
Total Infrastructure, Property, Plant and Equipment		-	-	462,688	462,688

#### (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.

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

### Note 27. Fair Value Measurement

#### (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 (i.e. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

For all infrastructure assets Council uses a straight line pattern of consumption and brownfield approach.

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

#### Investment Properties

Council obtains independent valuations of its investment property on an annual basis and at the end of each reporting period to ensure the financial statements reflect the most up-to-date valuation. The best evidence of fair value is the current price in an active market for similar assets. The key observable inputs to the valuation are:

- Current rental incomes,
- Rent reviews,
- Capitalisation rates,
- Price per square meter,
- Direct comparison to sales evidence,
- Zoning,
- Location,
- Land area and configuration, and
- Planning controls.

The assessment of the independent valuer is that the potential impact on value, due to unobservable market inputs, is considered to be 5%.

The fair value of the investment property is determined by an independent, qualified valuer on an annual basis who has experience in the location of the property. The Council reviews the valuation report and discusses significant movements with the valuer. As at 30 June 2014 the valuation of the investment property was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practising Valuer, Registered Valuer No. 2144.

There has been no change in the valuation process during the reporting period.

#### Infrastructure, Property, Plant & Equipment

##### *Plant and Equipment, Office Equipment and Furniture and Fittings.*

Plant and Equipment, Office Equipment and Furniture and Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant and Equipment: Motor vehicles, depot tools and machinery, parking meters and domestic waste service bins.
- Office Equipment: Computer Hardware.
- Furniture and Fittings: Chairs, desks and display systems.

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

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taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

##### *Art Collection*

This class comprises Council's collection of art works. The collection was valued in October 2012 by Stella Downer Fine Art. Stella Downer is a member of the Australian Commercial Galleries association and is approved by the Department of Prime Minister and Cabinet's Cultural Gifts Program to value art works.

While it is possible to observe the broad market for works (such as auction house results or retrospective exhibitions) the valuations depend significantly on unobservable inputs such as the aesthetic value and quality of the individual works and its significance in the individual artist's oeuvre.

##### *Operational Land*

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2013 and was performed by Scott Fullarton Valuations Pty Ltd, Director Scott Fullarton, FAPI, Certified Practicing Valuer, Registered Valuer No. 2144.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal.

There has been no change to the valuation process during the reporting period.

##### *Community Land*

Valuations of all Council's Community Land and Council managed land are based on either the land value provided by the Valuer-General or an average unit rate based on the land value for similar properties where the Valuer-General did not provide a land value having regard to the highest and best use for this land. As these rates were not considered to be observable market evidence they have been classified as Level 3.

There has been no change to the valuation process during the reporting period.

##### *Land Improvements – Depreciable*

This asset class largely comprises trees, plantings and landscaping not captured in the Open Space and Recreational Assets class. These assets may be located on parks, reserves and also within road reserves.

These assets are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of estimated remaining useful life and the residual value.

There has been no change to the valuation process during the reporting period.

##### *Buildings: Non-Specialised and Specialised*

Buildings were valued by Scott Fullarton Valuations Pty Ltd in June 2013 using the cost approach. The approach estimated the replacement cost for each building by componentising the buildings into significant

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected and the unit rates based on square metres could be supported from market evidence (Level 2) other inputs (such as estimates of residual value and pattern of consumption) required extensive professional judgement and impacted significantly on the final determination of fair value.

Inputs include:

- Gross replacement cost,
- A breakdown of building component costs (such as structure, equipment, fittings and finishes),
- Useful lives,
- Residual values, and
- Conditions

As such these assets were classified as having been valued using Level 3 valuation inputs.

There has been no change to the valuation process during the reporting period.

Typical useful lives and unit rates (includes overheads):

<b>Buildings Asset Component</b>	<b>Average Useful Life (Years)</b>	<b>Average Unit Rate</b>
Amenities/Public Toilets – Structure	78	\$110,323/each
Council Offices – Structure	95	\$5,490,030/each
Amenities/Public Toilets – Roof	50	\$40,509/each
Childcare Centres – Roof	47	\$97,600/each
Multistorey Carparks – Services	20	\$1,032,200/each
Community and Cultural Centres – Fixtures and Fittings	20	\$249,709/each

#### *Other Structures*

Other structures include such miscellaneous minor structures as: The Cenotaph, Anderson Memorial, The Scotland-Australia Cairn, Fountains and the Reservoir Park Rotunda.

Gross replacement costs were valued by Complete Urban Pty Ltd as at 30 June 2011. The condition, residual values and useful lives of the assets were assessed and calculated by Complete Urban and suitably qualified Council staff based on site observations, officer knowledge and history of local issues.

Unit rates were estimated based on Complete Urban's industry experience.

Fair values have been generated every subsequent financial year based on the cost approach and the gross replacement cost calculated by Complete Urban.

There has been no change to the valuation process during the reporting period.

#### *Public Roads, Footpaths and Carparks*

Includes: Road pavements and formations, steps, footpaths, pram ramps and vehicle crossings, retaining walls and kerb and gutter, physical traffic devices, lines and signs and street furniture and road related carparks.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

Gross replacement cost for Mosman road assets were valued by Complete Urban Pty Ltd as at 30 June 2010. The condition, residual values and useful lives of the assets were assessed and calculated by Complete Urban based on site observations.

An initial generic infrastructure deterioration profile was developed from limited available asset data and relevant asset management/industry information and was used to assess the rate of deterioration, remaining useful life and renewal intervention of Mosman road assets. The profile was based on the assumption that infrastructure assets generally deteriorate slightly more rapidly in its initial years after construction, with deterioration becoming reasonably constant over its mid-life, and finally deteriorating reasonably rapidly in the latter period of its life. Unit rate costs for various brownfield construction works to provide asset components were estimated based Council's Civil Works contract current at that time.

Fair values have been generated every subsequent financial year based on the cost approach, 'straight line' pattern of consumption and the gross replacement cost calculated by Complete Urban, with the exception of the following changes in the valuation process:

Assets identified by Complete Urban as requiring priority renewal were inspected by Council staff in 2012 and 2013 to verify accuracy of remaining life estimates. Useful lives were reevaluated based on site observations and professional engineering judgment.

Unit rates were refined in 2012 using Council's updated Civil Works contract so as to reflect market rates current at the time,

For the reporting period of 2011/12, a 1% per annum depreciation was applied across all road assets. This was endorsed by the Asset Management Reference Group and Council Audit Committee.

In this reporting period the useful lives of vehicle crossings were increased as its maintenance generally fall within the responsibility of the person solely benefiting from it.

Typical useful lives and unit rates (includes overheads):

Public Road and Footpath Asset Component	Useful Life (Years)	Unit Rate
Concrete Road Pavement (Reinforced 200mm thick)	120	\$181.00/m <sup>2</sup>
Asphalt Road Pavement	50	\$82.00/m <sup>2</sup>
Sandstone Kerb & Gutter	90	\$360/m
Concrete Roundabout	40	\$360/m <sup>2</sup>
Gabion Retaining Wall	150	630/m <sup>2</sup>
Double Barrier Line	5	\$0.72/m
'Warning' Traffic Sign	15	\$141.75/ each
Concrete Footpath (75 mm thick)	90	\$96.81/m <sup>2</sup>
Asphalt Footpath (25 mm thick)	40	\$45.72/m <sup>2</sup>

Carpark Asset Component	Useful Life (Years)	Unit Rate
Lane and parking space line marking	5	\$1.03/m
Pay and Display	20	\$8,600.00/each
Kerb Wheelstops	15	\$160.00/m

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

##### *Stormwater Drainage*

Includes: Converters, headwalls, endwalls, pits and access-holes (collectively categorised as 'nodes'), pipes, culverts, drains, Stormwater Quality Improvement Devices (SQIDs) and rainwater re-use tanks.

Gross replacement cost for stormwater drainage assets were valued by Cardno (NSW/ACT) Pty Ltd as at 30 June 2013. The condition, residual values and useful lives of the assets were assessed and calculated by Cardno based on site observations, including CCTV surveys, and Cardno's experience in valuation projects for various Australian water utilities.

It has been assumed that relining would be the principle method of renewing pipes, rather than replacing the whole section as no collapsed or significantly deformed pipes were found during CCTV inspections. This new method of pipe renewal allows for the replacement costs of the pipes to be 'optimised' downwards. The residual value of pipes is cost to replace the whole section less relining costs.

SQID unit rates were developed based on first principles estimating and takes into account excavation, site establishment as well as the supply and installation costs. It also includes an additional 20% to the base unit rate to allow for 'normal' construction and installation overheads.

Drains are also valued directly from first principles estimating. There is no single unit rate applied as each drain contains different dimensions. Fair value has been generated this financial year based on the cost approach and the gross replacement cost calculated by Cardno.

There has been no change to the valuation process during the reporting period.

Stormwater Drainage Asset Component	Useful Life (Years)	Unit Rate
Stormwater Quality Improvement Devices (Model Type: Rocla Cleansall 1200)	100	\$208,641.03/each
Concrete Pipe (375mm diameter, 0-1m length) based on trenching method	125	\$439.92/m
Concrete Pipe (375mm diameter) based on relining method	125	\$336/m
Converter (600mm length)	100	\$734/each
Kerb Inlet Pit (450mmx450mm, 1 m depth)	100	\$1,546/each
Rainwater Re-use Tank	80	Average \$624,739.00/each

##### *Other Open Space/Recreational Assets*

Includes:

- Jetties and seawalls (collectively categorised as 'marine assets'),
- Parks, bushlands, reserves, playgrounds, unmade roads and sporting fields (collectively categorised as 'parks and open space assets')

Gross replacement cost for marine assets were valued by Opus International Consultants (NSW) Pty Ltd as at 30 June 2011, in accordance with accepted Australian Accounting Practices. The condition, residual values and useful lives of the assets were assessed and calculated by Opus personnel based on site observations, including diving inspections.

## Mosman Council

### Notes to the Financial Statements

for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

Unit rates for marine assets were estimated using Rawlinson's Estimation Handbook Edition 28 (2010). These rates were then compared with the contract rates provided by Council and market rate benchmarks. Where contract rates were not available, market rates were established from market reference published rates and industry knowledge. An overhead factor was applied to all replacement cost unit rates that were estimated to allow for supervision, design and site establishment fee components of replacing service provision.

Gross replacement cost for Mosman parks and open space assets were valued by Complete Urban Pty Ltd as at 30 June 2011. The condition, residual values and useful lives of the assets were assessed and calculated by Complete Urban and suitably qualified Council staff based on site observations, officer knowledge and history of local issues. Unit rates for parks and open space assets were estimated based on Complete Urban's industry experience.

Fair values for Open Space/Recreational assets have been generated every subsequent financial year based on the cost approach and the gross replacement cost calculated by Opus and Complete Urban.

There has been no change to the valuation process during the reporting period.

Typical useful lives and unit rates (includes overheads):

<b>Open Space/Recreational and Other Structures Asset Component</b>	<b>Useful Life (Years)</b>	<b>Unit Rate</b>
Timber Deck	40	\$200/m <sup>2</sup>
Concrete Deck	60	\$500/m <sup>2</sup>
Concrete/Sandstone Seawall	50	Varies \$1,000 - \$2,500/m
Steel Turning Board	18	\$50,000/each
Irrigation	30	\$7.50/m <sup>2</sup>
Softfall	5	\$45/m <sup>2</sup>
Cenotaph	100	\$80,000/each
Dinghy Racks	20	\$15,000/each

#### *Heritage Collections and Library Books*

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value.

There has been no change to the valuation process during the reporting period.

#### *Other Assets*

Other assets are banner poles erected on Military Road and side streets. They are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.



## Mosman Council

# Notes to the Financial Statements

for the financial year ended 30 June 2014

## Note 27. Fair Value Measurement (continued)

\$ '000

### (4). Fair value measurements using significant unobservable inputs (Level 3)

#### a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Plant and Equipment	Office Equipment	Furniture and Fittings	Art Collection	Total
Adoption of AASB 13	857	427	145	4,266	5,695
<b>Closing Balance - 30/6/13</b>	<b>857</b>	<b>427</b>	<b>145</b>	<b>4,266</b>	<b>5,695</b>
Purchases (Gross Book Value)	165	76	8	135	384
Disposals (Written Down Value)	(51)	-	-	-	(51)
Depreciation and Impairment	(176)	(150)	(22)	-	(348)
Adjustments as per Note 9	(127)	-	(36)	-	(163)
<b>Closing Balance - 30/6/14</b>	<b>668</b>	<b>353</b>	<b>95</b>	<b>4,401</b>	<b>5,517</b>

	Operational Land	Community Land	Land Improve- ments Depreciable	Buildings Non- Specialised	Total
Adoption of AASB 13	112,190	102,687	667	27,592	243,136
<b>Closing Balance - 30/6/13</b>	<b>112,190</b>	<b>102,687</b>	<b>667</b>	<b>27,592</b>	<b>243,136</b>
Purchases (Gross Book Value)	-	-	22	73	95
Depreciation and Impairment	-	-	(13)	(478)	(491)
<b>Closing Balance - 30/6/14</b>	<b>112,190</b>	<b>102,687</b>	<b>676</b>	<b>27,187</b>	<b>242,740</b>

	Buildings Specialised	Other Structures	Roads	Footpaths	Total
Adoption of AASB 13	15,323	389	110,019	14,686	140,417
<b>Closing Balance - 30/6/13</b>	<b>15,323</b>	<b>389</b>	<b>110,019</b>	<b>14,686</b>	<b>140,417</b>
Purchases (Gross Book Value)	36	-	4,526	155	4,717
Depreciation and Impairment	(280)	(8)	(2,444)	(245)	(2,977)
<b>Closing Balance - 30/6/14</b>	<b>15,079</b>	<b>381</b>	<b>112,101</b>	<b>14,596</b>	<b>142,157</b>



## Mosman Council

Notes to the Financial Statements  
for the financial year ended 30 June 2014

## Note 27. Fair Value Measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (Level 3) (continued)

## a. The following tables present the changes in Level 3 Fair Value Asset Classes. (continued)

	Stormwater Drainage	Other Open Space Recreational	Heritage Collections	Library Books	Total
Adoption of AASB 13	49,918	20,930	13	825	71,686
<b>Closing Balance - 30/6/13</b>	<b>49,918</b>	<b>20,930</b>	<b>13</b>	<b>825</b>	<b>71,686</b>
Purchases (Gross Book Value)	588	1,405	1	260	2,254
Depreciation and Impairment	(374)	(1,107)	-	(240)	(1,721)
<b>Closing Balance - 30/6/14</b>	<b>50,132</b>	<b>21,228</b>	<b>14</b>	<b>845</b>	<b>72,219</b>

	Other Assets	Total
Adoption of AASB 13	327	327
<b>Closing Balance - 30/6/13</b>	<b>327</b>	<b>327</b>
Depreciation and Impairment	(4)	(4)
Adjustments as per Note 9	(268)	(268)
<b>Closing Balance - 30/6/14</b>	<b>55</b>	<b>55</b>

## b. Information relating to the transfers into and out of the Level 3 Fair Valuation hierarchy (as disclosed in the Table above) includes:

Nil

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

##### c. Significant unobservable valuation inputs used (for Level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

##### I, PP&E

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant and Equipment	668	Cost Approach	<ul style="list-style-type: none"> <li>Gross replacement cost.</li> <li>Remaining useful life.</li> <li>Residual value.</li> </ul>	<ul style="list-style-type: none"> <li>Varies significantly from asset to asset.</li> <li>5 to 10 years</li> <li>0%</li> </ul>	Significant changes in the gross replacement value, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Office Equipment	353	Cost Approach	<ul style="list-style-type: none"> <li>Gross replacement cost.</li> <li>Remaining useful life.</li> <li>Residual value.</li> </ul>	<ul style="list-style-type: none"> <li>Varies significantly from asset to asset.</li> <li>5 to 10 years</li> <li>0%</li> </ul>	Significant changes in the gross replacement value, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Furniture and Fittings	95	Cost Approach	<ul style="list-style-type: none"> <li>Gross replacement cost.</li> <li>Remaining useful life.</li> <li>Residual value..</li> </ul>	<ul style="list-style-type: none"> <li>Varies significantly from asset to asset.</li> <li>5 to 20 years</li> <li>0%</li> </ul>	Significant changes in the gross replacement value, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

<b>Class</b>	<b>Fair Value</b> (30/6/14) \$'000	<b>Valuation Techniques</b>	<b>Unobservable Inputs</b>	<b>Range of Inputs</b> (incl probable)	<b>Relationship of unobservable inputs to Fair Value</b>
Art Collection	4,401	Cost Approach	<ul style="list-style-type: none"> <li>Aesthetic value and quality of the work.</li> <li>Significance of a piece in the artist's oeuvre.</li> <li>Recent auction house results.</li> <li>Survey of retrospective exhibitions.</li> </ul>	<ul style="list-style-type: none"> <li>Varies significantly from asset to asset.</li> </ul>	Changes in academic/expert assessments of quality/significance, broad tastes in arts communities and the general sentiment of the arts market could significantly impact values.
Operational Land	112,190	Cost Approach	<ul style="list-style-type: none"> <li>Price per square metre</li> </ul>	<ul style="list-style-type: none"> <li>\$200 - \$8,000</li> </ul>	Significant changes in the price per square metre would result in significant changes to fair value measurement.
Community Land	102,687	Cost Approach	<ul style="list-style-type: none"> <li>Unimproved Capital Value (price per square metre)</li> </ul>	<ul style="list-style-type: none"> <li>\$20 - \$5700</li> </ul>	Significant changes in the price per square metre would result in significant changes to fair value measurement.
Land Improvements - Depreciable	676	Cost Approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>	<ul style="list-style-type: none"> <li>Varies significantly from asset to asset.</li> </ul>	Significant changes in the gross replacement value, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

<b>Class</b>	<b>Fair Value</b> (30/6/14) \$'000	<b>Valuation Techniques</b>	<b>Unobservable Inputs</b>	<b>Range of Inputs</b> (incl probable)	<b>Relationship of unobservable inputs to Fair Value</b>
Buildings Non-Specialised	27,187	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>% Breakdown of Building Component Groups</li> <li>Useful Life</li> <li>Residual Value</li> <li>Condition</li> </ul>	<ul style="list-style-type: none"> <li>\$42,000 - \$14,077,000</li> <li>0 - 63%</li> <li>70-100 years</li> <li>0-100%</li> <li>Excellent to Poor</li> </ul>	As the service potential of an asset is 'consumed' over its life, the amount is reported as accumulated depreciation. This is related to the useful life, condition, gross replacement, straight line pattern of consumption and the weighted percentage breakdown of building component groups.
Buildings Specialised	15,079	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>% Breakdown of Building Component Groups</li> <li>Useful Life</li> <li>Residual Value</li> <li>Condition</li> </ul>	<ul style="list-style-type: none"> <li>\$42,000 - \$14,077,000</li> <li>0 - 63%</li> <li>70-100 years</li> <li>0-100%</li> <li>Excellent to Poor</li> </ul>	As the service potential of an asset is 'consumed' over its life, the amount is reported as accumulated depreciation. This is related to the useful life, condition, gross replacement, straight line pattern of consumption and the weighted percentage breakdown of building component groups.
Other Structures	382	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>Useful Life</li> <li>Residual Value</li> <li>Condition</li> </ul>	<ul style="list-style-type: none"> <li>\$33,000 - \$214,000</li> <li>50 -100</li> <li>0%</li> <li>Good</li> </ul>	As the service potential of an asset is 'consumed' over its life, the amount is reported as accumulated depreciation. This is related to the useful life, condition, gross replacement and a straight line pattern of consumption.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

<b>Class</b>	<b>Fair Value</b> (30/6/14) \$'000	<b>Valuation Techniques</b>	<b>Unobservable Inputs</b>	<b>Range of Inputs</b> (incl probable)	<b>Relationship of unobservable inputs to Fair Value</b>
Roads and Footpaths	126,697	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>Useful Life</li> <li>Residual Value</li> <li>Condition</li> </ul>	<ul style="list-style-type: none"> <li>\$0.39 - \$883,272</li> <li>5 – 500 years</li> <li>0 – 100%</li> <li>Excellent to Very Poor</li> </ul>	As the service potential of an asset is 'consumed' over its life, the amount is reported as accumulated depreciation. This is related to the useful life, condition, gross replacement and a straight line pattern of consumption.
Stormwater Drainage	50,132	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>Useful Life</li> <li>Residual Value</li> <li>Condition</li> </ul>	<ul style="list-style-type: none"> <li>\$21.11 - \$742,000</li> <li>20 – 150 years</li> <li>0 – 77%</li> <li>Excellent to Very Poor</li> </ul>	As the service potential of an asset is 'consumed' over its life, the amount is reported as accumulated depreciation. This is related to the useful life, condition, gross replacement and a straight line pattern of consumption.
Other Open Space / Recreational Assets	21,228	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>Useful Life</li> <li>Residual Value</li> <li>Condition</li> </ul>	<ul style="list-style-type: none"> <li>\$21.11 - \$742,000</li> <li>20 – 150 years</li> <li>0 – 77%</li> <li>Excellent to Very Poor</li> </ul>	As the service potential of an asset is 'consumed' over its life, the amount is reported as accumulated depreciation. This is related to the useful life, condition, gross replacement and a straight line pattern of consumption.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 27. Fair Value Measurement

<b>Class</b>	<b>Fair Value</b> (30/6/14) \$'000	<b>Valuation Techniques</b>	<b>Unobservable Inputs</b>	<b>Range of Inputs</b> (incl probable)	<b>Relationship of unobservable inputs to Fair Value</b>
Library Books and Heritage Collections	859	Cost Approach	<ul style="list-style-type: none"> <li>Gross Replacement Cost</li> <li>Asset Condition</li> <li>Useful life</li> <li>Residual value</li> </ul>	<ul style="list-style-type: none"> <li>Varies significantly from asset to asset</li> <li>Poor to excellent</li> <li>5 to 15 years</li> <li>0% to 10%</li> </ul>	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Other Assets	55	Cost Approach	<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>	<ul style="list-style-type: none"> <li>\$800 - \$1000</li> <li>8 – 11 years</li> <li>0%</li> </ul>	Significant changes in the gross replacement value, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.

#### (5). Highest and best use

All of Council's non financial assets are considered to being utilised for their highest and best use.

## Mosman Council

### Notes to the Financial Statements for the financial year ended 30 June 2014

#### Note 28. Council Information and Contact Details

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**Principal Place of Business:**

Civic Centre  
Mosman Square, Spit Junction, 2088

**Contact Details**
**Mailing Address:**

PO Box 211  
SPIT JUNCTION NSW 2088

**Opening Hours:**

Monday to Friday 8.30 am to 5pm

**Telephone:** 02 9978 4000

**Facsimile:** 02 9978 4132

**Internet:** [www.mosmancouncil.nsw.gov.au](http://www.mosmancouncil.nsw.gov.au)

**Email:** [council@mosman.nsw.gov.au](mailto:council@mosman.nsw.gov.au)

**Officers**
**GENERAL MANAGER**

V Lee

**RESPONSIBLE ACCOUNTING OFFICER**

G Mills

**PUBLIC OFFICER**

M Glyde

**AUDITORS**

Hill Rogers Spencer Steer  
Level 5  
1 Chifley Square  
Sydney NSW 2000

**Elected Members**
**MAYOR**

P Abelson

**COUNCILLORS**

R Bendall  
C Corrigan  
P S Menzies  
L Moline  
T Sherlock  
P White

**Other Information**

**ABN:** 94 414 022 939

**MOSMAN COUNCIL**  
**GENERAL PURPOSE FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REPORT**

---

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying general purpose financial statements of Mosman Council, which comprises the Statement of Financial Position as at 30 June 2014, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

***Responsibility of Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17. Accordingly, no opinion is expressed on these matters.

**Assurance Partners**

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Sydney NSW 2001

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info@hr-ss.com.au

Practising as Hill Rogers Spencer  
Steer Assurance Partners

ABN 56 435 338 966



Hill Rogers  
Spencer Steer

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### ***Auditor's Opinion***

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
  - (i) have been presented in accordance with the requirements of this Division;
  - (ii) are consistent with the Council's accounting records;
  - (iii) present fairly the Council's financial position, the results of its operations and its cash flows; and
  - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

### **HILL ROGERS SPENCER STEER**



**BRETT HANGER**

Partner

Dated at Sydney this 8th day of October 2014

Hill Rogers  
Spencer Steer

8 October 2014

Mayor  
Mosman Council  
PO Box 211  
**SPIT JUNCTION NSW 2088**

Mayor,

### **Audit Report - Year Ended 30 June 2014**

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2014 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

## **I. RESULTS FOR THE YEAR**

### **I.1 Operating Result**

The operating result for the year was a surplus of \$5.34 million as compared with \$9.446 million in the previous year.

#### **Assurance Partners**

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Steer Assurance Partners

ABN 56 435 338 966

The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2014 \$000	% of Total	2013 \$000	% of Total	Increase (Decrease) \$000
<b>Revenues before capital items</b>					
Rates & annual charges	22,611	55%	21,747	48%	864
User charges, fees & other revenues	16,345	39%	16,080	35%	265
Reversal of previous revaluation decrements	-	0%	4,571	10%	(4,571)
Grants & contributions provided for operating purposes	1,996	5%	2,510	6%	(514)
Interest & investment revenue	438	1%	399	1%	39
	<b>41,390</b>	<b>100%</b>	<b>45,307</b>	<b>100%</b>	<b>(3,917)</b>
<b>Expenses</b>					
Employee benefits & costs	14,966	38%	14,497	38%	469
Materials, contracts & other expenses	17,772	46%	17,336	45%	436
Depreciation, amortisation & impairment	5,557	14%	6,148	16%	(591)
Borrowing costs	677	2%	654	2%	23
	<b>38,972</b>	<b>100%</b>	<b>38,635</b>	<b>100%</b>	<b>337</b>
<b>Surplus (Deficit) before capital items</b>	<b>2,418</b>		<b>6,672</b>		<b>(4,254)</b>
Grants & contributions provided for capital purposes	2,922		2,774		148
<b>Net Surplus (Deficit) for the year</b>	<b>5,340</b>		<b>9,446</b>		<b>(4,106)</b>
<b>Performance Measures</b>	<b>2014</b>		<b>2013</b>		
Operating Performance	0.31%		-3.83%		
Own Source Operating Revenue	88.29%		86.78%		

The table above shows an overall decrease over the previous year of \$4.106 million. During the previous year, a prior revaluation decrement relating to the revaluation of stormwater drainage assets was reversed. This resulted in an amount of \$4.571 million being recognised in revenue in 2013.

**Operating Performance** measures the ability to contain operating expenditure within operating revenue excluding capital amounts. For 2014, this indicator was 0.31% and exceeded the benchmark of 0%.

**Own Source Operating Revenue** measures the degree of reliance on external funding sources such as grants and contributions. For 2014, this indicator was 88.29% and exceeded the benchmark of 60%.

## 1.2 Funding Result

As the operating result only accounts for operating income and expenditure, in reviewing the overall financial performance of Council, it is useful to consider the total source of revenues and how they were applied during the year which is illustrated in the table below.

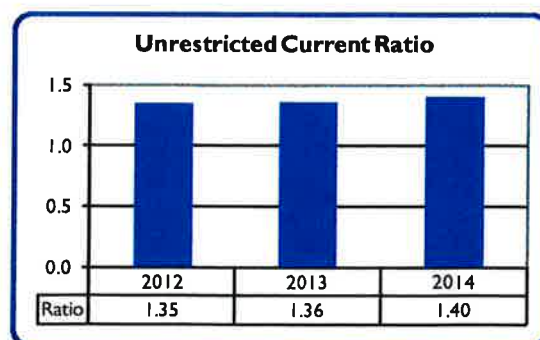
	2014	2013
<b>Funds were provided by:-</b>	\$000	\$000
<b>Operating Result (as above)</b>	<b>5,340</b>	<b>9,446</b>
Add back non funding items:-		
- Depreciation, amortisation & impairment	5,557	6,148
- Reversal of previous revaluation decrements	0	(4,571)
- Book value of non-current assets sold	51	88
- (Gain)/Loss of fair value to investment properties	(2,286)	(3,387)
- (Surplus)/Deficit in joint ventures	(31)	(83)
	8,631	7,641
New loan borrowings	2,000	2,460
Distributions from joint ventures	35	40
Net Changes in current/non-current assets & liabilities	469	0
	11,135	10,141
<b>Funds were applied to:-</b>		
Purchase and construction of assets	(7,894)	(5,562)
Principal repaid on loans	(1,990)	(1,669)
Transfers to externally restricted assets (net)	(721)	(2,271)
Transfers to internal reserves (net)	(89)	(789)
Net Changes in current/non current assets & liabilities	0	(34)
	(10,694)	(10,325)
<b>Increase/(Decrease) in Available Working Capital</b>	<b>441</b>	<b>(184)</b>

## 2. FINANCIAL POSITION

### 2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$2.865 million representing a factor of 1.4 to 1.



## 2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$2.598 million as detailed below;

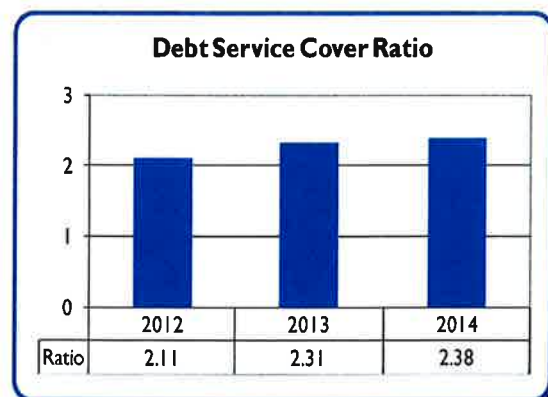
	2014 \$000	2013 \$000	Change \$000
<b>Net Current Assets (Working Capital) as per Accounts</b>	<b>417</b>	<b>(716)</b>	<b>1,133</b>
<b>Add:</b> Payables & provisions not expected to be realised in the next 12 months included above	6,843	6,722	121
<b>Adjusted Net Current Assets</b>	<b>7,260</b>	<b>6,006</b>	<b>1,254</b>
<b>Add:</b> Budgeted & expected to pay in the next 12 months			
- Borrowings	1,880	1,990	(110)
- Employees leave entitlements	1,602	1,508	94
- Deposits & retention moneys	613	600	13
<b>Less:</b> Externally restricted assets	(4,395)	(3,674)	(721)
<b>Less:</b> Internally restricted assets	(4,362)	(4,273)	(89)
<b>Available Working Capital as at 30 June</b>	<b>2,598</b>	<b>2,157</b>	<b>441</b>

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside to fund future works and services and liabilities, Council's Available Working Capital at year end was adequate.

## 2.3 Debt

After repaying principal and interest of \$2.667 million and taking up a new loan of \$2 million, total debt as at 30 June 2014 stood at \$10.966 (2013 - \$10.956).

The debt service cover ratio measures the availability of operating cash to service debt repayments. For 2014, the ratio indicated that operating results before capital, interest and depreciation covered payments required to service debt by a factor of 2.38 to 1.



## 2.4 Summary

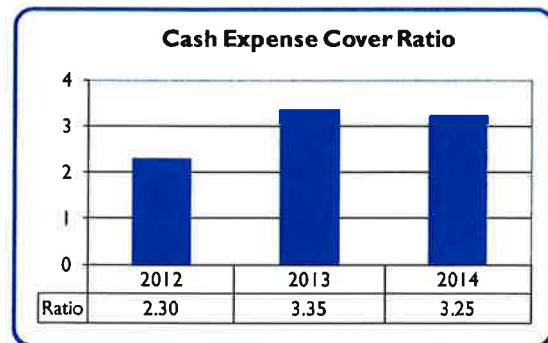
Council's overall financial position, when taking into account the above financial indicators was, in our opinion, satisfactory.

### 3. CASH ASSETS

#### 3.1 Cash Expense Cover Ratio

This liquidity ratio indicates the number of months of expenditure requirements that can be met with available cash and term deposit balances without the need for additional cash inflow.

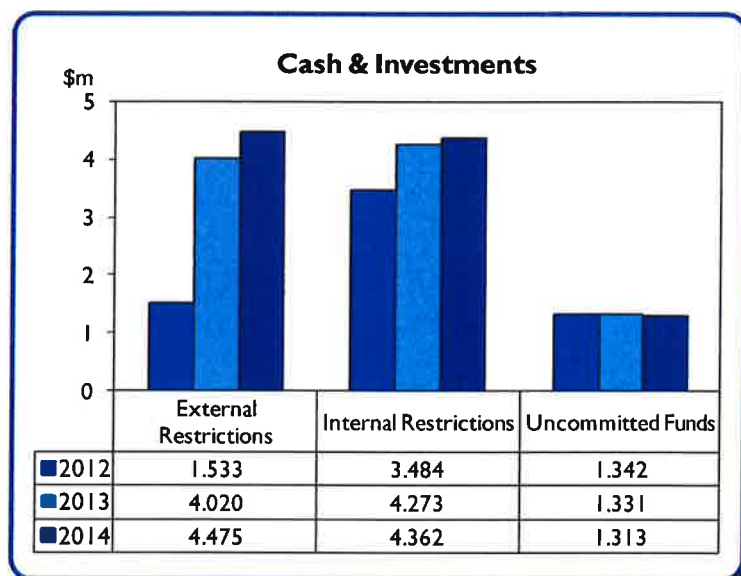
For 2014, this ratio stood at 3.25 months compared to the benchmark of 3.



#### 3.2 Cash & Investment Securities

Cash and investments amounted \$10.15 million at 30 June 2014 as compared with \$9.624 million in 2013 and \$6.359 million in 2012.

The chart alongside summarises the purposes for which cash and investments securities were held.



**Externally restricted cash and investments** are restricted in their use by externally imposed requirements and consisted of unexpended specific purpose grants (\$774,000), developer contributions (\$2.306 million) and domestic waste management charges (\$1.395 million).

**Internally restricted cash and investments** have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "**Reserves**". These Reserves totalled \$4.362 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$1.313 million, which is available to provide liquidity for day to day operations.



### 3.3 Cash Flows

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that Cash Assets increased by \$526,000 to \$10.15 million at the close of the year.

In addition to operating activities which contributed net cash of \$7.487 million were the proceeds from the sale of assets (\$31,000), redemption of investments (\$11.05 million), distributions from joint ventures (\$35,000) and new loans (\$2 million). Cash outflows other than operating activities were used to repay debt (\$1.99 million), purchase investments (\$11.05 million) and to purchase and construct assets (\$7.037 million).

## 4. RECEIVABLES

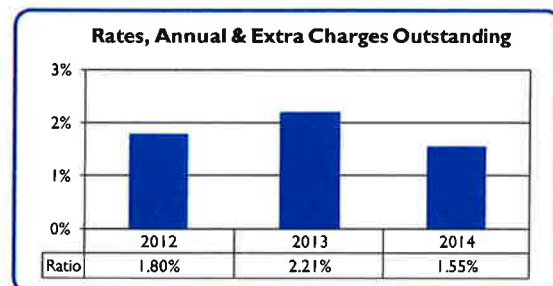
### 4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$22.611 million and represented 51% of Council's total revenues.

Including arrears, the total rates and annual charges collectible was \$23.08 million of which \$22.735 million (99%) was collected.

### 4.2 Rates, Annual & Extra Charges

Arrears of rates, annual and extra charges stood at \$359,000 at the end of the year and represented 1.55% of those receivables.



### 4.3 Other Receivables

Receivables (other than Rates & Annual Charges) totalled \$3.783 million and mainly consisted of user charges, fees and revenue accruals (\$2.395 million) and amounts due from other levels of government (\$1.388 million). Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$62,000.

## 5. PAYABLES

### 5.1 Employees Leave Entitlements

Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$4.039 million. A cash reserve of \$800,000 was held at year end representing 20% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

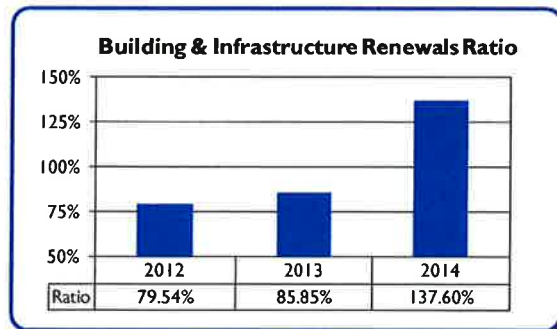
## 5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$5.313 million and a cash reserve was held amounting to \$2 million representing 38% of this liability and was sufficient to meet anticipated repayments in the near future.

## 6. BUILDING AND INFRASTRUCTURE RENEWALS

The Building and Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

Special Schedule No. 7 discloses that asset renewals for 2014 represented 138% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



## 7. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 19 June 2014 and included our recommendations on possible ways to strengthen and/or improve procedures.

## 8. CONCLUSION

We wish to record our appreciation to your General Manager and her staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,

**HILL ROGERS SPENCER STEER**

**BRETT HANGER**

Partner



# Mosman Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2014

---

*Proud to be Mosman  
Protecting our Heritage  
Planning our Future  
Involving our Community*

**Mosman**  
COUNCIL

## Mosman Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2014

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Income Statement - Sewerage Business Activity	n/a
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#### Background

- (i) These Special Purpose Financial Statements have been prepared for the 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 over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
  - (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments and debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

# Mosman Council

## Special Purpose Financial Statements

for the financial year ended 30 June 2014

### 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:**


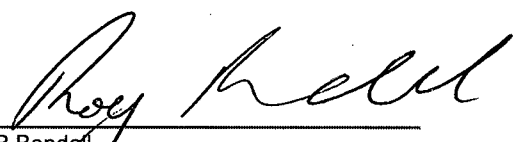

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Office of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.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

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

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

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

**Signed in accordance with a resolution of Council made on 07 October 2014.**

  
\_\_\_\_\_  
P Abelson  
MAYOR  
\_\_\_\_\_  
R Bendall  
COUNCILLOR  
\_\_\_\_\_  
V Lee  
GENERAL MANAGER  
\_\_\_\_\_  
S Mills  
RESPONSIBLE ACCOUNTING OFFICER

## Mosman Council

## Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2014

Commercial Property  
Management

## Category 1

\$ '000	Actual 2014	Actual 2013
<b>Income from continuing operations</b>		
Access charges	-	-
User charges	996	1,111
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	4,057	5,165
<b>Total income from continuing operations</b>	<b>5,053</b>	<b>6,276</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	51	68
Borrowing costs	-	-
Materials and contracts	73	30
Depreciation and impairment	92	92
Loss on sale of assets	-	-
Calculated taxation equivalents	116	148
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
<b>Total expenses from continuing operations</b>	<b>332</b>	<b>338</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>4,721</b>	<b>5,938</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>4,721</b>	<b>5,938</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>4,721</b>	<b>5,938</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(1,416)	(1,781)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>3,305</b>	<b>4,157</b>
plus Opening Retained Profits	52,415	47,067
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	116	148
- Debt guarantee fees	-	-
- Corporate taxation equivalent	1,416	1,781
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	(2,654)	(738)
<b>Closing Retained Profits</b>	<b>54,598</b>	<b>52,415</b>
<b>Return on Capital %</b>	<b>8.7%</b>	<b>11.3%</b>
<b>Subsidy from Council</b>	-	-

## Mosman Council

## Statement of Financial Position - Council's Other Business Activities

as at 30 June 2014

Commercial Property  
Management

Category 1

\$ '000	Actual 2014	Actual 2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	-	-
Investments	-	-
Receivables	24	36
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>24</b>	<b>36</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	7,753	7,845
Investments accounted for using equity method	-	-
Investment property	46,821	44,535
Other	-	-
<b>Total Non-Current Assets</b>	<b>54,574</b>	<b>52,380</b>
<b>TOTAL ASSETS</b>	<b>54,598</b>	<b>52,416</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	-	1
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>1</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>1</b>
<b>NET ASSETS</b>	<b>54,598</b>	<b>52,415</b>
<b>EQUITY</b>		
Retained earnings	54,598	52,415
Revaluation reserves	-	-
Council equity interest	54,598	52,415
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>54,598</b>	<b>52,415</b>

## Mosman Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2014

#### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	6
2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	n/a

## Mosman Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

#### Note 1. Significant Accounting Policies

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

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

#### National Competition Policy

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

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

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Office of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

##### a. Commercial Property Management

*Takes into account Council's Commercial Property portfolio and includes properties such as Mosman Square & Library Walk shops, Boronia House, Library Walk flats and Balmoral Bathers.*

*It being noted that an Independent Fair Valuation of Investment Properties in 2014 resulted in an increase to the portfolio of \$2.286M. Revaluations of operational land & buildings also impacted positively on the balance of Infrastructure, Property, Plant & Equipment within the Balance Sheet.*

##### Category 2

(where gross operating turnover is less than \$2 million)

#### Council has no Category 2 Declared Business Activities

#### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

#### (i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these

## Mosman Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

#### Note 1. Significant Accounting Policies

statements as a cost of operations just like all other costs.

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

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

#### Notional Rate Applied %

##### Corporate Income Tax Rate – 30%

Land Tax – The first **\$412,000** of combined land values attracts **0%**. From \$412,001 to \$2,519,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,519,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

#### Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

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

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

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

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

has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

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

#### Local Government Rates & 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 & 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 the 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 where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.



## Mosman Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

#### Note 1. Significant Accounting Policies

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##### **(iii) Return on Investments (Rate of Return)**

The Policy statement requires that councils with Category 1 businesses “would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field”.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

**Operating Result before Capital Income + Interest Expense**

---

**Written Down Value of Non-Current Assets as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.56% at 30/6/14.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

##### **(iv) Dividends**

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

**MOSMAN COUNCIL**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REPORT**

---

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying special purpose financial statements of Mosman Council, which comprises the Statement of Financial Position as at 30 June 2014, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

***Responsibility of Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Auditor's Opinion***

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note I and the Local Government Code of Accounting Practice and Financial Reporting.

***Basis of Accounting***

Without modifying our opinion, we draw attention to Note I to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

**HILL ROGERS SPENCER STEER**



**BRETT HANGER**

Partner

Dated at Sydney this 8th day of October 2014

# Mosman Council

SPECIAL SCHEDULES  
for the year ended 30 June 2014

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*Proud to be Mosman  
Protecting our Heritage  
Planning our Future  
Involving our Community*

**Mosman**  
COUNCIL

## Mosman Council

### Special Schedules

for the financial year ended 30 June 2014

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### Special Schedules<sup>1</sup>

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply Operations - incl. Income Statement	n/a
- Special Schedule No. 4	Water Supply - Statement of Financial Position	n/a
- Special Schedule No. 5	Sewerage Service Operations - incl. Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	n/a
- Notes to Special Schedules No. 3 & 5		n/a
- Special Schedule No. 7	Report on Infrastructure Assets (as at 30 June 2014)	5
- Special Schedule No. 8	Financial Projections	10
- Special Schedule No. 9	Permissible Income Calculation	11

<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 9).

### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as the;
- NSW Grants Commission
  - Australian Bureau of Statistics (ABS),
  - NSW Office of Water (NOW), and
  - Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including the;
- allocation of Financial Assistance Grants,
  - incorporation of Local Government financial figures in national statistics,
  - monitoring of loan approvals,
  - allocation of borrowing rights, and
  - monitoring of financial activities of specific services.

## Mosman Council

# Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>1,547</b>	-	-	<b>(1,547)</b>
<b>Administration</b>	<b>7,600</b>	<b>317</b>	-	<b>(7,283)</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	985	-	-	<b>(985)</b>
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	315	125	-	<b>(190)</b>
Animal Control	85	9	-	<b>(76)</b>
Other	150	124	-	<b>(26)</b>
<b>Total Public Order &amp; Safety</b>	<b>1,535</b>	<b>257</b>	-	<b>(1,277)</b>
<b>Health</b>	<b>151</b>	<b>73</b>	-	<b>(78)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	34	-	-	<b>(34)</b>
Other Environmental Protection	2,498	146	-	<b>(2,352)</b>
Solid Waste Management	5,198	5,836	-	<b>638</b>
Street Cleaning	1,173	-	-	<b>(1,173)</b>
Drainage	555	237	-	<b>(318)</b>
Stormwater Management	183	-	-	<b>(183)</b>
<b>Total Environment</b>	<b>9,641</b>	<b>6,219</b>	-	<b>(3,422)</b>
<b>Community Services and Education</b>				
Administration & Education	669	-	-	<b>(669)</b>
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	1,022	749	-	<b>(273)</b>
Children's Services	1,053	945	-	<b>(108)</b>
<b>Total Community Services &amp; Education</b>	<b>2,744</b>	<b>1,694</b>	-	<b>(1,050)</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	-	-	-	-
Public Conveniences	320	-	-	<b>(320)</b>
Street Lighting	401	-	-	<b>(401)</b>
Town Planning	528	539	-	<b>11</b>
Other Community Amenities	-	-	-	-
<b>Total Housing and Community Amenities</b>	<b>1,249</b>	<b>539</b>	-	<b>(710)</b>

## Mosman Council

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

for the financial year ended 30 June 2014

\$'000

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	2,131	182	-	(1,949)
Museums	-	-	-	-
Art Galleries	750	166	37	(547)
Community Centres and Halls	614	110	-	(504)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	364	164	-	(200)
Sporting Grounds and Venues	1,161	154	208	(799)
Swimming Pools	745	281	-	(464)
Parks & Gardens (Lakes)	2,163	199	-	(1,964)
Other Sport and Recreation	1	-	-	(1)
<b>Total Recreation and Culture</b>	<b>7,929</b>	<b>1,256</b>	<b>245</b>	<b>(6,428)</b>
<b>Fuel &amp; Energy</b>	-	-	-	-
<b>Agriculture</b>	-	-	-	-
<b>Mining, Manufacturing and Construction</b>				
Building Control	1,948	763	-	(1,185)
Other Mining, Manufacturing & Construction	-	-	-	-
<b>Total Mining, Manufacturing and Const.</b>	<b>1,948</b>	<b>763</b>	-	<b>(1,185)</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	2,881	1,273	868	(740)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads (SRR) - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	-	-	-	-
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	846	5,887	-	5,041
Footpaths	419	12	-	(407)
Aerodromes	-	-	-	-
Other Transport & Communication	308	-	-	(308)
<b>Total Transport and Communication</b>	<b>4,454</b>	<b>7,172</b>	<b>868</b>	<b>3,586</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	175	5,375	1,809	7,009
<b>Total Economic Affairs</b>	<b>175</b>	<b>5,375</b>	<b>1,809</b>	<b>7,009</b>
<b>Totals – Functions</b>	<b>38,972</b>	<b>23,665</b>	<b>2,922</b>	<b>(12,385)</b>
<b>General Purpose Revenues <sup>(2)</sup></b>		<b>17,694</b>		<b>17,694</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	-	<b>31</b>		<b>31</b>
<b>NET OPERATING RESULT <sup>(1)</sup></b>	<b>38,972</b>	<b>41,390</b>	<b>2,922</b>	<b>5,340</b>

(1) As reported in the Income Statement

(2) Includes: Rates &amp; Annual Charges (incl. Ex Gratia, excl. Water &amp; Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) &amp; Interest on overdue Rates &amp; Annual Charges

# Mosman Council

## Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2014

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
<b>Loans (by Source)</b>											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	1,860	8,966	<b>10,826</b>	2,000	1,860	-	-	-	1,880	9,086	<b>10,966</b>
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Loans</b>	<b>1,860</b>	<b>8,966</b>	<b>10,826</b>	<b>2,000</b>	<b>1,860</b>	-	-	-	<b>1,880</b>	<b>9,086</b>	<b>10,966</b>
<b>Other Long Term Debt</b>											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	130	-	<b>130</b>	-	130	-	-	-	-	-	-
<b>Total Long Term Debt</b>	<b>130</b>	-	<b>130</b>	-	<b>130</b>	-	-	-	-	-	-
<b>Total Debt</b>	<b>1,990</b>	<b>8,966</b>	<b>10,956</b>	<b>2,000</b>	<b>1,990</b>	-	-	-	<b>1,880</b>	<b>9,086</b>	<b>10,966</b>

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).



## Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard <sup>(1)</sup>	Required Annual Maintenance <sup>(2)</sup>	Actual Maintenance 2013/14 <sup>(3)</sup>	Written Down Value (WDV) <sup>(4)</sup>	Assets in Condition as a % of WDV <sup>(4), (5)</sup>				
						1	2	3	4	5
Buildings	Council Offices / Administration Centres	-	120	117	7,253	0%	100%	0%	0%	0%
	Council Works Depot	-	17	12	1,269	0%	100%	0%	0%	0%
	Libraries	-	55	42	2,829	0%	0%	100%	0%	0%
	Cultural Facilities	-	97	93	6,821	0%	92%	8%	0%	0%
	Other Buildings	50	7	-	640	78%	19%	0%	3%	0%
	Specialised Buildings	42	184	191	15,080	68%	17%	15%	0%	0%
	Childcare Centres	-	18	11	1,384	51%	0%	49%	0%	0%
	Multistorey Carparks	-	88	77	6,990	0%	100%	0%	0%	0%
	<b>sub total</b>	<b>92</b>	<b>586</b>	<b>543</b>	<b>42,266</b>	<b>27.2%</b>	<b>57.9%</b>	<b>14.9%</b>	<b>0.0%</b>	<b>0.0%</b>
Other Structures	Other Structures	-	34	36	381	0%	100%	0%	0%	0%
	<b>sub total</b>	<b>-</b>	<b>34</b>	<b>36</b>	<b>381</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Roads	Sealed Roads Pavements	771	265	309	64,505	14%	64%	21%	1%	0%
	Footpaths	51	187	113	14,596	29%	52%	19%	0%	0%
	Kerb and Gutter	10	39	35	12,428	23%	61%	16%	0%	0%
	Formation	-	-	-	7,584	100%	0%	0%	0%	0%
	Retaining Walls	2,367	47	22	17,105	19%	50%	27%	4%	0%
	Physical Traffic Devices	-	101	91	1,781	47%	41%	12%	0%	0%
	Lines and Signs	44	31	21	290	45%	44%	10%	1%	0%
	Street Furniture	247	16	17	1,059	18%	56%	24%	2%	0%
	Steps	289	23	1	1,668	21%	65%	14%	0%	0%
	Pram Ramps	1	8	-	251	49%	44%	7%	0%	0%
	Vehicle Crossings	184	8	1	2,622	36%	39%	22%	3%	0%
	Carparks	-	23	5	2,806	36%	39%	22%	3%	0%
	<b>sub total</b>	<b>3,964</b>	<b>748</b>	<b>615</b>	<b>126,697</b>	<b>24.1%</b>	<b>55.1%</b>	<b>19.6%</b>	<b>1.2%</b>	<b>0.0%</b>

## Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard <sup>(1)</sup>	Required Annual Maintenance <sup>(2)</sup>	Actual Maintenance 2013/14 <sup>(3)</sup>	Written Down Value (WDV) <sup>(4)</sup>	Assets in Condition as a % of WDV <sup>(4), (5)</sup>				
						1	2	3	4	5
Stormwater Drainage	Stormwater Quality Devices	10	57	83	2,794	99%	0%	1%	0%	0%
	Rainwater Reuse Tanks	-	15	-	1,114	100%	0%	0%	0%	0%
	Open Conduits	965	31	1	954	39%	11%	45%	3%	2%
	Closed Conduits	313	56	76	39,816	5%	53%	41%	0%	1%
	Nodes	68	58	83	5,454	4%	77%	18%	1%	0%
	<b>sub total</b>	<b>1,356</b>	<b>217</b>	<b>243</b>	<b>50,132</b>	<b>12.9%</b>	<b>50.7%</b>	<b>35.4%</b>	<b>0.2%</b>	<b>0.8%</b>
Open Space/ Recreational Assets	Marine Structures	199	15	21	5,407	23%	0%	77%	0%	0%
	Playgrounds	242	58	70	742	28%	30%	36%	7%	0%
	Sporting Fields	647	388	361	3,269	18%	26%	47%	7%	2%
	Parks and Reserves	905	479	476	5,234	8%	27%	60%	4%	1%
	Bushland	479	419	403	4,958	18%	52%	26%	4%	0%
Recreational Assets	Unmade Roads	755	153	157	1,618	0%	8%	42%	34%	16%
	<b>sub total</b>	<b>3,227</b>	<b>1,512</b>	<b>1,488</b>	<b>21,228</b>	<b>15.8%</b>	<b>24.4%</b>	<b>52.2%</b>	<b>5.8%</b>	<b>1.8%</b>
	<b>TOTAL - ALL ASSETS</b>	<b>8,639</b>	<b>3,097</b>	<b>2,925</b>	<b>240,704</b>	<b>21.5%</b>	<b>52.0%</b>	<b>24.9%</b>	<b>1.2%</b>	<b>0.3%</b>

## Notes:

- (1). Satisfactory is defined as "satisfying reasonable expectations or needs, leaving no room for complaint, causing satisfaction, adequate".  
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.  
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.  
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements. **'Asset in Condition' percentages as reported are of Fair Value amounts in Note 9.**
- (5). Estimated cost to bring to satisfactory condition refers to the cost to bring all assets in 'unsatisfactory' condition (i.e. condition 4 and 5) to 'as new' condition. Assets in or approaching condition 4 or 5 requiring full or partial renewal are prioritised for renewal in Council's 10 Years Renewal Work Program.
- (6). Infrastructure Asset Condition Assessment "Key" - on next page

Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
as at 30 June 2014

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(7). Infrastructure Asset Condition Assessment "Key"

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

## Mosman Council

# Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2014

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 20132012	
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) <sup>(1)</sup>	6,781	137.60%	85.85%	79.54%
Depreciation, Amortisation & Impairment	4,928			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	8,639	0.04	0.03	0.13
Total value <sup>(2)</sup> of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	241,380			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	2,925	0.94	1.12	0.83
Required Asset Maintenance	3,097			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	7,843	1.41	0.88	0.92
Annual Depreciation	5,557			

## Notes

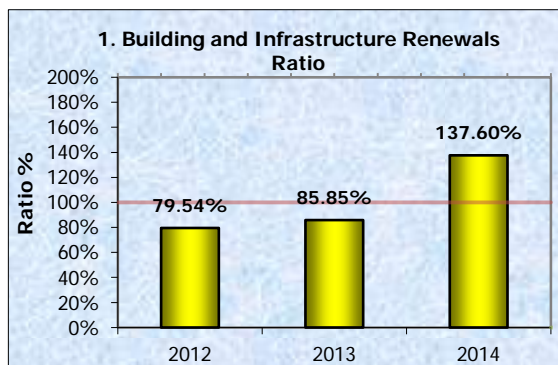
<sup>(1)</sup> Asset Renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

<sup>(2)</sup> Written down value

## Mosman Council

# Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2014



Minimum 100.00%

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

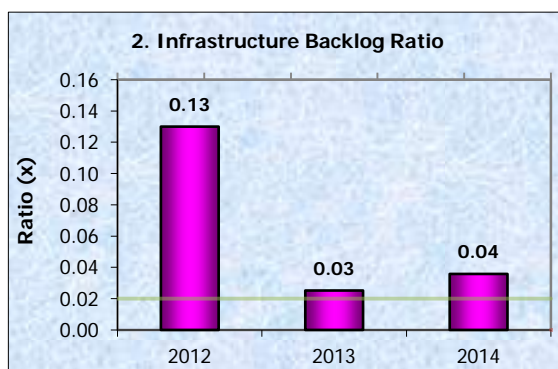
## Purpose of Asset Renewals Ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

## Commentary on 2013/14 Result

2013/14 Ratio 137.60%

Ratio exceeds the benchmark as Local Infrastructure Replacement Scheme (LIRS) loans were expended on replacements in the reporting year.



Maximum 0.02

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

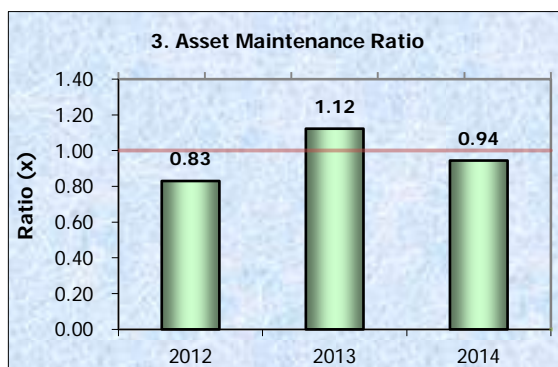
## Purpose of Infrastructure Backlog Ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

## Commentary on 2013/14 Result

2013/14 Ratio 0.04 x

The reduction as compared to 2012 is due to expenditure of LIRS loans and ongoing assessment and revision of asset useful lives and conditions in Council's Asset Management Plan.



Minimum 1.00

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

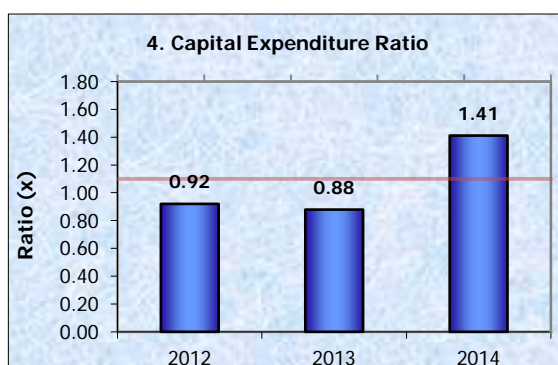
## Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

## Commentary on 2013/14 Result

2013/14 Ratio 0.94 x

There is a marginal shortfall which will be addressed in future years.



Minimum 1.10

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

## Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base through capital expenditure on both new assets and the replacement and renewal of existing assets.

## Commentary on 2013/14 Result

2013/14 Ratio 1.41 x

Ratio exceeds the benchmark as LIRS loans were expended on replacements in the reporting year.

## Mosman Council

### Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual <sup>(1)</sup> 13/14	Forecast <sup>(3)</sup> 14/15	Forecast <sup>(3)</sup> 15/16	Forecast <sup>(3)</sup> 16/17	Forecast <sup>(3)</sup> 17/18	Forecast <sup>(3)</sup> 18/19	Forecast <sup>(3)</sup> 19/20	Forecast <sup>(3)</sup> 20/21	Forecast <sup>(3)</sup> 21/22	Forecast <sup>(3)</sup> 22/23	Forecast <sup>(3)</sup> 23/24
<b>(i) OPERATING BUDGET</b>											
Income from continuing operations	44,312	41,820	42,593	43,685	44,681	45,803	46,954	48,539	49,348	50,590	51,866
Expenses from continuing operations	38,972	40,557	41,329	42,219	43,109	44,096	45,127	46,733	47,290	48,421	49,605
<b>Operating Result from Continuing Operations</b>	<b>5,340</b>	<b>1,263</b>	<b>1,264</b>	<b>1,466</b>	<b>1,572</b>	<b>1,707</b>	<b>1,827</b>	<b>1,806</b>	<b>2,058</b>	<b>2,169</b>	<b>2,261</b>
<b>(ii) CAPITAL BUDGET</b>											
New Capital Works <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-
Replacement/Refurbishment of Existing Assets	6,781	5,039	5,107	5,247	5,837	5,802	5,951	6,157	6,261	6,421	6,587
<b>Total Capital Budget</b>	<b>6,781</b>	<b>5,039</b>	<b>5,107</b>	<b>5,247</b>	<b>5,837</b>	<b>5,802</b>	<b>5,951</b>	<b>6,157</b>	<b>6,261</b>	<b>6,421</b>	<b>6,587</b>
<b>Funded by:</b>											
– Loans	2,000	-	-	-	-	-	-	-	-	-	-
– Asset sales	-	-	-	-	-	-	-	-	-	-	-
– Reserves	-	807	820	834	848	862	816	839	754	595	611
– Grants/Contributions	872	-	-	-	-	-	-	-	-	-	-
– Recurrent revenue	3,909	4,232	4,287	4,413	4,989	4,904	5,135	5,318	5,507	5,826	5,976
– Other	-	-	-	-	-	-	-	-	-	-	-
	<b>6,781</b>	<b>5,039</b>	<b>5,107</b>	<b>5,247</b>	<b>5,837</b>	<b>5,766</b>	<b>5,951</b>	<b>6,157</b>	<b>6,261</b>	<b>6,421</b>	<b>6,587</b>

#### Notes:

(1) From 2013-14 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections are in accordance with the four year Integrated Planning and Reporting framework adopted by Council in June 2014 and the underpinning assumptions projected forward after 2016-17.

## Mosman Council

# Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
<b>Notional General Income Calculation <sup>(1)</sup></b>			
Last Year Notional General Income Yield	a	16,505	17,053
Plus or minus Adjustments <sup>(2)</sup>	b	(3)	39
<b>Notional General Income</b>	c	<b>16,502</b>	<b>17,092</b>
<b>Permissible Income Calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
or Rate peg percentage	e	3.40%	2.30%
or Crown land adjustment incl. rate peg percentage	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = c x d	-	-
or plus Rate peg amount	i = c x e	561	393
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
<b>sub-total</b>	k = (c+g+h+i+j)	<b>17,063</b>	<b>17,485</b>
plus (or minus) last year's Carry Forward Total	l	4	17
less Valuation Objections claimed in the previous year	m	(2)	(4)
<b>sub-total</b>	n = (l + m)	<b>2</b>	<b>13</b>
<b>Total Permissible income</b>	o = k + n	<b>17,065</b>	<b>17,497</b>
less Notional General Income Yield	p	17,053	17,498
<b>Catch-up or (excess) result</b>	q = o - p	<b>13</b>	<b>(1)</b>
plus Income lost due to valuation objections claimed <sup>(4)</sup>	r	4	1
less Unused catch-up <sup>(5)</sup>	s	-	-
<b>Carry forward to next year</b>	t = q + r - s	<b>17</b>	<b>0</b>

## Notes

- <sup>1</sup> 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.
- <sup>2</sup> 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.
- <sup>3</sup> The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- <sup>4</sup> 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.
- <sup>5</sup> 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.

**MOSMAN COUNCIL**

**SPECIAL SCHEDULE NO. 9**

**INDEPENDENT AUDITORS' REPORT**

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**REPORT ON SPECIAL SCHEDULE NO. 9**

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Mosman Council for the year ending 30 June 2015.

***Responsibility of Council for Special Schedule No. 9***

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditors' Responsibility***

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

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ABN 56 435 338 966



In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Audit Opinion***

In our opinion, Special Schedule No. 9 of Mosman Council for 2014/15 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

***Basis of Accounting***

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

**HILL ROGERS SPENCER STEER**



**BRETT HANGER**  
Partner

Dated at Sydney this 8th day of October 2014

# SECTION FOUR

## State of the Environment Summary Scorecard 2013-14

# STATE OF THE ENVIRONMENT

## Summary Scorecard 2013 - 2014



Biodiversity | Climate Change and Air Quality | Waste | Transport

Total Water Cycle | Planning, Built Environment and Heritage

Engagement and Education for Sustainability



## THE MOSMAN LOCAL GOVERNMENT AREA

Mosman is a harbourside suburb located on Sydney's lower North Shore. It is bordered by Middle Harbour, Sydney Harbour and Port Jackson. The Mosman Local Government Area (LGA) is approximately 8.7 square kilometres and is home to 29,983 people. The Council forms part of the Shore Regional Organisation of Councils (SHOROC), which also includes Manly, Warringah and Pittwater.

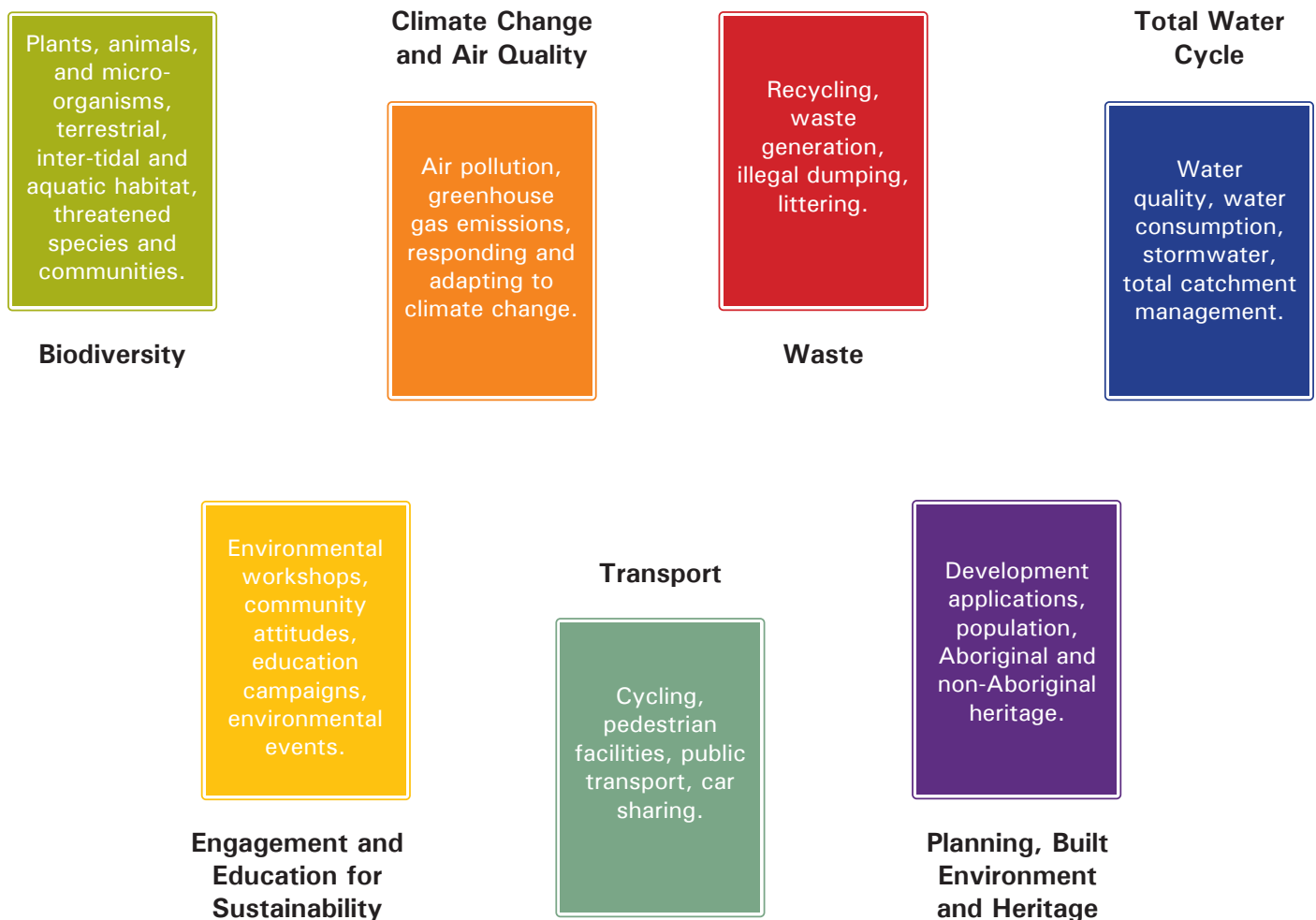
## STATE OF THE ENVIRONMENT REPORTING

A State of the Environment (SOE) Report provides a snapshot of the condition of the environment, pressures impacting on the environment and the Council's response to these pressures.

The 2013-2014 SOE takes the form of a "scorecard" providing a quick snapshot of the State of the Mosman local environment and examples of initiatives implemented by Council.

## KEY AREAS

This SOE focuses on seven key areas identified in MOSPLAN:



A number of indicators have been chosen to measure each key area. These indicators align with the goals and objectives of MOSPLAN and allow for changes in the environment to be measured over time.



## 1. CLIMATE CHANGE AND AIR QUALITY

AIR QUALITY	2010-11	2011-12	2012-13	2013-14	Change from previous year
Number of air pollution complaints received by Council	2	3	2	5	↑
ENERGY					
Electricity use Council operations (kWh)	2,769,062	1,741,663	1,737,180	1,618,761	↓
Council energy consumption (GJ)	7,168	6,711	6,976	6708	↓
GHG emissions from Council energy use (tonnes CO2-e)	1,847	1,733	1,566	1,454	↓
Total residential and non residential electricity use for Mosman (MWh)	153,336	146,393	140,685	133,344	↓
Solar generation exported to the grid (MWh)	213	470	546	599	↑

### RESPONDING TO CLIMATE CHANGE AND AIR QUALITY ISSUES – CASE STUDIES

#### LIGHTING UPGRADE

In May and June 2013 Council completed a lighting upgrade of the Mosman Library. Fluorescent lights were replaced with light-emitting diodes (LEDs) to help Council save money, energy and greenhouse gas emissions.

Prior to the upgrade the combined consumption of electricity for the Civic Centre and Library buildings was 74MWh per month. After the lighting retrofit, the monthly electricity usage for both buildings was 66.5MWh per month. This saving of 8.5MWh per month equates to 102 MWh annually, saving Council in the last financial year \$41,888.00. It is estimated that the lighting retrofit will save 108,000kg CO2-e emissions annually.

This retrofit was the last stage of the Civic Centre and Library building retrofit program.

#### WITNESS KING TIDES PROJECT

Council promoted the Witness King Tides project to the Mosman community encouraging residents to capture king tide events on camera across the Mosman LGA. These photos assist the Green Cross Australia project to create a photographic database of king tide levels and impacts across Australia. Together, these images build a picture of the potential threat posed by sea level rise across Australia and help track the future impact of climate change.





## 2. TOTAL WATER CYCLE

STORMWATER	2010-11	2011-12	2012-13	2013-14	Change from previous year
Number of gross pollutant traps (GPTs)	32	32	33	33	↔
Total gross pollutants removed from GPTs (tonnes)	300	332	406	197	↓
WATER CONSUMPTION					
Total LGA potable water use (kilolitres)	2,966,059	2,841,397	3,089,433	3,237,561	↑
Total LGA potable water use (kilolitres)	86	81	104	108	↑
Total Council potable water use (kilolitres)	44,662	46,489	69,583	82,072*	↑

\*water consumption has increased largely due to the stormwater harvesting system at Balmoral being offline due to mechanical failure. This issue has now been resolved.

## RESPONDING TO TOTAL WATER CYCLE MANAGEMENT ISSUES – CASE STUDIES

### MOSMAN FLOOD STUDY

Council is currently working on the Mosman Flood Study with the draft technical report under review. As part of the Stormwater Asset Management plan attributes (eg pipe size, location and depth) were assigned to all stormwater assets. The information on these attributes was collated and used for the Mosman Flood Study. The flood study model has been calibrated using 18 months worth of stream gauging data. Additional funding has been received from the Office of Environment and Heritage to undertake further works to improve the flood study model.

### MOSMAN COASTAL ZONE MANAGEMENT PLAN

The development of the Coastal Zone Management Plan was ongoing during the 2013-14 financial year. The Coastal Zone Management Plan will identify coastal hazards and include an assessment of community uses, public amenity values, accessibility and environmental issues to determine the best approach to managing Mosman's Coastal Zone.

### AMENITIES

Council's Water Efficiency Plan includes actions to reduce water consumption and utilise water more efficiently within Council managed properties.

In 2014, the remaining seven toilets within the Council Civic Centre were converted to a dual flush system. The installation of water efficiency measures aims to reduce Council's water consumption within one of its main buildings.



### 3. BIODIVERSITY

BIODIVERSITY CONDITION	2010-11	2011-12	2012-13	2013-14	Change from previous year
Noxious weed notices	0	0	0	0	↔
Noxious weed assessments undertaken	17	23	11	14	↑
Number of registered active bushcare volunteers	97	102	102	77	↓
Bushcare Program volunteer hours	2,677	2,800	2,511	1,895	↓
Number of active bushcare groups	23	17	14	14	↔
Total number of native plants supplied to volunteers, contractors and residents	9,000	8,500	8,430	8026	↓
Number of native plant species recorded in LGA	454	454	454	454	↔
Number of threatened flora species	3	3	3	3	↔
Number of threatened fauna species	4	4	4	4	↔
Number of endangered ecological communities	0*	0	0	0	↔
Number of endangered fauna populations	0	0	0	0	↔
Number of feral fauna species targeted through programs (eg. rabbits, foxes, cats)	1	1	1	1	↔

## **RESPONDING TO BIODIVERSITY ISSUES – CASE STUDIES**

### **MOSMAN BAY FALLS WATERSHED PROJECT**

Mosman Council received funding from the Greater Sydney Local Land Services to improve the Mosman Bay Falls watershed located in Reid Park and unmade Millet Road. The aim of project was to improve water quality and freshwater aquatic habitat within the watercourse. This was achieved by rock armouring 15 metres of the channel with sandstone boulders, improving riparian habitat and reducing impacts on the estuarine habitat of Mosman Bay. This project also included the removal of noxious and environmental weeds and the stabilisation of soil with jute matting and planting on an embankment upslope of the waterfall. The project has enhanced the biodiversity of the Sydney Sandstone Gully Forest and the riparian corridor which supports the habitat of the Powerful Owl.

### **LITTLE ASHTON RESTORATION PROJECT**

Little Ashton Park is a small reserve tucked in behind Taronga Zoo and contains two areas of degraded bushland. A small portion of this site has been maintained by a Mosman Council Bushcare group. The restoration project began in February 2013 with the aim of controlling noxious climbing and woody weeds in the better of the two bushland remnants.

With some grant funding support, the project scope was expanded to include the restoration of the second area to improve the connectivity across the site. These projects have been supported by National Tree Day activities for the last two years with assistance from Taronga Zoo. At the 2014 event approximately ninety people attended and planted 1781 shrubs and groundcovers across the site.

### **RAWSON PARK EMBANKMENT RESTORATION PROJECT**

The embankment at Rawson Park, above the croquet lawn courts, is a fill slope that was identified as being infested with weeds. In an effort to control weeds of national significance in the Mosman local government area, grant funding was secured from the Catchment Management Authority. This funding was utilised to control weeds on the slope and create a fauna corridor extending to Bradley's Bushland Reserve.

The slope has been cleared of lantana and phoenix palms, and the exotic vines morning glory and madeira vine have also been controlled. The area has been revegetated with 1500 native plants that will create a fauna corridor and improve the visual amenity of the site.

### **FAUNA MONITORING**

In recent years there has been evidence of bandicoot activity in the Mosman area. The return of bandicoots to the area is due to both local and regional efforts to preserve and enhance biodiversity through bushland restoration works.

Council acquired trail cameras to monitor fauna in Council reserves. The first goal of this project was to obtain a visual confirmation of bandicoot activity. Monitoring at Parriwi Park has provided a number of photographs of bandicoots within the reserve, which have been identified as the Long-nosed Bandicoot (*Perameles nasuta*). This is the first photographic evidence that confirms the presence of bandicoots in Mosman.







## 4. WASTE

WASTE	2010-11	2011-12	2012-13	2013-14	Change from previous year
Total waste to landfill, including general cleanup (tonnes)	6,382	6,195	6,455	6,596	↑
Total waste to recycling including paper, co-mingled, metal and green waste (tonnes)	5,559	5,613	5,450	5,243	↓
Total waste to landfill, including general cleanup per capita (kg)	218	211	219	220	↑
Total waste to recycling, including metal and green waste per capita (kg)	190	191	185	175	↓
Green waste diverted from landfill per capita (kg)	59	66	72	65	↓

### RESPONDING TO WASTE GENERATION ISSUES – CASE STUDIES

#### **READY SET GROW**

Ready Set Grow is a regional program being undertaken jointly by Hornsby, Warringah, Willoughby, Pittwater and Mosman Councils in partnership with Health Promotion, Northern Sydney Local Health District. The three year program aims to educate primary aged children on the importance of edible gardens. Apart from encouraging healthy eating, the gardens form an engaging space for children to learn about the basic principles of sustainability.

In Mosman, one school took part in the first year with an additional two schools signing on to participate. The schools started the program with a waste audit then progressed to setting up a worm farm or compost system. Once the food waste recycling system was established a no dig garden was created during a workshop with the school students. Materials from within the school were used where possible such as leaves, twigs, waste paper and compost to build the garden layers. In order for the students to understand the importance of microbial diversity a game was played to act as different types of microbes such as spring tails and scorpions. The game taught about the web of life and how ultimately this invisible world holds great significance to the food they eat.

In caring for their new garden the students learn the importance of energy from the sun and how a no dig garden is water efficient. School scraps composted become an important food for the plants and at the same time a valuable diversion from landfill. The efforts of the students will be rewarded at harvest time when new wonders are realised such as the taste of fresh food direct from the garden, beautiful flowers attracting butterflies and the seeds which allows the whole growing process to be renewed.

### **CHALK ART- MARINE DEBRIS**

Rudy Kistler in partnership with Mosman Council created a series of 3D chalk drawings along Balmoral esplanade, highlighting to passersby the need for greater action to reduce marine debris from entering our waterways.

The drawings were constructed in January (2014) in the summer school holidays. At this time of year local residents and visitors alike flock to the area to enjoy the beautiful surrounds. Rudy was photographed and happily spoke to people as they walked by. When not engaged in conversation or photos Rudy continued work on his drawings.

Particular emphasis was placed on cigarette butts, plastic waste and fishing tackle and the harmful impact these litter items have on wildlife. Tag lines such as 'Butt it and Bin it', and 'Reel it in and put it in the bin' accompanied each chalk drawing.

The Mosman Daily ran a half page story and Council received positive feedback from the community on the chalk art and the message being told.

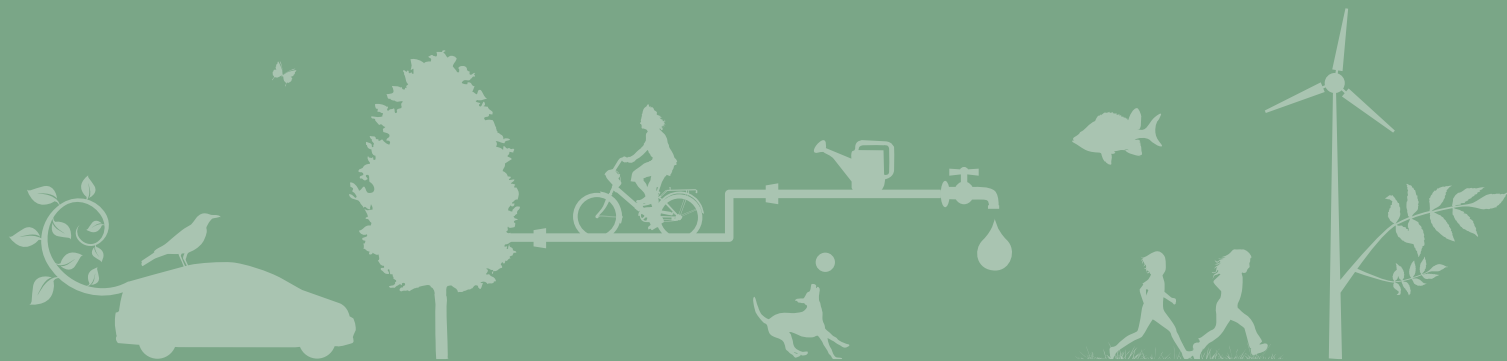
### **WHISPERS FROM WASTE WORKSHOP SERIES**

In 2013 Mosman Council partnered with Drum Beats to facilitate a series of workshops for primary schools, to engage young people in reusing clean waste materials. The aim was to show that waste regularly thrown into the bin, such as PET bottles, can be reinvented by making a simple percussion instrument. At the beginning of each workshop Angela Grimma and Peter Kennard from Drum Beats performed a piece of music using instruments made from a combination of car parts, plastic serving trays, old saucepans and plastic bins. These instruments produced an amazing sound and provided students with an idea of what can be achieved with imagination and waste items.

During the workshop the students learnt about rhythm before progressing to making musical instruments from waste materials. Popcorn in a sealed PET bottle for example made a good shaker and a discarded metal tray or plastic bucket was quickly converted into a drum. Once the instruments had been made the students were sorted into groups to create an orchestra, and by the end of the workshop were playing simple rhythms.

The schools have been encouraged to keep the program running, with Council hosting a separate workshop for teachers. Waste to music workshops will continue for other interested schools during 2014-15.





## 5. TRANSPORT

TRANSPORT	2010-11	2011-12	2012-13	2013-14	Change from previous year
Registered vehicles in Council LGA	18,247	18,203	18,871	19,261	↑
Number of Council fleet vehicles	29	25	24	22	↓
GHG emissions from Council fleet vehicles (tonnes CO2-e)	185	163	86	76*	↓
Number of passengers using the Mosman Rider Bus	45,000	49,053	46,325	42,172	↓
Number of people using the GoGet carshare scheme	177	330	505	768	↑

\*72.02t CO2-e was offset via Greenfleet.

### RESPONDING TO TRANSPORT ISSUES – CASE STUDIES

#### **COUNCIL BICYCLE PLAN**

Census data indicates cycling has been steadily increasing in Mosman since 2006. The Bicycle Plan is an important step in ensuring that Council's infrastructure supports resident cyclists, reducing risks to them and others. The Bicycle Plan review commenced in 2013-14.

The Active Transport Working Group (ATWG) conducted much of the background work including exploring ways in which the Bicycle Plan could be achieved at a low cost to Council, with no loss of parking and efficient use of the highly contested space in the streetscape. The process of developing the Bicycle Plan included:

- Reviewing best practice treatments for cycling infrastructure
- Surveying cyclists, residents and hosting a public meeting
- Evaluating accident data
- Adopting a set of consistent treatment guidelines
- Employing consultants to critically review the proposed network, develop detailed designs, costs and undertake a cost benefit analysis
- Prioritise the works for maximum impact with minimum cost

#### **BICYCLE WORKS**

Throughout the 2013-14 financial year bicycle lanes, on road markings and directional signage were completed at the following road locations:

- Moruben Road - between Mandalong Road and Awaba
- Bradley's Head Road - between Zoo entrance and Whiting Beach Road
- Parriwi Road
- Athol Wharf Road
- Bickell Road - Between Spit Road and Bapaume
- Killarney Street - Bullecourt Road and Wyong



## 6. PLANNING, BUILT ENVIRONMENT AND HERITAGE

POPULATION	2010-11	2011-12	2012-13	2013-14	Change from previous year
Estimated population of LGA – at 30 June	29,232	29,414	29,716	29,983	↑
Residential density (persons per hectare)	34.31	34.5	34.35	34.66	↑
NOISE					
General noise complaints received by Council	56	41	77	63	↓
Barking dog complaints received by Council	35	29	33	32	↓
DEVELOPMENT APPLICATIONS					
Total number of development applications received by Council	438	248	226	261	↑
Number of development applications approved	376	274	282	246	↓
ABORIGINAL HERITAGE					
Total number of Aboriginal heritage sites	105	105	105	105	↔
NON ABORIGINAL HERITAGE					
Total number of non-Aboriginal heritage items	478	485	485	485	↔
Number of built items*	437	444	444	444	↔
Number of landscape items*	34	34	34	34	↔
Number of archeological items	16	16	16	16	↔
Heritage conservation areas	11	13	13	13	↔

\*Some items in Mosman are classified as both built and landscape items, therefore the breakdown figures add up to a number greater than the total number of items.

## **RESPONDING TO PLANNING, BUILT ENVIRONMENT AND HERITAGE ISSUES – CASE STUDIES**

### **MOSMAN HERITAGE ASSISTANCE FUND**

The Mosman Heritage Fund was established in 1998 and offers small dollar for dollar grants for conservation work to owners of heritage items and properties located within heritage conservation areas. This year the Fund has assisted more projects than previous years with 17 projects completed in 2013-14 compared with 10 projects in 2012-13. Of these projects, eight were heritage items and nine were properties in heritage conservation areas.

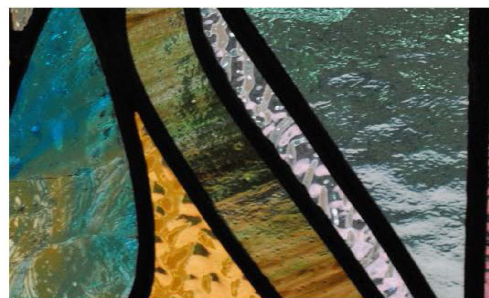
A variety of projects have been completed under the Fund this year such as roof repairs, replacement of fences, restoration of original features, repair work and repainting. These projects have all been completed to a high standard improving the heritage character and integrity of the property. The importance of the Fund was highlighted recently when Council received an award (highly commended) in recognition of the Fund at the 2014 Sustainable Cities Awards in the Cultural Heritage Category.

### **BUSHLAND AREAS ZONING REVIEW**

Following a resolution of Council on 3 December 2013, the Urban Planning team reviewed the zoning of unmade road bushland areas zoned RE1 Public Recreation with a view to preparing a planning proposal to rezone suitable land to E2 Environmental Conservation. This project is still ongoing.

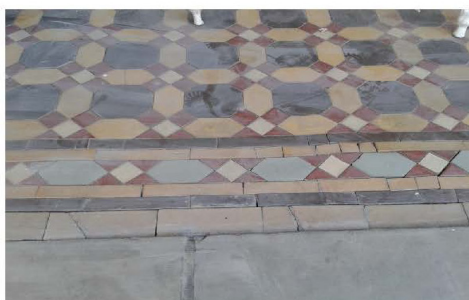


**Before**



**After**

Repair the damage to stain glass panel in front door (leadlight)



**Before**



**After**

Repair the tessellated tiles on front verandah





## 7. ENGAGEMENT AND EDUCATION FOR SUSTAINABILITY

EDUCATION	2010-11	2011-12	2012-13	2013-14	Change from previous year
Total number of environmental programs (workshops, events, surveys) delivered to the community.	24	20	63*	88*	↑
Total number of environmental programs (workshops, events, surveys) delivered to Council staff.	4	8	25*	27*	↑

\* Increase due to inclusion of marketing campaigns, newsletters.

### RESPONDING TO ENGAGEMENT AND EDUCATION FOR SUSTAINABILITY ISSUES – CASE STUDIES

#### CHRISTMAS GIFT WORKSHOP

As part of the lead up towards Christmas 2013, Mosman residents were invited to a workshop with Penelope Quinn. The workshop was designed to show people how to create simple gifts for Christmas that were fun to make, economical and environmentally friendly.

Residents gathered into two groups with one table moulding handmade bath bombs and the other dream catchers. Those crafting dream catchers incorporated odd pieces they had brought from home such as beads, old ribbons, buttons and doilies. Participants quickly moved into a creative space and there was much excitement and discussion as they worked.

The second group making bath bombs were amazed at how simple the process was and loved the essences that were provided to make their bath bombs more aromatic. Garden herbs and flowers were used to decorate the bath bombs.

Once finished the two groups swapped activities so that everyone went home with a dream catcher and a set of bath bombs. The response from this workshop was very positive.



## **PEDAL POWER CINEMA- FINDING NEMO**

As part of the Festival of Mosman a pedal power cinema was hosted to screen 'I will be a hummingbird' and Finding Nemo.

As the crowds gathered a 'Seahorse' and 'Pirate' spoke to children about the importance of not polluting our waterways. The catch phrase 'all drains lead to the ocean' taken from the movie Finding Nemo was incorporated into the discussions and featured in posters.

Three students from Queenwood distributed a brochure to the audience about the impacts of disposable cups, and spoke on stage about the importance of using reusable cups when purchasing take away hot drinks.

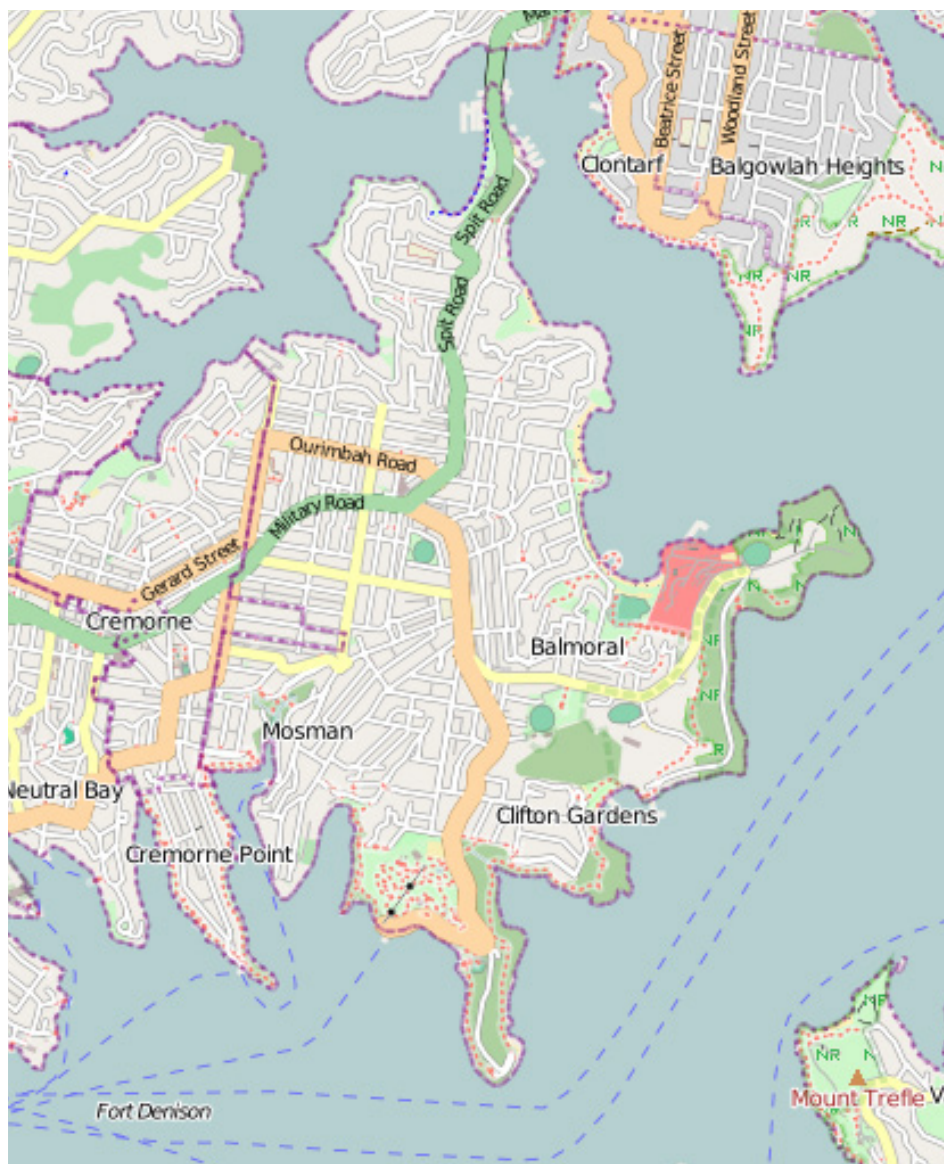
'I will be a hummingbird' narrated by Wangari Maathai was the first film to be screened. The short environmental story was about a group of African animals besieged by fire. All felt helpless except for the little humming bird who tried to put the fire out one small drop at a time. The moral being that it is better to do something no matter how small than to stand and do nothing.

Finding Nemo was then screened with up to 10 people peddling hard at one time to keep the film running. Riding the bikes was popular with the young audience and volunteer staff were kept very busy ensuring everyone had a turn.

The project required the joint cooperation of a number of departments within Council. Approximately 400 people attended with the public feedback being so positive that another pedal power cinema is in the planning phase for the next Festival of Mosman.

## **FUTURE DIRECTIONS**

Mosman Council is committed to protecting the environment and reducing its ecological footprint by identifying areas where improvements can be made and to formulate strategies to achieve better environmental outcomes in the future. Based on the data in this report, future programs will focus on reducing residential waste and increasing recycling, as well as reducing community and Council water consumption.



## FOR MORE INFORMATION

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