



20152016  
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 2015 to 30 June 2016 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 are 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 2016
- detail Council's State of the Environment Summary Scorecard 2015-16
- 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 eight 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 is also able to be compared with pre-existing Warringah and Pittwater LGAs, and the Sydney region as a whole.

## **ABOUT MOSMAN COUNCIL**

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Local Government in NSW 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 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, whilst the next report was due to be tabled at the Council meeting in August 2016. This has been deferred until the outcomes of the amalgamation process are known.

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, 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.

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

#### Healthy Environment

Program Coordination: Manager Environment and Open Space

#### 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 Engineering and Manager Environment and Open Space

#### 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 Engineering

#### 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.

## 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.

## 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 and achievements.

### **Governance and Risk**

Program Coordination: Manager Governance, Chief Financial Officer, Manager IT Services, Manager Compliance, Manager Engineering, 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.

## MAYOR AND COUNCILLORS

| Members of Council 2015-16   |                        |
|--|------------------------|
| <b>MAYOR</b>   | Peter William Abelson* |
| <b>DEPUTY MAYOR</b>  | Carolyn Ann Corrigan** |
| <b>COUNCILLORS</b>   | Roy David Bendall***   |
|  | Peter Simon Menzies    |
|  | Elizabeth Ann Moline   |
|  | Thomas Sherlock        |
|  | Peter Charles White    |
| * Councillor P W Abelson is Mosman's first popularly elected Mayor for the 2012-16 Council term. |                        |
| ** Councillor C A Corrigan was elected as Deputy Mayor for the term to September 2016.           |                        |
| *** Councillor R D Bendall was elected as Deputy Mayor for the previous term to September 2015.  |                        |

## COUNCILLOR ATTENDANCE AT MEETINGS AND WORKSHOPS

| Councillor      | Meetings / Workshops attended 2015-16 |                           |                                    |                                  |   |
|-----------------|---------------------------------------|---------------------------|------------------------------------|----------------------------------|---|
|                 | Ordinary<br>(13 held)                 | Extraordinary<br>(7 held) | Traffic<br>Committee *<br>(4 held) | Audit<br>Committee *<br>(5 held) | Workshops<br>(8 held)<br>Detailed below |
| Cr P W Abelson  | 13                                    | 6                         | -                                  | -                                | 8                                       |
| Cr R D Bendall  | 13                                    | 6                         | -                                  | 5                                | 8                                       |
| Cr C A Corrigan | 12                                    | 6                         | -                                  | -                                | 8                                       |
| Cr P S Menzies  | 13                                    | 7                         | -                                  | -                                | 8                                       |
| Cr E A Moline   | 12                                    | 7                         | -                                  | -                                | 6                                       |
| Cr T Sherlock   | 13                                    | 6                         | -                                  | 4                                | 8                                       |
| Cr P C White    | 13                                    | 6                         | 4                                  | -                                | 8                                       |

\* 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              |
|---|-------------------|
| Fit for the Future  | 22 September 2015 |
| Civic Centre Redevelopment                                | 29 September 2015 |
| Planning Review & Fit for the Future                      | 20 October 2015   |
| Civic Centre Redevelopment                                | 27 October 2015   |
| Civic Centre Redevelopment                                | 7 December 2015   |
| NSW Government Merger Proposal (Manly, Warringah)         | 25 January 2016   |
| NSW Government Merger Proposal (North Sydney, Willoughby) | 7 March 2016      |
| Budget - MOSPLAN  | 15 March 2016     |

“In a small republic, the public good is more strongly felt, better known and closer to the citizen”.  
Montesquieu, *The Spirit of the Laws*, 1748.  
Cr. Peter Abelson, Mayor

### Introduction

As I prepare this Mayoral Annual Report for 2015/16 it is impossible to do so without reflecting that this may be the last annual report in the 113 year's life and history of our Municipality of Mosman. As shown in our recently produced video, *Celebrate Mosman: Then and Now*, this is a truly rich history, a beautifully endowed and cared for environment and, above all, an active, caring and connected community.

As recent events around the world, the phenomenon of Donald Trump in the United States, Brexit in the UK, and indeed the weak support for the two major parties in the federal election in our own country, have shown, we live in an age where many people feel disconnected, we live in an age of anger and aggression, we live in an age where many people do not trust big government.

In his book *Disconnected*, Andrew Leigh (2010) explored the decline in community in Australia. Leigh found that, between the 1980s and the 2000s, Australians had fewer friends they could drop in on uninvited and fewer friends they could call on for help.

All of this indicates that the major challenges that we face today are social. We need to design empathetic responses. Most people want some empowerment over their own lives, their local services and their local environment.

Local councils are the embodiment of local community, of connectedness and of identity. Time and again our community, and others, have expressed their strong and heartfelt concerns that these critical needs for community, for connectedness and for identity will be greatly diminished by a move from a local council of some 30,000 people that they identify with to a remote council of over 150,000 persons.

Regrettably, the State Government seems oblivious to these fundamental human emotions and indeed to the core social challenges that we, and other societies, face today.

It is thus deeply saddening that the State Government proposes to destroy this community in the search for a mirage of financial savings.

On behalf of our community, I express the hope that, even at this eleventh hour, the State Government will recognise the extraordinary value of local communities and not proceed to put these values at risk by amalgamating us with other councils in a deeply unwanted merger.

I will return to this in my conclusion, but let me now tell you what your council has been doing over the past year focusing broadly on our three Directorates: social and cultural services, the natural and built environment and works, and finance and governance.

As always, in all three areas our aim has been to provide you, our community, on a day to day basis with efficient, courteous and inclusive services.

### Social and Cultural Services

Council runs extensive services for our residents of all ages: for the elderly, for families and children and for youth, and for people of any age with disabilities. We regard these services as a fundamental role of local councils.

## **Services for the Elderly**

Each week, our senior residents enjoy a wide array of local programs and services, including transport, Meals on Wheels, library books deliveries and weekly lunches and recreational outings. These are strongly supported by many volunteers.

Last year the Mosman Seniors Centre was refurbished with new furniture, paintwork and carpet and state-of-the-art audio visual equipment was installed in the Hall. This year, we have installed a fully accessible lift in the Seniors Centre. We thank the Commonwealth Government for funding 50% of the cost. We have also replaced the oldest community transport service bus with a new, fully accessible, community bus.

Services for carers have been augmented with the monthly Care Café which enables older people and their carers to socialise in a positive environment and provides support for carers.

I am pleased to report also that Council's Aged and Disability Services team has achieved accreditation for its Commonwealth funded services.

## **Family and Children's Services**

For young parents and their children, we run a long day occasional care facility adjacent to Allan Border Oval and a much in-demand before-and-after school hours' child care service in the Drill Hall close to Rawson Oval. To increase access to pre-school opportunities, Council has re-introduced a pre-school program to the Mosman Occasional Care Centre. The Out of School Hours program cares for up to 75 children on weekdays during school holidays and also before and after school during school term. The weekly Connections Playgroup provides a valuable socialisation opportunity for new families with young children.

## **Youth Services**

Over the last four years, this Council initiated a Youth Forum and has focused especially on Mosman Youth programs with a strong volunteer ethic. Youth Services and youth volunteers have produced an innovative blog accessed via [www.mosmanyouth.com.au](http://www.mosmanyouth.com.au) which provides a range of information about youth services and activities.

This year more than 55 young people contributed over 2,000 hours of time to the Mosman youth community by staging live music events, partnering with OzHarvest in a program that focuses on food nutrition and peer-to-peer education, advocating for environmental sustainability and providing a platform for the youth voice.

## **Services for People with a Disability**

Council and staff are committed to the development of a *Disability and Accessibility Action Plan* and have been working towards the Plan's release next year following extensive community and staff consultation. Council has recently mapped its functions, to identify ways to ensure its services and programs are inclusive and accessible for people with disability. Consultation will soon be held with people with disability, carers, family members, service providers and the community as a whole to seek their views. It is anticipated Council's Disability Inclusion Action Plan will be completed by early 2017.

Our Access and Mobility Community Consultative Committee provides regular input into plans and strategies that directly affect access for people with a disability.

The Saturday Youth Group operates once a month for young people aged 11-17 years. This is a low-support recreational group, offering a mix of in centre activities and excursions. Carer or parents may also attend. A Friday Night Group offers services to young people who are 18 years and over.

*Saturday Respite* provides support for older frail people and people with a disability with the principle aim of offering respite for their carers and families, and the Care Café provides an opportunity for older people and people with a disability to attend with their carer. People with a disability are also serviced through our other programmes such as Community Transport, Food Services and Social Support.

Council also offers an interesting and experiential day for local school students each year on International Day for People with a Disability.

## **Volunteering**

Volunteers play a large and critical role in supporting the health and wellbeing of our community. At June this year, 331 volunteers were actively assisting Council's adult programs.

New programs include a Cappuccino Club at the Seniors Centre and two bush care programs: Harbour Care and Native Havens. These programs provide opportunities to care for Mosman's foreshores as well as backyard habitats (described further below).

## **Community Development**

Regional work has continued during the year with Council contributions to the NSW Ageing Strategy, the Community Engagement Board managed by Family and Community Services, domestic violence initiatives, and ongoing assistance to the Mosman Community Connect Group that was established following the Mosman Community Forum last year.

## **Mosman Library**

The Library is a core social hub for the community. It provides a place for residents to study, read and engage with other members of the community. Over the past year, the Library experienced 295,000 visits and 325,000 items were borrowed.

The Library has offered a wide range of programs and activities. Over 35,000 people have attended various programs including Author Talks, Children's and Youth programs, Monday Matters, Technology Tuesdays, HSC Lock Ins and Local Studies talks.

During the year, the Library's Local Studies team also curated eight exhibitions, including *Mosman 1914 - 1918* (for History Week 2015), *Mosman Library: 70 Years in the Making* and *Faces in the Crowd* (for the NSW Heritage Festival 2016). The Library also digitised the Mosman First World War Honour Boards 1914 - 1918 using ANZAC Centenary Local Grant funds. *f*

This year the Library launched four new on-going programs: *Friday Flicks* (a film discussion group), *eXplore eBooks* (drop-in sessions), *Colour Between the Lines* (a monthly colouring-in group) and *Friday Fun for Kids* (a monthly after school program for children aged 9-12 years).

The Library also expanded the *eLibrary* service with a film streaming resource. This provides members with 24/7 access to popular documentaries and independent movies from Australia and around the world. And there was a significant increase in 'loans' of eBooks, eAudioBooks and eMagazines.

In addition, the Library's public access Internet and wi-fi facilities were upgraded and a new audio-visual system with a large TV screen was installed for use with regular film, technology and training programs.

## **Mosman Art Gallery / Community Hall**

Mosman Art Gallery has continued to deliver exceptional, innovative programming over the past year, staging an incredible 22 exhibitions including the regular highly regarded Mosman Art Prize and Mosman Youth Art Prize and the highly innovative exhibitions *Destination Sydney* and *An Unending Shadow*.

*Destination Sydney* was a blockbuster style exhibition developed and staged in partnership with the SH Ervin Gallery and Manly Art Gallery and Museum. The exhibition attracted 24,000 people in the summer months, normally the quietest time in the Gallery.

*An Unending Shadow*, by Mosman artists Ann and Sophie Cape, was developed to bring the issue of dementia to the public's attention. This was part of various art and health initiatives supported by Council, including partnerships with the NSW Department of Community Services, the development of the Picture of Health program for dementia patients and their carers, and a program of training Gallery guides in dementia awareness.

Over the year, over 92,000 people visited the Mosman Art Gallery and Community Centre. And the number of Friends of Mosman Art Gallery rose by 12% to a total of 446 people. The Gallery's education program reached over 2,500 children and young people during the year.

The Community Centre has continued to support the performing arts, providing a home for the Mosman Symphony Orchestra as well as a concert venue for over 30 musical groups including opera, choirs and ensemble groups.

As many will have observed, Council has created a new Sculpture Terrace in the forecourt of the Mosman Art Gallery, identifying the former church building as a significant cultural space. The Sculpture Terrace features installation of Aboriginal carved trees by Aboriginal artist Warwick Keen as well as significant sculptural pieces by noted Australian artists Ben Quilty, Anne Ferguson and Stephen Coburn. The area also includes a bush tucker garden with a range of native plants.

The Gallery has also organised an innovative fundraising program called Create! whereby donors contributed to each of the 24 carved trees by Warwick Keen. Under an agreement with the Federal Government, any funds raised by the Gallery will be matched by Creative Partnerships Australia.

During the year, Council and the Gallery received numerous awards for the Bungaree's Farm exhibition which was staged in 2015 and has since toured to Cairns, Adelaide and Darwin. In the 2015 MAGNA Awards (the highest award that can be given to an arts organisation in Australia), Mosman Art Gallery was named overall National Winner as well as receiving the 2015 MAGNA Indigenous Project Award. The Gallery has also been invited to present on Bungaree's Farm at the 2016 Best in Heritage Conference to be held in Croatia in September this year.

Arts NSW has recognised these achievements by granting the Gallery triennial funding in place of previous annual funding.

### **Mosman Art Collection**

In the past year, artworks to the value of \$222,050 have been donated to Mosman Art Gallery. I thank especially major donors: John Olsen (valuation \$115,000), the Goodnow Family (valuation \$34,800), Anh Do (valuation \$22,000) and Khaled Sabsabi (\$22,500). The value of the Mosman Art Collection now stands at \$5.13 million.

Recognising the value of the Mosman Art Collection donated specifically to the Mosman community, Council has established a charitable trust to retain all works in Mosman in the event of any future amalgamation.

### **Council Partnerships**

Council partnerships within Mosman, more broadly within Sydney and across NSW as well as internationally are an important contributor to our service and to our work more generally.

In 2015 Council again partnered with the Mosman Chamber of Commerce to run the RAPT Christmas Window Decorating Competition for local businesses and extended the competition to residential properties.

Council staff also manage the popular monthly Mosman Markets in Mosman Square.

Council is continuing to working with the Rotary Club of Mosman to build connections in various ways, including by a web-based hub, between local community groups.

Over the last year, Mosman has continued to work with the Sydney Harbour Federation Trust and the Mosman Football Club to provide floodlighting at Middle Head Oval.

Council is also working with Western Plains Zoo to deliver a special exhibition at the Art Gallery which will begin in October this year as part of Taronga Zoo's centenary celebrations.

Council is also funding an Aboriginal community tile project in Glen Innes, as part of our ongoing Friendship Agreement with Glen Innes Severn Council.

And Council, together with Mosman Rotary, continues to fund in a modest way the Girl-Child project in Mudanjiang in Northern China. This supports the education of young girls in Mosman's Chinese Friendship city.

### **Improving Council Engagement**

Throughout the year, our Communications team has worked to increase engagement with our community through regular information and consultation campaigns and by increasing social media uptake as well as expanding our digital offerings. These include launching Mosman Art Gallery's new website, the Mosman Events app and mobile website and generally improving existing websites to ensure they are mobile-friendly.

### **Celebrating our Community**

During the year, as usual, we celebrated our local community spirit through a series of public events, in particular the biennial Festival of Mosman which ran over two weeks in September 2015. This included the ever-popular Pet's Day Out and two new well attended outdoor cinema events on the Village Green next to the Civic Centre.

In June this year, Council held two very special events to celebrate our local heritage and the sense of community that makes Mosman a special community to live in. The first was a large cocktail event held at Mosman Art Gallery for the many volunteers and organisations that contribute to our community. The second was a special celebration dinner at the Sergeants Mess, Chowder Bay. At each event we enjoyed listening to several residents talking about their experiences living in Mosman and viewed a beautiful new 17-minute video produced by Council staff titled *Celebrate Mosman Then and Now*. In this video, we can learn and feel so much about our history, our environment, our culture and our community. The video can be downloaded from Council's website and a small number of DVDs remain available for sale.

### **The Natural and Built Environment and Works**

As I remarked 31 years ago, in opening my annual 1984-85 Annual Report, "We in Mosman are fortunate to have inherited a suburb with so rich a history and charm. It is our responsibility on Council to preserve what we have inherited, to repair what has fallen into disrepair and to make it possible for our community to enjoy the amenities that are now available in modern living, while preserving our environment."

### **Planning**

A key Council service is planning controls and development determinations. To protect the residential amenity of our community, in December 2014, Council effected significant changes to the Mosman LEP 2012 and Residential DCP. The amendments strengthened objectives within the LEP and reinforced fundamental controls for maximum wall height, maximum number of storeys and minimum landscaped

area for residential buildings which have defined the character of housing in Mosman for over two decades.

In the last year, Council finalised a Planning Agreement Policy to ensure that when developers seek to increase the development potential of their sites beyond standard guidelines, the community will receive a public benefit to capture any added value that might be afforded to the developer.

Council also prepared submissions to the State Government advocating Mosman's position in regard to proposed changes to planning policy relating to medium density housing and managing short-term holiday lettings as well as matters such as proposed developments at Taronga Zoo and on Middle Head.

Council has also made submissions on numerous other matters over the year with potential impacts for our community and local government. These matters include the proposed Exempt and Complying Development Codes SEPP, changes to the Impounding Act in relation to boat trailer parking, and proposed changes to planning policy relating to medium density housing and managing short-term holiday lettings.

### **Protection of Public Land**

An important theme of this Council has been protection of public land with Councillors taking responsibility for determining the use of public land (essentially a public interest determination rather than a technical planning decision). During this year, Council rejected a proposed major expansion of the Catalina Anchorage Marina from 3 to 17 berths as Council considered that this would have resulted in congestion and significant disadvantage for existing users of the area, especially for the Middle Harbour Skiff Club, such that private interests did not outweigh the public good nature of the water. This decision was upheld in the Land and Environment Court.

Just recently, Council refused the development application by Mosman Rowers Club to develop a new storage facility for kayaks on Harnett's Reserve. The Council acknowledged that some improvements could be made to existing boat storage on the Reserve. However, the proposal would have taken up a significant amount of land on the small but highly valued Reserve and have detracted greatly from the iconic view through to Mosman Bay and beyond on the Cremorne walk.

### **Protecting our Foreshores**

Protection of Mosman's significant foreshore slopes continues to be a priority for Council. Under the provisions of the General Housing Code, State planning policy allows new two storey houses to be built as complying development without a development application. However, due in large part to the persistent advocacy of our Planning staff, the State Government has agreed that, to ensure maintenance of both general scenic views and residents' amenity in our foreshore areas, development applications on the foreshores will continue to be subject to detailed Council assessment and approval at least up to November 2018.

### **Protecting our Bushland**

During this year, various amendments have been made to Mosman's local environmental plan (LEP). To ensure the continued protection and enhancement of bushland areas, several sites were rezoned to E2 Environmental Conservation. This strategy was strongly supported by the community and reflected community and Council working together to achieve improved planning outcomes.

### **Protecting our Heritage**

The conservation of Mosman's heritage has been strengthened with recent amendments to the listing of archaeological sites in Mosman LEP 2012. These sites - such as former tram infrastructure, wharves, bridges and other relics of early European settlement in Mosman during the 1800s and early 1900s - are now identified more clearly in the LEP reflecting new State planning requirements.

Our heritage gives us a sense of living history and provides a link to the lives of earlier generations. We have worked to ensure that our past will be protected for future generations. A review of the listing of former quarries in Avenue and Royalist Roads, and former tram infrastructure at the southern end of Avenue Road, affecting privately owned land is currently underway.

### **Improvements in Development Assessment**

Over the last year Council has continued to undertake improvements in the area of development assessment, with average determination times well down from four years ago. The Mosman Development Assessment Panel, chaired by the Hon. Justice Stein, adjudicated over 100 development applications on private land ranging from large mixed used proposals to residential additions. Improvements have also been made to our DA Tracker website to assist the community in accessing information on proposed developments in Mosman.

### **Civic Centre Redevelopment Options**

Over recent years Council has investigated options to improve community and civic facilities on the Civic Centre site at Spit Junction. This includes Mosman Square, the Council building, the Village Green, the adjacent car parking areas and Library Walk from Military Road through to the Library. This area has great potential for much improved civic facilities, underground parking, a vibrant outdoor community square, improved landscaping and the development in Library Walk at little or, even no, net cost to the community. Mosman Square could be an extraordinary and vibrant urban area of international standards instead of the ad hoc add-ons that now characterize the Square.

The significance of the site and the potential implications of development mean that detailed consideration of development options is necessary, including a comprehensive analysis of refurbishment versus redevelopment options for the Council building, a traffic study, site planning and design, project staging and financial analysis.

Council's vision for the site was exhibited in early 2015 and community feedback considered. During the last year, with professional architectural support we have undertaken more detailed consideration of development options for the site, including site planning and design, staging, traffic and financial analysis. Unfortunately, this high-value project had to be put on hold until the outcome of the Council amalgamations process is known.

### **Sporting Improvements**

Following the success of the Middle Head Oval floodlight installation, Council retrofitted its existing floodlights with automated timing devices that can be updated remotely by SMS. This will allow floodlight use to be matched to booking times and allow lights to be changed quickly during periods of wet weather improving energy efficiency and restricting unauthorised use of our well used sporting fields.

Council completed its annual playing surface restoration works, with additional capital works including the installation of retractable cricket nets at Allan Border Oval, new practice turf wickets, storage facilities at Balmoral and Allan Border Oval and the resurfacing of the Drill Hall Common outdoor netball courts.

### **Parks and Reserves Upgrades**

Several public garden upgrades were undertaken during the last year. These included the Bicentennial and Belmont Road roundabouts, Civic Centre, Memory Park and Balmoral Pavilion gardens. In some locations, gardens were built with design and plant selection provided by members of the Mosman Garden Club and plants were purchased where possible through the Friends of the Botanic Gardens Sydney.

Balmoral Oval, Rosherville Reserve, Sirius Cove Reserve and Reid Park have all received new gates, replacing the old slip rail gates. The upgrade has increased the amenity and life span of the gates whilst making access easier and safer.

Over the last year Council has improved turf surfaces at The Esplanade and Sirius Cove Reserves and planted over 160 advanced trees in parks and in street verges. The walking path at Balmoral Island was resurfaced. Works at Balmoral Island included the replacement of the grey gravel path with crushed sandstone making the path consistent with the natural environment. Works also included drainage improvements and the upgrade of steps.

### **Playground Renewal Works**

In May 2016, the upgrade of Balmoral playground was completed. Works included new playground equipment, new rubber matting, additional pathways, fencing and furniture. A new shade structure was installed at Memory Park to replace the shade previously provided by adjacent trees that were removed due to potential failure. Shade cloths were renewed at Clifton Gardens, Reid Park, Countess Park and Memorial Park playgrounds.

Over the year, Council also renewed play equipment at Reid Park and Sirius Cove playgrounds whilst Clifton Gardens received a new fence, and renewal of the Liberty swing, see-saw and climbing equipment. Bark and sand cushioning materials were assessed and renewed at all playgrounds where required.

### **Environmental Volunteer Programs**

As noted above, Council has established two new environmental volunteer programs to supplement the popular Bushcare Program. The Native Havens program, launched in February 2016 with guest speaker, Angus Stewart (ABC Gardening Australia Presenter, author and horticulturalist) will assist residents in providing backyard habitat for wildlife and to connect green corridors. Participating residents receive free advice, assistance in planning, limited free plants, onsite training, loan of tools and an information kit. Many Mosman residents have expressed an interest in participating.

Council has also established a HarbourCare program. HarbourCare, originally established by North Sydney, is a volunteer program in which locals collect rubbish from Mosman's foreshores and report the data back to Council. Council will provide volunteers with personal protective equipment (PPE) and assistance in rubbish collection if required.

### **Biodiversity Management**

In 2015/16 Council undertook a comprehensive biodiversity assessment of our bushland areas including unmade roads sites zoned E2 (Environmental Conservation). Key findings include 490 recorded indigenous native plant species (up from 454 from the 2006 survey), and identification of two, previously unlisted, threatened plant communities. An inventory of fauna habitat features has been created for each bushland area within Mosman, showing the species likely to occur and habitat niches that can be created for a site to improve biodiversity.

An audit of bushland contract sites during the year also found that native vegetation cover has increased across all sites from 53.7% in 2011 to 65.8% in 2016.

### **Visual Amenity and Signage**

Turning to visual amenity, we are fortunate to live in a naturally beautiful environment. But we often clutter up our roads and parks with a proliferation of clashing and ugly signage. Under this Council we have been actively working to reduce signage and improve their design.

During the year Council's Visual Amenity and Signage Committee oversaw further reduction in unnecessary signage with over 200 signs removed over the past year. Through its work this Committee has overseen the removal of over one thousand signs, and remains a work in progress. Unfortunately, Roads and Maritime Service (RMS) does not share our aim of sign reduction.

The Committee also oversaw development of a new design and branding for civic signage in Mosman. Pilot signage was rolled out in January. Progress on manufacture of the new signs has been slow, but the new signage is now being progressively installed in public places around Mosman.

Separately, fairy lights have been installed in the large tree in Mosman Square as well as other locations on Military Road and at Balmoral Rotunda to provide greater vibrancy in our public spaces and major thoroughfares after dark.

### **Building Improvements**

Over the past year, Council has completed improvement works at several civic and operational buildings and amenities. These include replacement of inefficient heating ventilation and air conditioning equipment in our Civic Centre, various improvements at the Drill Hall, and works in the Council owned Mosman Bowling Club.

At Balmoral, works were undertaken for the Balmoral Tram Shed amenities, Bathers Pavilion public amenities and the Balmoral disability toilet and change room.

### **Coastal and Marine Works**

During the year, Council completed a partial replacement of shark nets at both Balmoral and Clifton Gardens.

The March/April 2016 rough seas and storm surge caused significant erosion at Spit East. Beach replenishment with sand from the low water area was implemented as an interim measure to manage the erosion issues, with improvements also to the existing drainage outlets. Council and RMS jointly undertook further investigations and Council has now prepared concept designs to assist in the long term management of beach erosion in this area.

### **Pedestrian Safety**

With funding assistance from RMS, a capital works program was implemented to improve pedestrian safety in Mosman. Works included the construction of pedestrian crossings at Upper Almora Street and Gouldsbury Street together with streetscape improvements near these crossings.

Council also continued implementation of the Bicycle Plan 2013-2018. Council has now completed 80% of the identified works and is one year ahead of schedule.

### **Parking Improvements**

Parking management is essential to allow access to shops and to manage turnover in our congested public streets. During this year, following extensive consultation, Council has implemented new parking technologies designed to improve the efficiency of parking in Mosman.

This strategy includes the installation of parking sensors and accompanying signage at Bridgepoint and Vista Street car parks (together with overhead guidance indicators), as well as at Mosman Square and Raglan Street East and West car parks. It also includes the marking up of parking spots and the installation of in-ground sensors in Military Road and surrounding streets. In the first instance, this is designed both to facilitate parking and to provide an efficient database on parking usage.

A new parking guidance app called SmartApp is scheduled to go live in August, providing motorists with remote access to information on parking availability across the area.

### **Road and Footpath Improvements**

During the year Council completed 4 km of road surfacing works including challenging roads such as The Esplanade, Waitovu Street, Gurrigal Street.

Council also completed renewal works for about 3 km of footpaths including Belmont Road, Gouldsbury Street, Keston Avenue, Archer Street, Harbour Street and Gladstone Avenue.

Council also assessed 102 Vehicular Crossing Applications, 91 Road Opening permits and 43 Applications for Works on Council Property and Stormwater Connections.

## **Managing Waste**

The Council program to reduce waste generation continues. The variable domestic waste charge based on size of waste bin has provided a significant incentive to reduce waste bin size below the 240L general waste service. Currently 92% of residents are using a 120L general waste bin or smaller.

Council also provides E-waste drop-off collections for residents twice a year in the Civic Centre car park, in partnership with the National Television and Computer Recycling Scheme. Under this scheme the industry partners cover the costs of recycling of the collected products. Over 600 residents used the most recent event which involved recycling 30 tonnes of E-waste.

## **Improved Results for Street and Gutter Cleaning**

Council's current Street and Gutter Cleaning Contract has demonstrated its effectiveness in removing leaves from the streets, with a 41% increase in the quantity of leaf material collected using the new equipment supplied as part of the contract.

## **Finance and Governance**

### **Financial Management**

Council has a strong financial position in terms of our operating balance, our key financial ratios and our net assets. For 2014-15, our Council had an audited operating surplus, before capital grants and contributions, of \$2.95m. This was an extraordinary turnaround from the inherited operating deficit of \$2.98m in 2011-12.

This year Council has incurred significant expenses with meeting the State Government's merger process requirements and in appealing against what we perceive to be a minimalist and biased process. Nevertheless, it is anticipated that Council will achieve a small operating surplus in 2015/16.

Following approval of Council's Special Rate Variation, effectively a 5.6% increase in rates after allowing for inflation, Council reviewed our 10-year Financial Plan 2016-2026. This Plan incorporates a low annual \$400,000 borrowing program and a one-off \$2.0m loan to reduce the small asset backlog. Council projects small ongoing budget surpluses within on-going rate pegs. In summary, Council is fully sustainable on the basis of the State Government's preferred financial ratios.

Council has also been upgrading its technical management systems with the introduction and active use of the financial reporting tool PowerBudget, to analyse how funds are budgeted and expended, and the asset management system AssetFinda, which will facilitate improved financial management of projects.

### **Employee Engagement and Work Health and Safety**

Council's employees continue to provide positive feedback in the annual staff engagement survey, with the overall response rate of 82% in 2015. A high proportion of staff reported strong pro-active engagement in their work with Council.

I am pleased to report that Council has maintained its excellent record in relation to Workers Compensation and has received significant financial benefits in the form of premium rebates and reduced premiums. It was reported late last year that during 2014/15 Mosman Council was StateCover's (Council's Workers Compensation Insurer) best performing Council in NSW.

## **Customer Services**

Council has reviewed the operations of its Customer Service team to provide greater focus on service delivery and business efficiencies. Important features have been the re-design of the Customer Service foyer to create a warmer, more inviting space, introduction of a Q Flow ticketing system, as well as a new telephone contact centre and upgraded telephone system.

The introduction of the Q Flow enables customers to nominate the purpose of their visit for more efficient response to their enquiry. Council is now able to capture accurate data on the number of enquiries being handled, the type of enquiries, service time for each enquiry and the waiting time. This information assists in identifying business improvements to further improve services.

The major upgrade to the VOIP telephone system has enabled better data being captured across Council to identify where efficiencies and improvements in phone call handing to our customers can be achieved.

Behind the scenes, and in addition to the above there have been some significant technology upgrades to improve productivity and services. These include: fibre links to the Civic Centre and Library sites to upgrade the internet performance and prepare for future NBN services; major upgrades to the Financial and Document Management applications; implementation of a point of sales and inventory system for the Mosman Art Gallery; and a major upgrade of Council's server and desktop security software.

## **Managing Compliance**

Enforcing legislation and other local policies is a challenging task. An early action of this Council was to set up a separate compliance section under a Compliance Manager. A particularly challenging area is in developments where private certifiers have formal responsibility for signing off on building compliance but where Council also has a responsibility to the community to ensure compliance.

This year Council's Compliance team has been managing an increase in applications for swimming pool compliance certificates following amendments to swimming pool legislation in April 2016. Between April and June, Council received 91 such applications. This had a substantial impact on current resourcing. System improvements have been made to ensure the applications are being dealt with as quickly as possible.

As the face of compliance, our Rangers have a difficult job to do. I am pleased to report that over the past year Council has received an increase in compliments relating to compliance staff behaviour and exceptional customer service. A recent compliance initiative was a School Zone Blitz in early 2016, involving rangers and parking officers educating and enforcing school safety, resulting in favourable feedback from school Principals.

## **Service Partnerships**

It should also be mentioned that some important services are provided jointly with a variety of other councils. These include various procurement and waste services with SHOROC (then the Northern Beaches councils and ourselves), and the Shorelink library services and internal audit, which are services shared with various councils.

## **Mosman's Future**

Over the past year Council has been heavily engaged in advocating for Mosman's independence in the face of the State Government's determination to forcibly amalgamate councils. In June 2015, Council made a detailed and lengthy submission to the Independent Pricing and Regulatory Tribunal (IPART) demonstrating our capacity (or 'fitness') to deliver high quality, sustainable services for the Mosman community well in to the future. Regrettably, IPART entirely ignored these arguments. It declared that Mosman, like every other Council east of Parramatta except Sutherland, is 'unfit for the future' solely on

the arbitrary criterion of “scale”, that councils should contain some 200,000 population or more, imposed by the State Government which IPART simply accepted.

Following the IPART report, in October 2015 the NSW Government asked councils to provide their own merger proposals in a 50-word response. Our response was as follows;

*Forced amalgamation is opposed. At the 2012 Election 81% of voters opposed amalgamation. In recent polling only 23% of residents supported merger with North Sydney, 17% with Manly and 7% the Government's six council model. Surveys show opposition to amalgamation increases significantly the more councils involved in a proposed amalgamation.*

In December 2015, the NSW Government announced that it intended to merge Mosman with Manly and the southern half of Warringah and it formalized this proposal publicly on 4 January 2016. However, following strong opposition to this proposal from Warringah as well as Mosman, on 25 February 2016 the NSW Government announced a new proposal to amalgamate Mosman, North Sydney and Willoughby.

Notwithstanding demonstrated public polling opposition to such a merger, Council's lengthy and excellent response arguing against this proposal, and the large numbers of public submissions against the proposal (some 95% of submissions opposed the proposal), the State Government's Delegate reported to the NSW Government that he could see no major objection to the Government's proposal. By any standards, this was an extraordinary conclusion from the evidence provided.

Mosman and North Sydney Councils have commenced legal proceedings against the process.

### **Acknowledgement and Thanks**

Council work is a team effort with numerous contributors, including councillors, staff and members of our community. I thank especially the Deputy Mayor, Cr Carolyn Corrigan, for her assistance throughout the year. Cr Carolyn Corrigan is also our leading Councillor on social issues and has played a key role in our Youth Forum and the Access and Mobility Committee. I thank Cr Roy Bendall for his work on the Audit Committee and Expenditure Review Committee and for his major contributions as a lawyer in providing input to our legal case against the merger process. Cr Tom Sherlock has been invaluable for his expertise and time on planning issues, waste practices, Audit Committee and active transport. I thank Cr Libby Moline for her work on the Shorelink Library Committee, the Friendship Cities Committee, Arts and Culture Committee and Visual Amenity Committee. Cr Peter White has the onerous role of Chair of the Traffic Committee and is a member of the Arts and Culture Committee and the Mosman Public Art Trust. And I thank Cr Simon Menzies for his work on the Access and Mobility Committee and Friendship Cities Committee.

Council is very fortunate with both our senior officers and with our staff throughout the organisation. Our General Manager, Veronica Lee (who leaves at the end of this week) has been very hard working, provided timely and well-informed advice to me and all councillors, and provided respected leadership to the staff under stressful circumstances. We are also exceptionally fortunate in our three Directors, Max Glyde (Corporate Services), Di Lawrence (Community Development) and Craig Covich (Environment and Planning). The services they give to the Councillors and to the public are exemplary.

The General Manager and Directors are ably supported by a range of specialist managers. They are all experts in their field and work very hard to meet the needs of our community. In many ways local government is a 24/7 business and our Managers are highly conscientious in support of the many after-hours community events and activities.

I acknowledge especially the expertise and work of two managers that I am especially familiar with. John Cheeseman manages our extraordinary award-winning Art Gallery. Niki Atmore manages with great efficiency and empathy our many valuable services to our children, our youth, and our many senior residents. I know that both would, in turn, acknowledge the great support they get from Directors and other Managers and especially from their own staff.

I must give a special mention to Council's Caretaker, Neal Garrett, who has served Council for 37 years. Neal has accumulated a wealth of knowledge about our community, is a highly -regarded member of staff and is always available, working quietly, courteously and efficiently behind the scenes in ensuring that Council meetings and numerous and various other events of Council run smoothly. Thank you Neal.

I also wish to thank especially Jeannie Moran-Fahey who has been my Executive Assistant (along with her role as EA to the General Manager) for the last two years when she took over the role(s). Jeannie is sensitive to both public and staff feelings, has an abundance of common sense in responding to these feelings and is extraordinarily reliable. Jeannie has provided invaluable assistance to me in my work as Mayor over these two years. Thank you, Jeannie.

I thank also the many members of our community who support our committees or who provide voluntary services with Council in so many different ways. Volunteers play a critical role in providing community services, both through councils and also outside it. Our community benefits greatly from your generous gift of time, in many cases from your professionalism, and in all cases for your kindness and contributions. Thank you, Volunteers.

I also wish to acknowledge and thank my wife, Jeanne, who has been fully supportive of the time I have been involved with Council work. Thank you, Jeanne.

## **In Conclusion**

In his classic, best-selling, book, *Bowling Alone*, Robert Putnam (2000) showed that while Americans have grown more affluent, their sense of community has withered. Many cities and traditional suburbs have become anonymous places where people sleep and work and do little else.

Fortunately, this has not yet happened in Mosman or, indeed, in many other communities across the fortunate nation in which we live. In *The Art of Belonging*, Hugh Mackay, one of our leading social analysts, wrote: "We rely on communities to support and sustain us and, if those communities are to survive and prosper we must engage with them and nurture them". Yes, indeed.

It is devoutly to be hoped that the State Government will yet come to appreciate the enormous benefits of small, self-helping, vibrant communities and work to achieve its aims collaboratively without destroying local communities and local democracy.

Thirty-one years ago, I ended my 1984-85 Mayoral Report with a quote from Benjamin Disraeli: "All power is a trust...and we are accountable for its exercise."

It is a privilege to be a Councillor on any council. We in Mosman are also fortunate to live in an especially beautiful area. With this fortune, we have a responsibility to preserve and enhance our built and natural environment, both for our residents and for those who reside elsewhere, both for current and for future generations.

As Mayor, it has been my aim over the past four years to provide our community with an inclusive, friendly and professional service and to build a supportive, tolerant and creative community that will enhance the lives of all who live within our community. I am pleased to say that this has also been the aim of all my fellow Councillors and Council staff. I hope that, over these years, we have kept the trust that you, our community, put in us.

## **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, communication, 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 Customer Service, Governance, Financial Services, Information Technology Services and Human Resources branches. 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
- regulatory and compliance activities conducted by Ranger services
- 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 Program**

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## **1. REPORT ON PROGRESS AGAINST DELIVERY PROGRAM 2015-16**

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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.

# MOSPLAN Delivery Program and Operational Plan

2015-16

## PROGRESS LEGEND

-  Completed
-  Progressing
-  Not Progressing

# Social

## Community Wellbeing

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
| 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>                                     | This year has seen a continuation of support for the Community Connections initiative in addition to preparation for changes in funding environments for Aged and Disability Services. Work on the development of the Disability Inclusion Action Plan was begun.   |    |
|   | Undertake impact focused integrated social planning based on research and contemporary social planning principles   | The focus this year has been more on implementing than undertaking social research. Nevertheless, the Community Services team has expanded on the Community Services framework by developing individual, outcome focussed business plans, measurement and performance indicators for its services. These will position the team well for future activities and service provision.   |    |
|   | Initiate and support community sector development for Mosman  | Further support has been provided to the Mosman Connects working group. A social media strategy has been put into place and further meetings are planned. The annual Aged and Disability Service Providers get together was well attended, and Children's Services continues to run a forum for all childcare providers in the area. Applications for community grants were received from a number of organisations that had not previously sought funding. |   |
|   | Develop a Disability Action Plan  | This Plan must be completed by the end of June 2017. Work is well underway.   |  |
| 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</li> </ul> | Active participation has occurred at the State Government level with membership of the Community Engagement Board, regionally through interagency forums and submissions have been made on policy changes at the Commonwealth and State level.  |  |

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
|   | services  |   |   |
|   | Monitor the progress of the Northern Sydney Local Health District Disability Action Plan  | Council has begun work on the development of its Disability Inclusion Action Plan.  |    |
|   | Participate where possible in the development of Commonwealth plans for service delivery to ageing communities  | Mosman Council has participated consistently throughout the year through submissions and attendance at workshops. Our Aged Services received accreditation from the Commonwealth Aged Care Quality Agency, and all contracts for service delivery have been renewed or extended. Changes introduced by the Commonwealth continue to be implemented. |    |
|   | Contribute to the development and implementation of the NSW Government Regional Youth Strategy  | This strategy has now been placed under the auspice of the Office of the Advocate for Children and Young People. Council Youth Services staff will continue to monitor it.  |    |
|   | Contribute to the development and implementation of the NSW Government Regional Ageing Strategy   | Mosman Council has been a key player in this regional process and will continue to monitor its implementation.  |    |
| 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>• After School Activities</li> <li>• Parenting Education</li> <li>• Saturday Youth Group</li> <li>• Mosman Care Café</li> <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 Community Consultative Committee</li> </ul> | Excellent levels of and results with service provision have been achieved during the year.  |  |

| Strategy  | Action   | Comment   | Progress  |
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|   | Friday nights for Young People with a Disability   |   |   |
|   | Prepare and award the tender for Food Services   | The tender has been awarded and contract management arrangements are ensuring that it is effective.   |    |
| 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 Health District Projects</li> <li>• Family Support Projects</li> <li>• Living with Memory Loss Program</li> <li>• Lifeline Support Programs</li> </ul> | Partnerships continue to be strengthened particularly as new opportunities present themselves. Operation of the English Conversation Classes has been renegotiated and is now run through Settlement Services. Youth Services continues to support projects relating to issues identified by young people such as mental health, drugs and alcohol.   |    |
|   | 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   | New English Conversation Classes have been established and are well patronised. Training has been provided for staff to develop cultural awareness and to improve Council's customer service for all its residents.   |    |
|   | Seek and support regional partnerships to improve community awareness and appreciation of Aboriginal cultural heritage and service delivery for Aboriginal community members   | To support the purchase and installation of Country, a major series of Aboriginal carved trees with contemporary Aboriginal designs by artist Warwick Keen, Council conducted a funding campaign called CREATE!. This resulted in twenty-four individuals from the community sponsoring a carved tree at \$2,000 per tree. This project provides a permanent public art work that marks the importance of the area for Aboriginal people and that celebrates their continuing connection to Mosman. The work has been inspired by the dendroglyphs or carved trees that were part of the traditional art and culture of the Aboriginal people of New South Wales. Country was developed as part of the Bungaree: the First Australian exhibition in 2012 and was included as a feature in Bungaree's Farm exhibition in 2015. Bungaree's Farm was the recipient of the Museum and Galleries Australia National Award in 2015. |  |
|   | Improve capacity to support community based organisations and initiatives in Mosman  | A focus of the year has been on initiatives relating to domestic violence. Council has run a workshop with community organisations  |  |

| Strategy   | Action   | Comment   | Progress  |
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|  |  | and service providers and funded training for non-domestic violence sector workers to improve their awareness of how to work with victims. Staff also participated on the Community Engagement Board which represents NSW State Agencies.   |   |
| 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>   | The refurbishment of the Youth and Seniors' centres has been enhanced by the installation of an accessible lift in the Seniors' Centre. New exercise groups have been introduced as well as opportunities for social interaction and learning. Resident satisfaction with the facilities is high.   |    |
|  | Seek funding to maintain a welcoming ambience in Community Services facilities   | A fully accessible lift has been installed. This enhances the access to the space in the lounge and the hall.   |    |
| 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> <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> | Opportunities for residents to engage and connect have been strengthened during the year with the further development of the Carer Cafe. In addition Mosman Council Youth Services staff were instrumental in increasing the number of Councils participating in the Shorefest music festival so that it has become a more truly regional event for young people. |    |
|  | Review volunteering coordination to enhance provision of opportunities for volunteering in the community   | Actions from the review of volunteering services conducted during the year are in the process of being implemented. New software has been purchased to improve the operation of the service and to provide volunteers and volunteer coordinators with better service and access to information.   |  |

| Strategy | Action   | Comment  | Progress  |
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|          | Develop and implement strategies and initiatives that facilitate community connections | During the year services have been expanded to provide more opportunities for connection. Volunteer opportunities have been increased, with young people in particular helping to develop the choices open to them. All centres have undergone refurbishment and residents are expressing satisfaction with the new looks. The Saturday Youth Group for young people with a disability has been reviewed and is now attracting a regular cohort of young people. |  |

## Library and Information

| Strategy   | Action   | Comment   | Progress  |
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| 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>   | <p>The annual User Survey was conducted in July 2015 in the Library and online on Council's website with a satisfaction rate of 99% with the services provided by staff.</p> <p>Marketing and promotion of the Library continued throughout the year with extra emphasis on social media including Instagram and Facebook as promotional channels.</p>  |    |
|  | Implement the new design for the Level 2 Library Entry Foyer including the Customer Service Desk to improve customer service and accommodate RFID technology   | This project was completed in 2015 with all new infrastructure operational.   |   |
| 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> </ul> | <p>In December 2015 the Library celebrated its 70th anniversary . To celebrate this event the Library held a special Library 70th Birthday Party for children and a Trivia Night for adults. The Local Studies section also curated two exhibitions to celebrate this significant anniversary: '70 years in the making - a historic look at the Mosman Library Service' and 'Party Like it's 1945' - birthday photographs taken in Mosman over the last 70 years.</p> <p>Other highlights for the year were the introduction of four new regular programs. For adults a monthly colouring-in group was started called Colour Between the Lines in September 2015, Friday Flicks- a monthly documentary film discussion group was started in</p> |  |

| Strategy   | Action  | Comment   | Progress  |
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|  | <ul style="list-style-type: none"> <li>• Services and resources that support school curricula and local students</li> <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>   | <p>May 2016 and Explore e-books a monthly drop-in session to help users access the Library's e-Resources commenced in March 2016. The Children's Library introduced a regular monthly activity called Friday Fun for children aged 9 to 12 years held on the first Friday of the month.</p>   |   |
|  | <p>Evaluate effectiveness of new Customer Service Delivery Model</p>  | <p>The new style of Customer Service Delivery was introduced in April 2015 with the redesign of the Foyer which included a new Customer Service Desk and the introduction of RFID Returns. Staff now are able to offer concierge style service and to "rove" throughout the Library offering assistance. In the latest user survey the satisfaction rate by library users with the service they received from staff was at a high 98%.</p>  |    |
| <p>Develop and manage resources which cater for the information, life-long learning and leisure needs of the community</p> | <ul style="list-style-type: none"> <li>• Maintain, develop and evaluate the collection</li> <li>• Provide print, audiovisual and electronic resources</li> <li>• Review Resources Selection Guidelines</li> <li>• Improve literacy resources</li> <li>• Analyse customer feedback to ensure that resources meet community needs</li> <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>During 2015-2016 11,000 items were added to the collection. Collection review is ongoing, and incorporates user suggestions and feedback. The annual Library User survey conducted in July 2015 indicated a high level of satisfaction with the collection (95%). The 'Technology Tuesdays' program provided training for seniors in the use of a wide range of online resources and the recently introduced 'eXplore eBooks' sessions provide individual assistance to customers with downloading eResources. Key staff participated in Cumulus system training.</p> <p>The Library commenced a subscription to a film streaming service, 'Beamafilm', in December 2015. 'Beamafilm' provides library members with 24/7 access to more than 250 films, including popular documentaries and independent movies from Australia and around the world. This resource is also used for the Library's monthly 'Friday Flicks' sessions.</p> <p>The Library's telecommunications infrastructure was upgraded with the installation of an additional ADSL2+ line in July 2015. This has</p> |  |

| Strategy  | Action  | Comment  | Progress  |
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|   |   | <p>delivered improved response times and increased capacity to Internet and wi-fi services.</p> <p>An audio-visual system with a large screen was installed in the Library meeting room for use with regular film, technology and training programs.</p>   |   |
|   | <p>Develop downloadable digital resources (eAudio books and eBooks), in response to changing technology and customer needs</p>  | <p>The collection was expanded in 2015-2016 with additional Shorelink Library Network funds being allocated to purchase new titles. Users appreciated the increased range of available titles, with 'loans' of this material increasing by 89% over the previous year. An additional eResource subscription to 'ComicsPlus' (digital graphic novels and comics for all ages) commenced in May 2016. The 'eXplore eBooks' monthly drop-in sessions were launched in May 2016 to provide individual assistance to customers with use of their devices and downloading of titles.</p> |    |
|   | <p>Improve collection management through implementation of RFID Project</p>   | <p>Implementation of automated RFID returns in 2015 has improved collection management by separating returns processing from customer service functions. Stocktake of the collection has commenced using an RFID enabled device.</p>   |    |
|   | <p>Review efficiency and effectiveness of the RFID system</p>   | <p>The RFID system is operating effectively and the automated returns system has had a positive response from customers. Workflows have been reviewed and fine-tuned over the past year to ensure optimum efficiency. 71% of loans are done via the self-checkout kiosks and 98% of respondents to the Library's annual User Survey indicated that they are satisfied with this service. The self-checkout software was upgraded in May 2016 to improve the user interface and enable promotion of Library events.</p>   |   |
| <p>Maintain key external partnerships including the Shorelink Library Network</p> | <p>Shorelink Library Network:</p> <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> | <p>Shorelink's Annual Report highlights the wide range of activities provided by the member libraries, and the annual review of ShorePlan (Shorelink's strategic plan) details progress against the Network's key objectives and targets and confirms Shorelink's value to member Councils. The libraries cooperate across many areas including the library management system and Internet/communications network contracts, the daily courier service, shared eResources and staff development and training.</p>  |  |

| Strategy   | Action   | Comment  | Progress  |
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|  | <ul style="list-style-type: none"> <li>• Participate in professional networks including NSW 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>  | <p>The Manager Library Services attended meetings of the New South Wales Public Libraries Association.</p> <p>The School Principals Liaison Group met once per term facilitated by the Manager Library Services.</p>   |    |
|  | <p>Review efficiency and effectiveness of the Aurora Library Management System</p>   | <p>The Aurora system continues to meet the expectations of the Shorelink libraries and its performance is considered to be satisfactory. A comprehensive evaluation of all modules of the Aurora Library Management System was completed in 2015, pending expiry of the contract with AIT in June 2016. In June 2016 the Shorelink Committee approved the Network entering into a 1 year contract with AIT for 2016-2017, with the option of a 1 year extension for 2017-2018. This provides more flexibility as the Network may need to investigate going to tender for a library management system when the outcomes of the local government reform process are known.</p> |    |
| <p>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</p> | <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> | <p>A total of 14 exhibitions were held in 2015/16. This included 4 major exhibitions 'Faces in the Crowd' for the 2016 Heritage Festival, 'Mosman 1914-18' for History Week in September 2015 and 'Mosman Library-70 years in the making' and Party Like it's 1945 for the Library's 70th Birthday in December 2015.</p> <p>The Library's online projects continued to develop with more content created and uploaded. Mosman Memories of Your Street received 83 submissions and the interviews and filming for the next Mosman Faces film on Leahy's Real Estate, the longest running business in Mosman, were completed.</p>  |  |
|  | <p>Build on Great War Project: program of seminars, workshops</p>  | <p>A special Anzac Day Blog on Mosman Residents who were war artists in the First World War was posted on the Doing our Bit website along with a post on Anzac Day in Gallipoli. Two other major blog posts were added on Major General Bridges and Flying Ace Bill Taylor.</p>  |  |

| Strategy  | Action  | Comment   | Progress  |
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|   |   | Robert Holden gave a talk on his book "And the Band Played on: How music lifted the Anzac Spirit in the Battlefields on the First World War" in July 2015.  |   |
|   | Commemorate the centenary of the Great War 1914-1918  | A exhibition entitled "Mosman 1914-18" was held in History Week September 2015.   |    |
|   | Develop and promote Trace Mosman Digital Archive  | 248 images have been researched, catalogued and added to TRACE.   |    |
| Communication through a range of media, enabling the community to be well informed, engaged, and actively participating in community life | <ul style="list-style-type: none"> <li>• Maintenance and improvement of website functionality and efficiency</li> <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</li> <li>• Digital talks and workshops to support community participation and collaboration online</li> </ul> | <p>Mosman Council websites were regularly updated to feature new content, community consultations, events and general notices to the public, including Council business papers, policies and forms, with additional pages created to promote new projects and initiatives.</p> <p>Council websites were developed where required to improve readability, access to key information, mobile-friendliness, and the user experience, including the redevelopment of the Mosman Art Gallery, Festival of Mosman and Rapt websites, launch of the Mosman Events app and reviews of key sections of the Mosman Council site.</p> <p>Social media usage has increased to communicate relevant information to the community via Facebook (1,280 followers) and Twitter (4,263 followers) with posts including links back to the website to drive traffic and increase engagement with Council sites. Council's online channels are also promoted internally to staff via training sessions, regular meetings and an internal dashboard.</p> |    |
|   | <ul style="list-style-type: none"> <li>• Community Information Service:</li> <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>   | The Community Information Service is provided via a range of media, including Council's website, noticeboards, social media, printed directories of services and brochures. Each Mosman-based organisation listed in the LINCS online community directory is updated annually.  |  |

## Arts and Culture

| Strategy   | Action   | Comment   | Progress  |
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| 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> | <p>Mosman Art Gallery continued to deliver a visual art program of excellence across all exhibitions and was awarded the 2015 Museums and Galleries Australia National Award for its Bungaree's Farm project - the highest award that can be given to a Gallery or Museum in Australia. The 2015 Mosman Art Prize was conducted with healthy submission rates and record attendances. Winners of the Mosman Art Prize form the core of the Mosman Art Collection. The development of a new collection policy better defined processes for organising the collection and allowed for the development of a deed of Trust to secure the continued housing of the growing Mosman Art Collection. To further consolidate management of the collection the Gallery embarked on the Unpacked project, whereby all works in the collection were inspected and reviewed. Work is continuing on acquiring appropriate software for the better management of the collection, including tracking, loans and on-line access. The Gallery continued to work with community organisations, such as Mosman Arts Society, Mosman Symphony Orchestra, Mosman Musical Society, etc, as well as many cultural practitioners and community entrepreneurs, to assist them with their cultural pursuits and projects. Mosman Markets also supported the work of artisans and continued to offer up to 140 places a month. The Gallery has also initiated a scheme where representative works from Western Sydney based migrant and refugee artisans are displayed for sale within the Galleria retail space.</p> |    |
|  | Review prize money allocation for Mosman Art Prize, ensuring it retains its current level of prestige  | The current level of prize money for the Mosman Art Prize was discussed at the November meeting of the Art and Culture Community Consultative Committee. Council has since resolved that a review of the value of the Mosman Art Prize from \$30,000 to \$55,000 be considered in conjunction with development of the 2017/18 Budget.   |  |
|  | Utilise the Gallery's philanthropy program to attract donations of key works celebrating the Mosman region   | The philanthropy program continues to attract substantial donations of artworks to the Gallery. Under the Australian Governments Cultural Gifts Program, \$238,000 of artworks have been donated  |  |

| Strategy | Action   | Comment  | Progress  |
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|          | and its heritage   | the Gallery in 2015-16. These include works by Australia's most famous living artist, John Olsen, as well as works by renowned artists Ahn Do, Khaled Sabsabi, Catherine O'Donnell, Ruth Faerber and works from collectors including the Goodnow Family.   |   |
|          | Complete online database of Council's Art Collection   | A new Art Collection Policy was adopted by Council in November 2015. In response to this the Gallery scheduled an extended period in the second half of 2015-16 for its 'Unpacked' activities, where the collection was reviewed and documented and the existing database updated. The Gallery's new website, launched in November 2015, is equipped to publicly display collection items and has been developed with the capacity to feature the collection - at this point selected works have been listed on the website only. The review exposed the inadequacy of the existing database system being used and the need to upgrade to a museum standard system to allow full integration with web publishing and object management. Funds have been allocated in the 2016/17 budget for acquisition of appropriate software. |    |
|          | Introduce regular seasons of musical performance at Mosman Art Gallery                         | In 2015/16 the Gallery programmed regular musical performances for orchestras, ensembles, choirs, rock, folk, folkloric and world music groups. Through its programming and by providing access to performing arts organisations and promoters, the Gallery hosts musical performances 1-2 times per fortnight. During the past year this included the regular season of the Mosman Symphony Orchestra as well as the Mosman Musical Society and the Cabaret in the Day series of performances.  |    |
|          | Expand the variety of cultural events presented in the Mosman Art Gallery and Community Centre | In 2015/16 the Gallery continued to expand the range of cultural activities supported, including exhibition, public programs, lectures, concerts, and recitals. A new series of NIDA run drama classes commenced in the Gallery in 2016. The Gallery is also in the process of developing an anthology of Australian/Filipino literature as part of its Philippines project, developed in conjunction with the Art Gallery of NSW, Australian Museum, Blacktown Arts Centre, Peacock Gallery Auburn and Campbelltown Arts Centre. The Gallery is also seeking to increase off-site exhibitions and is preparing to use the T5 Camouflage Tank at Georges Heights as part of its Tokkatai exhibition, to commemorate the 75th   |  |

| Strategy   | Action  | Comment   | Progress  |
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|  |   | anniversary of the Japanese Midget Submarine attack on Sydney Harbour.  |   |
|  | Develop a program of artisan works on display and for sale in the Gallery   | Changing arrays of artisans work are on display at the Gallery as part of its Galleria programming and associated retail activity, with priority given to Mosman residents. The gallery has also commenced the display and sale of artisan works from new migrant community groups based in Western Sydney.   |    |
| 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>• InSitu Festival of Sculpture &amp; Installation</li> </ul>               | In 2015/16 the Gallery continued to develop and present a series of exhibitions and public programs that celebrate Mosman's artistic heritage, including its major project for the year, Destination Sydney. The In Situ Sculpture Festival (previously part of the Festival of Mosman) was successfully replaced by a series of pop-up sculptures and installations programmed as part of the 2015 Festival. A new online resource has been developed where visitors to the Curlew Artists Camp in Sirius Cove can take a self-guided walking tour of the area including its history, view a gallery of pictures and images as well as gain a sense of the indigenous history of the site - this is accessible through the free EZI phone app. A tour led by gallery staff and guides has also been developed and is being run monthly on a trial basis to determine demand for the service. A new website was developed for the Gallery in 2015/16, providing a mobile friendly platform for audiences to access the latest information and cultural offerings. |    |
|  | <ul style="list-style-type: none"> <li>• Harmony Day celebrations</li> <li>• International Women's Day</li> <li>• Annual Guringai Festival</li> <li>• Other civic &amp; community events</li> <li>• Festival of Mosman</li> </ul> | The biennial Festival of Mosman occurred during the 2015/16 year with nearly 29,000 people attending a range of 44 community, arts and other events across the 10-day period. Along with the festival, four other major events were held during the year, including International Day of People with Disability, International Women's Day and two functions celebrating the Mosman community and its heritage.   |  |
|  | Consolidate the process of re-invigorating the Festival of Mosman in collaboration with the local community, businesses, and other key stakeholders   | The 2015 Festival of Mosman held in September provided an exciting array of fun and creative events that engaged residents and visitors in celebrating the best of Mosman, attracting nearly 29,000 people across 10 days.  |  |

| Strategy   | Action  | Comment  | Progress  |
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|  | Develop a Mosman Bohemian series of exhibitions for the Gallery, including the Sirius Cove Artist Camp project, celebrating Mosman's artistic heritage  | In 2015/16 Mosman Art Gallery developed and/or realised a range of related activities. A self-guided exhibition phone app for the Artists Camps has been developed and was launched by the Gallery (the app is available in multiple languages - English, Mandarin and Japanese). The Destination Sydney exhibition was a blockbuster style exhibition developed in association with Manly Art Gallery and Museum and SH Ervin Gallery and celebrated the great artistic legacy of Sydney and Mosman's artistic heritage - it drew record crowds to the gallery. Other related projects are currently under development including a partnership with New England Regional Art Gallery on the Howard Hinton Collection and a multi-arts project exploring the Theosophy movement and Mosman's part in it. |    |
|  | Develop a series of technology focused art based projects, including locative media works   | Mosman Art Gallery programs technology based artworks on a continuous basis. In 2015/16 four digital exhibitions were programmed for the Cube experimental exhibition space. In addition, the Gallery has developed and launched two free, permanent locational based phone app for visitors to enjoy self-guided tours of Public Art around Spit Junction as well as the Sirius Cove Artists Camp site (this tour is available in three languages - English, Japanese and Chinese). The Gallery Director has recently been appointed to AVICOM, the International Council of Museum's International Committee for Audiovisual and New Image and Sound Technologies.   |    |
| Engage and extend arts audiences while building patronage and broad community support of local cultural activities | <ul style="list-style-type: none"> <li>• Arts &amp; 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> | Attendances at Mosman Art Gallery and Community Centre currently sit at record levels with over 90,000 people attending the centre in 2016. In addition, a further 15,000 attended touring exhibitions organised by the Gallery during this time, including Bungaree's Farm (Cairns Tanks Arts Centre/Cairns Indigenous Art Fair, QLD and Flinders University Gallery SA) and the Balnaves Gift (Goulburn Regional Art Gallery). Council's Art and Culture Community Consultative Committee meets three times per year at the Gallery and is made up of artists, arts administrators, art critics, school teachers and philanthropists, providing expert advice to the operations of Cultural Services. Mosman Art Gallery is active on social media including Facebook, Instagram and Twitter and       |  |

| Strategy  | Action   | Comment   | Progress  |
|---|--|---|---|
|   |  | regularly attracts significant publicity for its programming in newspapers, magazines and radio and occasionally on television. Community support continues to expand with 2015/16 seeing significant growth in the Gallery's Friends and Creative Circle programs, providing human and financial resources for the Gallery's programs.   |   |
|   | Develop an Arts and Ageing project with a key goal of enhancing the health of the local community and its cultural vitality  | In 2015/16 Mosman Art Gallery developed and presented 'An Unending Shadow' - an exhibition by Mosman artists Ann and Sophie Cape exploring the effects of dementia on carers and in their own family. The gallery has plans to develop a national tour of this exhibition.<br>In partnership with the NSW Department of Community Services and Council Community Services, Mosman Art Gallery developed a program called 'A Picture of Health' targeting dementia sufferers and their carers. Guides have been specifically trained to respond to people with this condition and special tours are regularly arranged for community members.  |    |
|   | Review the Gallery's Friends and Volunteer programs  | In 2015/16 the Gallery's volunteer programs were reviewed in line with best practice and appropriate use of volunteer labour, and consistent with Council's overall volunteer program and requirements. The Friends program was reviewed in terms of benefits and level of service provided and synergies with the Philanthropy Program. Further review of these programs will occur in 2016/17   |    |
| 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> | A new website was designed for Mosman Art Gallery and launched in November 2015. This site allows for better viewing and functionality with hand held devices and better integrates venue hire, markets and retail activities within overall gallery activities. A six month calendar of events is developed at the end of June and December each year. Promotional cards were designed for Mosman Markets providing an accessible reminder of key dates. Social media was widely used for promotion including Facebook, Instagram and Twitter. An electronic newsletter for the Gallery is distributed on average 1 - 2 times per month. A publicist was engaged for key elements of the Gallery program including the |  |

| Strategy  | Action   | Comment   | Progress  |
|---|--|---|---|
|   | Provide improved façade treatment/external signage for the Mosman Art Gallery  | <p>Destination Sydney and Unending Shadow exhibitions.</p> <p>In 2015/16 the previous soft-fall area on the Myahgah Street frontage of the building was completely transformed, with drainage works completed, new durable surfaces installed and colour treated, and a new sculpture garden and associated bush tucker garden created. New banners have been developed and installed for specific exhibitions (Mosman Art Prize, Destination Sydney) and a new banner pole has been erected on the Vista Street side of the building.</p>  |    |
| 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> | <p>Mosman Art Gallery continues to thrive and push new boundaries. In 2015 the Gallery extended its reach in utilising places around Mosman for site specific works and in increasing its touring program. Bungaree’s Farm is confirmed to tour to South Australia and Darwin in 2016/17 and plans are well underway for a national tour of the acclaimed "an Unending Shadow' exhibition which explored ageing and the state of dementia. In 2015-16 the Gallery developed and hosted 22 exhibitions, over 60 educational events and a further 60 public programs. The excellence of the Gallery's program has been recognised by Arts NSW, with the awarding of Triennial funding for its annual programs. The Gallery is increasingly seen as a leader in the arts sector, setting new standards in growth of visitation, innovation in programming, social relevance and artistic excellence.</p> <p>The Gallery has received multiple awards in recent times including the 2015 MAGNA National Winner (the highest award that can be given to a museum or gallery in Australia) the 2015 National Award for Aboriginal projects and was Highly Commended in the 2016 National Awards for Local Government.</p> <p>The excellence shown by the Gallery has also been recognised internationally, with the Gallery being invited to present at The Best in Heritage Awards in Dubrovnik Croatia in September 2016 for its Bungaree's Farm project (The Best in Heritage showcases the 28 best cultural projects from around the world annually).</p> |    |
|   | Develop planning and costings for the conversion of the Grand Hall into a flexible space suitable for concerts and exhibitions and possible conversion of  | In 2015/16 the area external to the Grand Hall that was formerly unused has been converted into a sculpture terrace and associated bush tucker garden, creating better amenity and access as well as  |  |

| Strategy  | Action   | Comment   | Progress  |
|---|--|---|---|
|   | the outside area of the Art Gallery & Community Centre for more effective community use  | improved identification of the site with art activities. Improvements achieved in the Grand Hall include the installation of a new PA system. Further improvements are currently in progress with additional lighting, upgrade to kitchen, delivery of new chairs and provision of new LED Theatre lights.<br>Costings have been completed for additional works in the Grand Hall in 2016/17 including the provision of exhibition lighting, underfloor works to waterproof storage area, better signage, moveable stage pieces and stage draping and the provision of moveable exhibition walls. |   |
|   | Investigate future expansion options for the Mosman Art Gallery and Community Centre   | In the first half of 2015/16, Mosman Art Gallery staff participated in discussions with Council appointed consultants exploring the possible redevelopment of the Council's Civic site at Mosman Square, including a proposal to relocate the Gallery to this location. This project has been put on hold due to the Local Government reform process.   |    |
| 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>  | The 2015 Mosman Address was organised and successfully run. Guest speaker was Kim Mackay AO, Director of the Australian Museum and funds were raised for public art projects in Mosman. New public art has been installed in the forecourt of the Gallery including 24 carved Aboriginal poles (Dendroglyphs) by artist Warwick Keen, a bronze sculpture by artist Ben Quilty and a bush tucker garden.   |    |
|   | 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 | In 2015 the Bungaree Walking Trail was established and signposted on land controlled by the Sydney Harbour Federation Trust. Mosman Council continues to work with appropriate agencies to further develop enhanced Indigenous cultural presence along the Mosman foreshore on land.  |  |
|   | Work with the Mosman Public Art Trust to fund identified public art projects in Mosman   | In September, the 2015 Mosman Address was organised and successfully run, raising funds for the Mosman Public Art Trust. In 2015/16 public art initiatives were concentrated at the Gallery, with the establishment of a new sculpture terrace with works by Warwick Keen (Country - collection of 24 carved aboriginal trees), Anne Ferguson (Nike), Ben Quilty (Cook after Baghdad) and Stephen Coburn (Tribal Sun).  |  |

| Strategy  | Action   | Comment  | Progress  |
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| 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> | Following the Mayoral delegation of 2015, Council has decided to extend the life of existing projects between Mosman and Mudanjiang. A joint exhibition of children's artworks from Mosman and Mudanjiang was displayed as part of the 2015 Festival of Mosman. The possibility of further cultural exchanges between Mosman and Mudanjiang/Otsu is currently being considered, including proposed exhibition exchanges and artists residencies. A Mayoral delegation to both Otsu and Mudanjiang was considered for May 2016, but was unable to be progressed. Both Mudanjiang and Otsu are prepared to receive delegations from Mosman in the future. Mosman Council has also continued to support the Aboriginal women's project in association with Glen Innes Severn Council. |    |
|   | <ul style="list-style-type: none"> <li>• Glen Innes Aboriginal Art Education Project</li> </ul>  | The art project has been completed and the tiles produced. They will be sent to Mosman Council for display.  |    |
|   | Consolidate the operations and activities of the philanthropy officer position   | 2015/16 was a very successful year in consolidating the operations and activities of the Philanthropy Officer program. The position generated a total of \$375,000 worth of resources for the Gallery including cash (\$150,000 including private donations, sponsorship and special grants), in-kind sponsorship (\$10,000) and artwork donation (\$215,000). Of special note was the success of the Create! campaign, where 24 donors gave \$2,000 each to sponsor an Aboriginal pole and these monies were matched dollar-for-dollar by the Federal government.   |    |
|   | 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  | A number of successful grant applications were made in 2015/16. These included Triennial programming funding from Arts NSW (\$85,000 per year for three years), Creative Partnerships Australia (\$48,000 in matched funding), the Gordon Darling Foundation (\$10,000), DFAT ASEAN grant (\$20,000) and Stronger Communities (\$6,000). A grant for matching funding of \$100,000 is has been made to Club Grants Category Three - Capital Funding funding for improvement works in the Grand Hall and surrounding areas.   |  |

| Strategy | Action  | Comment   | Progress  |
|----------|---|---|---|
|          | Work with Taronga Zoo in planning celebrations for the 100th Anniversary of its establishment at Mosman in 1916 | The Gallery is working with Taronga Zoo to stage WildThing - an exhibition celebrating animals in art with the opening coinciding with the anniversary date of the centenary of the Zoo. Council continues to work closely with the Zoo to make the overall celebrations successful and with links to other Council programs and events. The CEO of Taronga will deliver the 2016 Mosman Address in November this year. |  |

# Environment

## Built Environment

| Strategy   | Action  | Comment  | Progress  |
|--|---|--|---|
| 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> | <p>Review of Mosman LEP2012 included consideration of five planning proposals. Three were completed and the LEP subsequently amended. One was withdrawn and one, for 7 Spit Road, Spit Junction, was refused. Mosman Housing Strategy was updated and placed on the Council website <a href="http://mosman.nsw.gov.au/planning-and-development/planning-controls/residential-development-strategy-rds/">http://mosman.nsw.gov.au/planning-and-development/planning-controls/residential-development-strategy-rds/</a></p> <p>A submission was made to the Sydney Harbour Federation Trust regarding the preparation of a draft Plan of Management for Middle Head.</p> |    |
|  | Prepare Planning Proposals to amend Mosman LEP2012 as required  | <p>The following planning proposals were completed 2015/16:</p> <ol style="list-style-type: none"> <li>1. Bushland sites: amend the zoning of 16 sites from RE1 Public Recreation to E2 Environmental Conservation. Notified 11 March 2016.</li> <li>2. 37A Spofforth Street: amend heritage listing. Notified 3 June 2016.</li> <li>3. Archaeological sites: amend LEP to more accurately describe location of sites. Notified 24 June 2016.</li> </ol>   |  |
|  | Undertake Bushland Zoning Review  | <p>Bushland rezonings have been completed with the amendments to Mosman Local Environmental Plan 2012 notified on the legislation website on 11 March 2016.</p>  |  |
| Ensure Mosman's position is strong within the framework of the State's                     | <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>   | <p>Submissions have been prepared to protect Mosman's interests on various Government policy matters including Pre-gateway Review, Short-term lettings; Codes SEPP; and the Standard Instrument</p>  |  |

| Strategy   | Action  | Comment  | Progress  |
|--|---|--|---|
| planning and regulatory 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>                    | template, as well as development matters such as significant development at Taronga Zoo and liquor licence applications. Planning staff have been involved in workshops for the preparation of District Plans by the Greater Sydney Commission as well as information sessions from time to time by the Department of Planning and Environment. A significant amendment to the Codes SEPP on 30 November 2015 extended the temporary exclusion of Mosman's significant foreshore slopes from the provisions of the General Housing Code. |   |
|  | Implement appropriate actions arising from the 2013 planning reforms, together with the Northern Beaches Regional Action Plan and Central Sub-Regional Plan   | The most significant change arising from Stage government reforms in planning in 2015/16 were the establishment of the Greater Sydney Commission and the introduction of the new Part 3B Strategic Planning, of the Environmental Planning and Assessment Act 1979. As a result work is underway on the preparation of a District Plan for the North District in which Mosman is located.  |    |
|  | Develop a Planning Agreement Policy   | The Mosman Planning Agreement Policy was adopted by Council on 3 May 2016 and is available on Council's website <a href="http://mosman.nsw.gov.au/planning-and-development/planning-controls/planning-agreements-policy/">http://mosman.nsw.gov.au/planning-and-development/planning-controls/planning-agreements-policy/</a>  |    |
| 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> | The Local Heritage Fund approved and funded 13 projects to improve and maintain heritage listed properties. Projects were varied and included painting; repairs to verandahs; repairs to barge boards; tuckpointing; repair and replacement of windows and new front fences. Council's Heritage Advisor visited 13 times and provided expert advice relating to 159 matters, including meetings with owners and architects of heritage properties.   |  |
|  | Develop and prepare a coordinated program of on-site interpretation of significant sites in Mosman  | This project did not progress due to higher priority projects taking precedence and staff changes.   |  |
|  | Develop a heritage strategy and branding to raise the profile of heritage   | A Heritage Strategy was prepared in May 2016 and uploaded onto Council's website. <a href="http://mosman.nsw.gov.au/planning-and-development/heritage/mosmans-heritage">http://mosman.nsw.gov.au/planning-and-development/heritage/mosmans-heritage</a>  |  |

| Strategy   | Action   | Comment  | Progress  |
|--|--|--|---|
| 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>• Targetted engagement, workshops and information sessions</li> <li>• Maintenance and improvement of iPlan</li> <li>• Assessment of Development Applications having regard to relevant performance standards, legislation, codes and policies</li> <li>• Mosman Development Assessment Panel</li> </ul> | This is an ongoing activity which over the reporting period has successfully delivered high quality development outcomes.  |    |
|  | <ul style="list-style-type: none"> <li>• Monitoring and review of approved development</li> </ul>  | Council's Compliance Team continues to monitor approved development and to respond to concerns from the community. Council's Compliance Officers work with Certifiers in ensuring the community are safe and developments are built within the approval framework and legislation.   |    |
|  | Undertake and promote e-planning initiatives to improve customer service and delivery of planning information  | The planning pages of Council's website and the planning website and social media continue to be used for customer information and engagement. Additional planning documents and advice have been uploaded and work continues to progress on the introduction of on-line planning certificates.  |    |
| Contribute to a safe, healthy and responsible community through inspection of building works, auditing of fire and swimming pool safety and effective regulatory enforcement | <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> <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>            | Council's Compliance Team has conducted 140 swimming pool inspections in response to properties being sold or leased since the new legislation came into effect on 29/4/2016. Staff continue to provide regulatory services and management of environmental controls around building sites. Work on fire safety inspections is continuing in 2016. |  |
| Provide, maintain and sustainably manage Mosman's public infrastructure including roads, footpaths, drainage and   | <ul style="list-style-type: none"> <li>• Annual renewal and maintenance programs – stormwater assets, marine structures and road assets</li> </ul>   | Renewal and maintenance works of stormwater, marine structures and road assets as outlined in the 2015/16 program have been completed. In addition, during the 2015/16 financial year  |  |

| Strategy          | Action  | Comment  | Progress  |
|-------------------|---|--|---|
| marine structures |   | approximately 4.2 km of road renewal works, 2.8 km of footpath renewal works and 400 m of stormwater renewal works were completed.   |   |
|                   | Develop annual e-inspections for road assets  | The use of e-inspection for condition assessment of infrastructure assets is being carried out and continually refined.  |  |
|                   | Undertake actions arising from Flood Study in conjunction with Stormwater Asset Management Plan, subject to funding   | Council is awaiting further advice from the NSW Government in relation to climate change scenarios. In order to complete the Flood Study, Council staff regularly attended meetings and workshops organised by the State Government in relation to this matter. Areas identified in the draft Flood Study that coincide with works identified in the Stormwater AMP have been investigated to determine the extent of works required and included in future work programs. |  |
|                   | Develop annual e-inspection process for marine assets   | The use of e-inspections for infrastructure assets is underway.  |  |
|                   | Develop annual e-inspections for stormwater assets  | The use of e-inspections for infrastructure assets is underway.  |  |
|                   | Implement a five year contract for scheduled Maintenance and Renewal works on Inkerman Street Wharf, Clifton Gardens Jetty and Baths and Balmoral Jetty and Baths | Contract development has been put on hold due to Local Government reform however maintenance and capital works identified in the Marine Structures AMP have been undertaken. Works identified for 2016/2017 will be tendered next year.  |  |

## Community Spaces

| Strategy   | Action   | Comment   | Progress  |
|--|--|---|---|
| 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> | All actions relating to property leasing, licensing and management have been undertaken as planned. Opportunities for improved use of public land and facilities have been reviewed and actioned as appropriate and detailed under the relevant programs and strategies elsewhere in this report. |  |

| Strategy   | Action  | Comment   | Progress  |
|--|---|---|---|
|  | Prepare options for the redevelopment of premises currently known as Pippies Childcare Centre at Balmoral at the end of the existing lease  | A structural condition assessment of the Pippies Childcare Centre building has been undertaken with a view to undertake further works in 2016/2017.   |    |
|  | Review options for redevelopment of the Raglan Street (west side) car park, including opportunities for improved parking provision at Mosman Junction   | This matter was subject to a Councillor workshop on 12 April 2016 has been put on hold pending the outcome of the NSW Government Local Government Reform Process.   |    |
| 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> </ul> | Annual works and auditing of operational contracts for open space maintenance is ongoing. In May 2016 the upgrade of Balmoral playground was completed. A new shade structure was installed in Memory Park and shade clothes were renewed at Clifton Gardens, Reid Park, Countess Park and Memorial Park playgrounds. Throughout the year Council also renewed play equipment at Reid and Sirius Cove playgrounds. At Clifton Gardens playground a new fence was installed, the liberty swing was renewed as was the see saw and climbing equipment. Council completed its annual playing surface restoration works and additional capital works included the installation of retractable cricket nets for Allan Border Oval, new practice turf wickets, storage facilities at Balmoral and Allan Border Oval and the resurfacing of the Drill Hall Common outdoor netball courts. Auditing of tree pruning and removal has been completed with 100% compliance. National Tree Day activities have been completed with upgrade works to Harnett Park bushland walking track completed. All open space capital works have been completed according to priorities, Plan of Managements and budget availability. |    |
|  | <ul style="list-style-type: none"> <li>• Management of Mosman Swim Centre, Marie Bashir Mosman Sports Centre and Mosman Drill Hall</li> </ul>   | Ongoing management of Council's recreational facilities satisfactorily achieved.  |  |
|  | <ul style="list-style-type: none"> <li>• Annual inspections of Shark Nets at Clifton Gardens Baths and Balmoral Baths</li> </ul>  | Inspection of shark nets at Clifton Gardens and Balmoral Baths was undertaken twice during the financial year. The repair and replacement of part of shark nets at both locations were completed as required by the audit reports.  |  |

| Strategy | Action   | Comment  | Progress  |
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|          | Develop options for the redevelopment of Allan Border Oval Pavilion  | The Heritage Assessment of existing Allan Border Oval Pavilion building and concept designs is nearing completion. A report will be prepared for Council in late 2016.   |    |
|          | Review Contract for Bushland Restoration   | Bushland Restoration Contracts have been reviewed and reported to May 2016 Council Meeting. Native vegetation cover areas of greater than 90% native vegetation cover have increased from 53.7% in 2011 to 65.8% in 2016. Council resolved to extend existing contracts for a further three years.       |    |
|          | Review Contract for Turf Management  | The Park and Sport Field Management Contract and Turf Management Contract have been reviewed and renewed for a further two years.  |    |
|          | Develop and adopt a revised Sporting Fields Use and Management Policy  | The Sporting Field Use and Management Policy was adopted by Council in 2013. This policy was integrated into a revised Use and Management of Sporting Fields Corporate Practice. The Use and Management of Sporting Fields Policy and Corporate Practice has been completed and is on Council's website. |    |
|          | Undertake scheduled asset planning renewal - The Esplanade and Spit West   | Both the Spit West and Balmoral Playground Upgrades have been completed.   |    |
|          | 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 | Discussions regarding the lease are ongoing with the Trust. Middle Head Oval floodlight upgrades have been completed.  |   |
|          | Implement recommendations of report on Balmoral Figs subject to funding  | Works have been implemented as per the 2008 report. A new report was delivered in March 2016 detailing best practice management for future works required in this area. An action table has been prepared and all works to be completed subject to funding.  |  |
|          | Review and report revised Playground Upgrade Program   | Upgrade works at Balmoral Playground were completed May 2016. A significant amount of upgrade and renewal work was undertaken across all playgrounds in 2015/16. A new 10 year upgrade program will be developed in late 2016. The new plan will focus on  |  |

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
|   |   | renewal strategies, equipment upgrades and additional features such as fences, furniture and shade structures. It will also identify five playgrounds that will be renewed within the next 10 years. Program will be reported to Council late 2016.   |   |
|   | Undertake action arising from the 2015 Mosman Recreational Needs Report, subject to availability of resources   | Priority 1 Strategy and Actions as listed in the adopted Mosman Open Space Recreational Needs Assessment has been used to develop future open space capital works programs with several projects scheduled to be completed by end of 2017.  |    |
|   | Undertake design, conduct community consultation, and construct The Esplanade Playground in accordance with Council's asset renewal schedule  | The Esplanade Playground was completed in May 2016.   |    |
|   | Review usage of football at Allan Border Oval to determine impact on cricket pitch  | A review was undertaken in 2015 with recommended actions carried out in 2016. As a result, the impact of wicket square has been reduced.  |    |
|   | Progress investigations into expanded provision of sporting fields on land owned by the Sydney Harbour Federation Trust   | Sydney Harbour Federation Trust has reviewed Council proposals for Middle Head Oval and Georges Heights Oval. The Trust has advised they do not support the proposals and will not consider any further expansion of either oval.   |    |
|   | Provide improved service levels for maintaining recreational spaces along the Balmoral foreshore  | Improved service levels for maintenance of recreational spaces along Balmoral foreshore has been completed with additional funding allocated to turfing.  |    |
| 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  | Renewal and maintenance works of Building Assets were undertaken. Council's Civic Centre Stage 1 ventilation system has been completed.   |  |
|   | Review needs assessment for the Civic Centre site including results of community engagement and proceed to development of concept designs and plans for a redeveloped site if appropriate | Council's Consultant has finalised their report and recommended that Council further explore several options for the development of the Civic Centre Site. This matter was reported to Council on 5 April 2015 with Council resolving to place the project on hold subject to the outcomes of the NSW Government Local Government Reform Process. |  |

| Strategy   | Action   | Comment   | Progress  |
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|  | Review opportunities to participate in joint procurement contracts for consolidated building maintenance services  | Council participated in the SHOROC Common Building Security Contract and Sanitary Cleaning contracts and has engaged the new contractors to provide these services.   |    |
| 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> </ul> | Planting program has been completed with 161 advanced trees planted in streets as per Street Tree Master Plan. All playground and street tree inspections have been completed and ongoing. National Benchmark Reporting (Yardstick) survey completed.   |    |
|  | • Visual Amenity – Signage & Advertising Community Consultative Committee  | The Visual Amenity-Signage and Advertising Community Consultative Committee has been active and in the reporting period. Work has progressed with the development of a Signage Style Guide and the installation of new signage.   |    |
|  | Develop policies and protocols for style, form and location of local signage   | New signage was installed at several key locations such as Mosman Park, Mosman Square, Clifton Garden and Balmoral Car Park.  |    |
|  | Review Contract for Tree Management  | The Tree Contract has been reviewed and reported to Council. The Contract has been renewed for a further and final two year period ending December 2017. Three additional tree contractors have been appointed with updates provided on Council's website and on the public tree permit assessment forms. |    |
|  | Complete Street and Parks Tree Inventory for priority areas  | Tree inventory has been complete for all priority streets and Balmoral Park. Other priority parks to be complete when resources allow.  |  |
|  | Progressively implement recommended actions relating to improvements to signage in Mosman  | Signage has been installed at Clifton Gardens, Mosman Park, Mosman Square and Balmoral Car Park.  |  |
|  | Integrate Street and Parks Tree Inventory into Council's new Asset Management System   | Street and park tree inventory has been incorporated into Council's asset management system.  |  |
|  | Progressively implement recommended actions in the Mosman Access Strategy and provide recurrent funding for this purpose   | The installation of the new lift at the Senior Centre has been completed. During 2015/16 improvement works to selected pram ramps on Gouldsbury Street and Belmont Road were also   |  |

| Strategy | Action                                   | Comment  | Progress  |
|----------|--|--|---|
|          |  | completed along with the footpath renewal works.   |   |
|          | Provide additional street tree plantings | Additional street and park trees including many native canopy species have been planted at various locations across the LGA in response to the 10/50 vegetation clearing code of practice. |  |

## Healthy Environment

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
| 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> <li>• Staff engagement Programs</li> </ul> | <p>Council continues to enhance community knowledge and awareness of sustainability behaviours through a number of education engagement programs.</p> <p>The Living Mosman Program of 2015-16 provided residents with 17 different workshops that they could participate in, covering a wide range of sustainability including waste, gardening, sustainable eating, upcycling, food and biodiversity. Council worked with children and youth through Vacation Care and Before and After School Care, engaging them on the issue of marine debris and waste. Council sends monthly Living Mosman e-newsletters to over 900 residents, engaging them on local matters of sustainability and the environment. Council also engages with the community through the use of social media and advertising in the Manly Daily.</p> <p>Council's internal sustainability group has engaged with staff on matters of food wastage, recycling, reduction of single use plastic bags etc. Council ran an energy savings workshops providing residents with practical tips that they can implement to reduce their energy usage. Compost Revolution was recently reintroduced to save staff time on enquiries from schools and preschools on issues relating to composting and worm farms. Six pre-schools engaged in Council workshops. Council continues to engage the community through the use of Chalk Art</p> |    |
|   | Design and promote the Underwater Trail Program   | Grant funding was not received for the Underwater Trail Program and as such the programme was not progressed.   |  |

| Strategy  | Action   | Comment   | Progress  |
|---|--|---|---|
|   | Develop and implement a community 'Take Action' Program  | Council encourages the community to implement long term sustainable behaviours through their Living Mosman Program. The Living Mosman Program sends out monthly newsletters to over 900 Mosman residents. In 2015/16 it provided residents with 17 different workshops that they could participate in, covering a wide range of sustainability including waste, gardening, sustainable eating, upcycling, food and biodiversity. The latest program was the development of the HarbourCare program. The program encourages residents to pick up rubbish along the Mosman foreshore. The program engages the community and raises awareness regarding the amount of rubbish and marine debris in the area. |    |
| 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> </ul>   | Manual cleaning of Chinamans Beach and Spit West Salt Marsh restoration area is ongoing and is incorporated into the Beach and Reserves Cleaning Contract. Council received a report in regard to beach ghost crabs of Sydney Harbour which showed that Chinamans Beach has largest abundance of ghost crab burrows within Sydney Harbour. This is attributable to non-mechanical cleaning of this beach. An environmental assessment has been completed for shark net replacement works which occurred in early 2016 at Balmoral and Clifton Gardens.  |    |
|   | <ul style="list-style-type: none"> <li>• Responsible Pet Ownership and Backyard Biodiversity Program</li> <li>• Wildlife Reporting Tool promotion</li> <li>• Caring for our Coast Program</li> <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> | Ongoing promotion of Dog Poo Fairy and on-ground monitoring of dog poo presence in Council reserves. Continued support and promotion of volunteer bushcare program with increase in volunteer groups and registered active volunteers recorded from previous year. Bushland Management Contracts reviewed and extended for a further three years. Unmade Roads program and community garden support ongoing. Phytophthora cinnamon protocols implemented through bushland contracts and bushcare program. Feral rabbit population monitored and controlled by several shooting programs undertaken throughout the year.   |  |
|   | Review and Update Flora and Fauna Survey   | A review and update of the Flora and Fauna Survey is complete and has been reported to Council in September 2016.   |  |

| Strategy  | Action   | Comment   | Progress  |
|---|--|---|---|
|   | Conduct a monitoring program of biodiversity at Mosman beaches, and at the intertidal zone   | Council received funding from Sydney Coastal Councils Group (SCCG) as part of the Salty Communities Grant to establish a biodiversity monitoring plan and self-assessment guide for biodiversity along the intertidal zones. The foreshore will be monitored twice a year by Council staff in a plan developed by marine ecology consultants. The long term monitoring of the foreshore will identify changes to the flora and fauna of the foreshore and highlight potential ecosystem changes as a result of climate change. Council also engaged consultants to developing a beach monitoring program. The program can be implemented by external staff at a later stage when funding is available. A University of NSW PhD student undertook a study of Ghost Crabs at Chinaman's Beach. It was determined that mechanical cleaning frequencies of beaches directly impacted on the distribution and densities of the ghost crab populations and that Chinamans Beach, which is non-mechanically cleaned, contained the greatest abundance of Ghost Crab burrows in Sydney Harbour. |    |
| Implement total water cycle management approaches to maximise water conservation, reuse and efficiency, and improve water quality | <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> | Harbourwatch data continued to be collected and reported on. Council also achieved positive results in the State of the Beaches Report. Council ran a number of stormwater education and marine debris education programs, including targeting sports groups regarding their strapping tape rubbish, answering school enquiries regarding stormwater systems. SQID data has also been collected and was reported through the State of Environment Scorecard 2015.   |    |
|   | Undertake actions in the SQID Report subject to funding  | The improvements works of the Botanic Road SQID and Lawry Plunkett stormwater reuse system have been completed. SQIDS at The Esplanade, Botanic Road, Oswald Street and Cowles Road have been audited and improvement works completed on Botanic Road and Oswald Street SQIDs.  |  |
|   | Liaise with Sydney Water to improve condition of the sewer network in areas identified in the SQID Review Report   | Council continued to liaise with Sydney Water to address the issues in relation to sewer contamination of stormwater. Audits of five SQIDs completed and identified improvements were implemented on the SQIDs at Botanic Road and Oswald Street.   |  |

| Strategy   | Action  | Comment   | Progress  |
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| 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>• Consideration of options for specific waste collection services under proposed common collection system</li> </ul> | Council reviewed the strategies to minimise waste to landfill, install recycling bins in public places as required and undertook promotional campaigns as required in relation to disposal of hazardous materials. Council continued to work on developing a new common waste collection system.  |    |
|  | <ul style="list-style-type: none"> <li>• Community Waste Programs including Clothes Swap</li> <li>• E-Waste Strategy implementation</li> <li>• Support for Clean Up Australia Day</li> <li>• Garage Sale Trail</li> </ul>   | Garage Sale Trail and Clothes Swap were held October and November respectively. Clean-up Australia Day was supported in March and two E-Waste collection events were held (August 2015 and March 2016) with 60 tonnes of E-waste sent to be recycled.   |    |
|  | Implement the Mosman 'Waste Less Recycle More' Program Action Plan  | Each year Mosman Council receives funding from the EPA to reduce waste and increase recycling. One of the larger projects involved the roll out of water fountains made from marine grade steel. Each fountain has a bottle refill system. All fountains are wheelchair friendly, have a built in water metre and some incorporate dog bowls. Over 37,000 single use water bottles were saved from 6 water fountains over a period of 12 months. Two Hands were hired to conduct litter surveys of all Mosman parks and beaches as part of the Better Waste Recycle Fund action plan. The survey revealed the four main litter items in Mosman - single - use water bottles, take away cups, plastic straws and single-use plastic bags. In addition we found sporting fields to be litter hotspots with shin guard stays, chip packets and water bottles being common litter items. The data confirmed Council programs are targeting the correct litter items and also identified items such as plastic tape that had not previously been considered as a major litter problem. A post education litter survey recorded a 20% reduction in litter items. Last Australia Day weekend chalk drawings along Balmoral beach told a story about problem litter items and how items become marine debris. Awareness on this issue was available to hundreds of visitors and locals who come to the area each summer to see. Other programs linked to this area included Plastic Free July and use of the Envirobank trailer for special events. |  |

| Strategy | Action   | Comment   | Progress  |
|----------|--|---|---|
|          | Conduct a Service Audit and implement an awareness program for Multi-Unit Dwellings                        | Part of the Better Waste Recycle More action plan incorporated a Multi-Unit Dwellings educational program to improve recycling rates in unit blocks. The program required the development of new educational materials such as bin signage, stickers and brochures. Uptake has been slow with only five unit blocks willing to participate. Further promotion is ongoing and artwork for educational materials will be distributed by October 2016. Background information for the educational materials was based on information received from earlier waste audits and surveys. Waste audits and surveys will be conducted to test the effectiveness of educational materials distributed.  |    |
|          | Participate in the tender for the regional Common Waste Collection System and implementation of the system | Council continued to participate in workshops and meetings in relation to the tender for the regional Common Waste Collection System and implementation of that system.   |    |
|          | Implement 'Love Food Hate Waste Charity Program'   | The Love Food Hate Waste Charity program is complete. Oz Harvest was provided funding so they could purchase a new van and hire a driver to service SHOROC Councils. All food outlets in Mosman were sent a letter from Council requesting them to ring Oz Harvest should they have unwanted left over food. Earlier this year Council staff initiated face to face meetings with identified store managers. All major food outlets in Mosman are now providing food unsellable to Oz Harvest.  |    |
|          | Implement 'Reduce, Reuse, Recycle' Program - including littering and illegal dumping reduction program     | Past waste surveys of Mosman indicated a degree of confusion in the community as to what should and shouldn't be recycled. In an attempt to address some of these issues a series of mini videos was made and placed on Councils website. Musical fences made of recycled materials concluded the Waste to Music project. The main aim of this project was to raise awareness of reuse and how to actively reuse objects by making simple percussion instruments. In total over four schools and three preschools were involved in different phases of the program. In July 2015 14,500 illegal dumping flyers were distributed to residents in partnership with SHOROC. Flyers outlined what illegal dumping is and highlighted better options to manage waste including the reporting of illegal dumping. |  |

| Strategy   | Action  | Comment   | Progress  |
|--|---|---|---|
| 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>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> <li>Sustainable transport infrastructure and education programs</li> </ul>  | In association with the Active Transport Working Group, defined bike lanes have been implemented across many sites with Mosman in 2015/16 namely Middle Head Road. Bike racks have been installed at several locations. Continued promotion of the Mosman Rider service has continued. There has also been a 28% increase in car share membership within Mosman with total members exceeding 1000. In this reporting period a Car Share Policy has been adopted including adoption of appropriate fees and charges which have been applied to existing designated car share spaces. |    |
|  | <ul style="list-style-type: none"> <li>Walking tracks and bike paths developed and maintained</li> </ul>  | Maintenance works on walking tracks and bike paths has been undertaken as required.   |    |
| Implement energy efficiency and conservation measures to reduce energy consumption, and apply mitigation, adaptation and resilience strategies to address climate change risks | <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 buildings</li> <li>Energy efficient lighting retrofits of Council buildings</li> <li>Monitoring of State/Government programs/policies on climate change</li> </ul>  | Energy efficient lighting retrofits completed for all major Council buildings. Minor buildings audited with limited opportunity for cost effective retrofit. Six percent decrease from previous year in the amount of greenhouse gas emissions from Council energy use. Replacement of park light at Clifton Gardens with solar light has been undertaken. Monitoring of State/ Government programs/ policies on climate change continues.  |    |
|  | <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>Options for solar lighting in parks and reserves dependant on funding</li> </ul>  | Council staff have attended meetings and workshops arranged by the NSW Office of Environment and Heritage and Sydney Coastal Council Group in relation to climate change and proposed Coastal Reforms. Options for solar lighting in parks also were explored during the financial year 2015/16.  |    |
| 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 towers and public swimming pools</li> <li>Water pollution, sewer leak and noise investigations</li> <li>Enforcement of the Public Health Act, Local Government Act, Protection of the Environment Operations Act, Food Act and associated regulations</li> </ul> | Regulatory inspections continue to be conducted including food premises, cooling towers and the public pool.  |  |

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
|   | <ul style="list-style-type: none"> <li>and policies</li> <li>• Contractor performance, WHS and toxic/harmful chemicals audits</li> <li>• Contractor compliance electronic reporting system</li> </ul>   |   |   |
|   | <ul style="list-style-type: none"> <li>• Contract administration (Street &amp; Gutter, Graffiti, Public Amenity Buildings Cleaning)</li> </ul>  | The contract administration of Street & Gutter, Graffiti, Public Amenity and Buildings Cleaning continues.  |    |
|   | <ul style="list-style-type: none"> <li>• Compliance with site Environmental Management Plans for Balmoral Park and Northern Nursery School</li> </ul>   | Quarterly Balmoral site inspection checklists have been completed as per site environmental management plan with no degradation of capping material evident. Monthly site inspection checklists supplied to Council from Northern Nursery School with no incidences recorded.   |    |
|   | Implement an IT based integrated data management system for Compliance  | The integrated reporting system to manage and report on Compliance customer requests is underway.   |    |
|   | Implement the Incident Response Plan  | Increased servicing of public bins throughout summer in foreshore areas prevented bin overflow. Significant public education and awareness campaign to reduce discard of litter on public land and arrangement of additional rubbish removal and litter pick after heavy rain events especially on foreshore areas at the high water mark. Reports of dangerous litter goods such as syringes immediately responded and removed.  |    |
| 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> </ul>   | Council's Compliance Team continues to enforce environmental legislation and keeps abreast of new changes as they develop.  |  |
|   | <ul style="list-style-type: none"> <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> </ul> | <p>Council continues to be on a number of regional committees including Sydney Coastal Council Group, Northern Sydney Environmental Educators Network, Northern Sydney Waste Educators, Sydney Weeds Committee, Volunteers Co-Ordinators Network and Urban Feral Animal Action Group.</p> <p>Council's environmental actions were reported to Council and the Community through the State Of Environment Scorecard Report released in November 2015. Ready Set Grow is a collaborative program across six Councils to encourage primary schools to grow food gardens. Food gardens are a valuable learning tool as they</p> |  |

| Strategy | Action   | Comment   | Progress  |
|----------|--|---|---|
|          | <ul style="list-style-type: none"> <li>Support for local community groups Sustainable Schools Program Regional Coordination Planet Footprint Water and Energy Reporting</li> </ul> | can facilitate learning in many areas concerning the environment such as solar energy, water conservation, food waste reduction, recycling in nature, biodiversity and the importance of soil health etc. Mosman has had a total of three schools sign up to the program with all three producing amazing food gardens and positive learning outcomes for their students. Northern Sydney Waste Educators (includes Mosman, Pittwater, Warringah, Manly, North Sydney, Willoughby, Lane Cove, Hunters Hill, Ryde, Hornsby, Ku-ring-gai Council's) meet regularly to discuss new ideas, share knowledge and prepare programs that give a common message to the greater community including programs such as Plastic Free July, National Recycling Week and educational signage to improve household recycling. Council continues to engage Planet Footprint to provide analysis of Council's energy use and provide ways to reduce and improve. Abnormal energy use of assets were audited and repaired. |   |
|          | Collaborate with the SHOROC member Councils on regional environmental programs   | Council continues to work collaboratively on regional environmental programs. Waste reduction programs are a major focus with staff contributing to discussions and implementing recommendations.   |  |

## Traffic and Transport

| Strategy  | Action  | Comment  | Progress  |
|---|---|--|---|
| 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</li> </ul> | Implementation of the SHOROC Shaping Our Future Strategy continued during 2015/16, with Council taking an active role in ongoing advocacy, discussion and representations on key issues, particularly on matters relating to transport improvements for the region. Staff continued to attend working group meetings on transport and BRT-related matters. |  |

| Strategy  | Action  | Comment  | Progress  |
|---|---|--|---|
|   | through Beauty Point<br>• Ongoing lobbying to maintain and improve local bus and ferry services   |  |   |
|   | Actively participate in further planning and engagement by the NSW Government in relation to Military Road/Spit Road transport solutions  | 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 senior public servants. Regionally, combined advocacy efforts culminated with the announcement of the \$664 million Northern Beaches Transport Plan. Council with SHOROC attended several meetings dealing with bus priority and the Northern Beaches BRT with Transport NSW. |    |
| 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> <li>• Local Traffic Committee</li> <li>• Active Transport Community Consultative Committee</li> <li>• RMS liaison – approvals, funding, partnerships</li> </ul> | Council completed vehicle speed and volume counts in identified local streets, reviewed the submitted Construction Traffic Management Plans, advocate for improved street lighting and implement the Road Safety Action Plan. Council staff regularly liaised with the RMS, Police and other stakeholders through the Local Traffic Committee, Active Transport Working Group and Local Area Command meetings.   |    |
|   | Complete a Traffic Facility Audit subject to grant funding  | The Traffic Facility Audit on some regional roads and few local roads completed during the period 2015/16.   |  |
|   | Undertake a Traffic Signage Inventory subject to funding  | Traffic Signage Inventory was completed.   |  |
|   | Subject to funding, progressively implement recommended actions in the Pedestrian Access Mobility Plan  | Implemented the recommended actions in the Pedestrian Access Mobility Plan according to the priority and budget availability.  |  |

| Strategy  | Action   | Comment   | Progress   |
|---|--|---|--|
|   | Subject to funding, progressively implement actions detailed in the Mosman Bikeplan 2014-2019  | Mosman Bike Plan 2014-2019 actions implemented as per the plan. During the reporting period line marking in local streets including Thomson Street, Stanton Road, Medusa Street and Mandolong Road 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> | The parking assessment work identified for the financial year was completed and was reported to the Local Traffic Committee as required.  |   |
|   | Install Parking Management Devices in Council Car Parks  | Tender process for the installation of Parking Management Devices completed and Contractor was engaged. The installation of the Parking Management Devices in Council car parks substantially completed.  |   |
|   | Review options for improved business centre parking including redevelopment of existing sites and new contributions plans  | In 2015/16 Council entered into a contract for the installation of parking technology. The review of Raglan Street West car park and options for parking at the Civic Centre redevelopment proposal have been put on hold pending the outcomes of the NSW Government's Local Government Reform Process. |   |
|   | Undertake actions arising from Mosman's Parking Policy, subject to adoption by Council and funding   | The installation of parking technology devices were substantially completed.  |  |

# Economic

## Local Economy

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
| Support economic activity through appropriate planning controls, projects and partnerships with local businesses, associations and networks | <ul style="list-style-type: none"> <li>Mosman Business Centres Development Control Plan (DCP)</li> </ul>  | There have been no amendments to the Business Centres DCP, however, it is regularly reviewed for relevance and currency.  |    |
|   | <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>   | Positive working relationships have been maintained with the Mosman Chamber of Commerce. During the year the Mayor, Councillors and staff met with Chamber representatives to discuss further opportunities to work together in the future. Staff and Councillors have regularly attended the Chamber's Business After Hours and other networking functions, and collaborated with the Chamber to again deliver the (expanded) Christmas Decoration Competition in October-December 2015. |    |
|   | <ul style="list-style-type: none"> <li>Community cultural and economic development partnerships with local businesses</li> </ul>  | In 2015/16 Council continued to support the work of the Mosman Chamber of Commerce, including collaborating on Festival events such as Mosman Runway, providing a venue for the Chamber's Christmas party, and partnering with the Chamber on activities such as the Christmas lights competition in shop windows. Council also provided a community space at the Mosman Markets for the promotion of the Chamber and its range of activities.  |    |
|   | <ul style="list-style-type: none"> <li>Business community consultation and education</li> </ul>   | The business community continues to be included in any planning consultations that may impact the business centres.   |  |
| 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> | Information was regularly provided to residents and visitors through Council's website, publications and media promotions as well as through other local publications and promotions across the region and wider metropolitan area.   |  |

| Strategy   | Action  | Comment   | Progress  |
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|  | Participate in SHOROC regional business initiatives   | The major regional business initiative undertaken with SHOROC during the year was the Visitor Economy Opportunities Paper, which was presented to the SHOROC Board in late November 2015. This project, undertaken between August and November 2015, involved staff from all SHOROC Councils including Mosman, working with an external consultant to identify and analyse economic opportunities associated with tourists/visitors to the SHOROC region. Mosman staff also continued to participate in the SHOROC Economic Development Working Group more generally, with links being maintained between the group and the Sydney North Regional Advisory Council of the NSW Business Chamber .  |    |
|  | Coordinate local working group involving key agencies including Sydney Harbour Federation Trust, National Parks and Wildlife Service, 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 | In 2015/16 Members of the working group were engaged as part of preparations for the 2015 Festival of Mosman, the 2015 Bungaree celebrations and preparations for the Centenary celebrations for Taronga Zoo.   |    |
|  | Development of stronger links with Destination NSW and other relevant agencies through funding and partnership arrangements   | Sponsorship and funding opportunities with government agencies continue to be actively sought and explored. During the Festival of Mosman in September 2015 a successful collaboration was undertaken with Sydney Ferries to both promote the Festival and deliver poetry readings on harbour ferries. In October 2015 Council was also successful in obtaining triennial funding for the Mosman Art Gallery through Arts NSW - funding that had previously only been available on an annual basis. At a local level, successful working relations and collaborations continued with other agencies including the National Parks and Wildlife Service and Sydney Harbour Federation Trust, as well as Taronga Zoo in the lead-up to its 100th Anniversary celebrations. |  |
| Capitalise on regional, State and Federal initiatives to help support businesses and the local economy | <ul style="list-style-type: none"> <li>Promotion and support for business workshops, training and other resources offered locally by external providers including State and Federal government</li> </ul>   | During the year Council again supported the Small Biz Bus in Mosman, facilitating arrangements for a full day of business advisory services in Military Road. Sydney Business were also supported in their efforts to deliver social media training to  |  |

| Strategy   | Action  | Comment  | Progress  |
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|  |   | interested businesses across Sydney's north shore.   |   |
|  | Pursue opportunities to work in partnership with Northside Business Enterprise Centre and the Small Biz Connect program to assist Mosman businesses   | During the year Council again supported the Small Biz Bus in Mosman, facilitating arrangements for a full day of business advisory services in Military Road. Northside Business Enterprise Centre (Sydney Business) was also supported in their efforts to deliver social media training to interested businesses across Sydney's north shore.  |    |
| Pursue improvements to accessibility, functionality and public domain in and around business centres | • Mosman Rider bus service  | This year has seen the introduction of technology to support the operations of the Rider and make it easier for residents to access. The change in route to include Bridgepoint is now well established.   |    |
|  | • Community information, education and promotion – sustainable transport options  | Council continues to promote sustainable transport options including promotion of Mosman Rider, Car Share and Walk Mosman App. Working with Active Transport Working Group to improve bicycle routes including road markings, directional signage and path improvement works.  |    |
|  | • Cycling and pedestrian accessibility works  | The planned cycling and pedestrian accessibility works for 2015/16 completed.  |    |
|  | • 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          | During the first half of the year Council continued to actively participate in SHOROC, including involvement in regular board meetings, professional groupings and meetings with State Members of Parliament. Mayor Peter Abelson concluded his Presidency of SHOROC in November 2015. In general terms, engagement with SHOROC has decreased significantly since the announcement of the Northern Beaches Council in May 2016. Further consideration of future ROC arrangements for Mosman is required, although this is still pending outcomes from the current local government reform process. |  |
|  | 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 | Council continued to take an active role in regional advocacy, discussion and representations on key transport issues, particularly on matters relating transport solutions for the north-south corridor. Staff attended regular working group meetings on transport and BRT-related matters.  |  |

# Governance

## Leadership and Engagement

| Strategy  | Action  | Comment   | Progress  |
|---|---|---|---|
| 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> | Regular use has been made of online and hard copy surveys to gauge resident views on key issues as well as to ascertain user satisfaction with specific services. These surveys have included the annual user surveys as well as broader community surveys and engagement on significant issues such as local government amalgamations and other matters including synthetic playing surfaces and policies on Planning Agreements and car share operations. The most recent biennial Community Survey, which provides Council with important data regarding resident views and satisfaction with Council services, was carried out by independent market researchers in April 2016, with the results reported to Council in June. These results reflect the continuing trend of increasing community satisfaction with Council performance over the last six years. Ongoing improvements are being made to Customer Service functions in response to a continued focus on better customer experience. |    |
|   | <ul style="list-style-type: none"> <li>Complaint investigation, systems and monitoring</li> </ul>   | The installation of the new Queue Management System at the Customer Service desk has enabled customers to nominate the purpose of their visit for more efficient attendance to their enquiry. Council is now able to capture accurate data on the number of enquiries being handled, the type of enquiries, service time for each enquiry and the waiting time. This information assists in identifying business improvements to further increase service efficiencies. The major upgraded to the VOIP telephone system has enabled better data being captured across Council to identify where efficiencies and improvements in phone call handing to our customers can be achieved. Complaints received are closely monitored to ensure that they are correctly investigated and where required a written response  |  |

| Strategy  | Action  | Comment   | Progress   |
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|   |   | provided.   |  |
|   | Undertake a random survey of at least 400 Mosman residents biennially to ascertain community views on local issues and Council performance  | Mosman's latest biennial Community Survey was undertaken in late April and reported to Council in June 2016. The survey was conducted randomly by telephone and included 405 respondents. Compared to the 2014 survey results, there was an increase in overall satisfaction with Council services, as well as satisfaction with staff and Councillors.   |   |
|   | Review and adopt Customer Service Guarantee   | Draft Customer Service Charter prepared. Customer service review and associated appointment of Manager Customer Service completed and systems implemented to capture performance data for incorporation in proposed Charter.  |   |
| 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> | Submissions are made on a regular basis to State and Federal agencies on matters impacting Mosman, the region and local government more generally. These included a submission to the Office of Local Government regarding its Joint Organisations Directions Paper and also in relation to merger preferences following the State Government's announcement on the fitness of NSW Councils. Representations were made to the Local Government Inquiry into Local Government in NSW. Council also made a submission to IPART regarding its review of reporting and compliance burdens on local government and, as a member of SHOROC, also contributed to a regional submission on the Independent Review of the Building Professionals Act 2015. Other submissions were made in relation to the proposed Exempt and Complying Development Codes SEPP, changes to the Impounding Act regarding boat trailer parking and proposed changes to planning policy relating to medium density housing and managing short-term holiday lettings. During the period there have been multiple representations made on behalf of the community with the aim of maintaining Mosman's independence in the face of the State Government's local reform agenda. There was significant activity on this issue in the first half of 2016, including information campaigns for the community and lobbying of the NSW Government. Council lodged formal submissions on the two merger proposals for Mosman, Manly and (part) Warringah and Mosman, |  |

| Strategy | Action  | Comment  | Progress  |
|----------|---|--|---|
|          | <p>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</p> | <p>North Sydney and Willoughby.</p> <p>During the period there have been multiple representations made on behalf of the community with the aim of maintaining Mosman's independence in the face of the State Government's local reform agenda. Representations were made to the Parliamentary Inquiry into Local Government in July 2015 and a submission was also made in response to the State Government's call for merger preferences in November 2015 following the release of the IPART's report on the 'fitness' of NSW councils including Mosman. Mosman Council did not submit any preferences but reassured its desire to remain an independent local government area and council. An information and lobbying campaign was rolled out, including a public meeting, during October 2015 prior to the deadline for preferences, with the State Government subsequently announcing merger proposals on 18 December 2015. There was significant further activity in the first half of 2016, including information campaigns for the community and lobbying of the NSW Government. Council lodged formal submissions opposing the two merger proposals for Mosman, Manly and (part) Warringah and Mosman, North Sydney and Willoughby. In April 2016 Council commenced legal action in the NSW Land and Environment Court, calling into question the NSW Government's merger proposal process.</p> |    |
|          | <p>Participate in regional planning and advocacy initiatives to strengthen local outcomes for Mosman</p>  | <p>During the year Council maintained its involvement in regional planning and advocacy through various forums and partnerships such as SHOROC and through its involvement in meetings of the Councils of Northern Sydney. Council has also taken an active interest in the establishment of the Greater Sydney Commission and the development of new District Plans. This regional work has been in addition to advocacy undertaken at the local level on significant issues including foreshore protection.</p>  |  |
|          | <p>Continue to advocate for Mosman to remain as an independent local government area and Council</p>  | <p>In September 2015 Council resolved to undertake a new campaign focussing on Council's continued independence. In late June 2016 Council lodged its 'Fit for the Future' submission with the IPART and also made representations to the Parliamentary Inquiry into Local Government in July 2015. Following release of the IPART</p>   |  |

| Strategy   | Action   | Comment   | Progress  |
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|  |  | <p>report and the NSW Government's response, a submission was also made in relation to the Government's call for merger preferences in November 2015. Mosman did not submit any preferences but reasserted its desire to remain an independent local government area and council. An information campaign was rolled out during October 2015 prior to the deadline for preferences, with the State Government subsequently announcing merger proposals in December 2015. Following the formal announcement of a merger proposal for Mosman, Manly and part of Warringah in early January 2016 (followed by a further merger proposal for Mosman, North Sydney and Willoughby in late February 2016), Council prepared and lodged formal submissions on each merger proposal, strongly and repeatedly advocating for Mosman's continued independence. Council also commenced legal action in the NSW Land and Environment Court in April 2016, calling into question the NSW government's merger proposal process.</p> |   |
|  | <p>Monitor and participate in review of the NSW Local Government Act and Environmental Planning &amp; Assessment Act</p>   | <p>A watching brief has been maintained on legislative review relevant to Mosman and to local government more generally. In March 2016 a submission was made by Council in relation to the NSW Government's proposed Phase 1 amendments to the NSW Local Government Act 1993.</p>   |    |
|  | <p>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</p>   | <p>Council continued to take an active role in regional advocacy, discussion and representations on key transport issues, particularly on matters relating transport solutions for the north-south corridor. Staff attended regular working group meetings on transport and BRT-related matters.</p>  |   |
| <p>Explore, develop and maintain partnerships, networks and affiliations that support and enhance local governance and improved community outcomes</p> | <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> | <p>During the first half of the year Council continued to actively participate in SHOROC, including involvement in regular board meetings, professional groupings and meetings with State Members of Parliament. Mayor Peter Abelson concluded his Presidency of SHOROC in November 2015. In general terms, engagement with SHOROC has decreased significantly since the announcement of the Northern Beaches Council in May 2016. Further consideration of future ROC arrangements for Mosman is required, although this is still pending outcomes from the current</p>  |  |

| Strategy  | Action   | Comment   | Progress  |
|---|--|---|---|
|   |  | local government reform process.  |   |
|   | <ul style="list-style-type: none"> <li>• Membership and support of Shorelink</li> </ul>  | Council has been a member of Shorelink since 1983. The Network is an outstanding example of cooperation between Councils, delivering excellent services, resources and economic benefits to member Councils and their communities.  |    |
|   | Contribute to the further development of joint procurement and service delivery models with other Councils   | Council continued to participate as an active member of the SHOROC regional procurement initiative. A joint service model for community transport was also explored in conjunction with other community transport providers in northern Sydney, however it has been determined that this proposal will not proceed. Council remains a partner in Kimbriki Environmental Enterprises and resolved during the year to continue with existing waste collection and recycling services pending implementation of a common waste collection system in conjunction with the new waste recycling facility at Kimbriki.   |    |
|   | Actively partner in the successful implementation of a new regional Waste Management Model, including alternate waste technology and common collection systems.  | Council remains a partner in Kimbriki Environmental Enterprises and resolved during the year to continue with existing waste collection and recycling services pending implementation of a common waste collection system in conjunction with the new waste recycling facility at Kimbriki.   |    |
| 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> | Quarterly MOSPLAN progress reports were prepared for the July-September 2015, October-December 2015 and January -March 2016 quarters and were presented at Council meetings in November 2015, February 2016 and May 2016. The Long Term Financial Plan (LTFP) was also reviewed having regard to the implementation of the approved Special Rate Variation in July 2015, announcement of the 2016-17 rate peg in early December 2015 and other matters that will potentially impact financial flows, and a revised LTFP 2016-2026 was adopted by Council in June 2016. A (revised) 2013-2017 Delivery Program, 2016/17 Operational Plan, Budget and Pricing Policy - Schedule of Fees and Charges was also adopted by Council in June 2016 for application in the 2016/17 financial year. |  |

| Strategy | Action   | Comment  | Progress  |
|----------|--|--|---|
|          | Review and improve Council's Delivery Program and Operational Plan                             | A (revised) 2013-2017 Delivery Program, 2016/17 Operational Plan, Budget and Pricing Policy - Schedule of Fees and Charges was prepared and subsequently adopted by Council in June 2016. The Long Term Financial Plan (LTFP) was also reviewed having regard to the implementation of the approved Special Rate Variation in July 2015, announcement of the 2016-17 rate peg in early December 2015 and other matters that will potentially impact financial flows. The revised LTFP 2016-2026 was adopted in June 2016.  |    |
|          | Prepare a Community Engagement Strategy for development of MOSPLAN 2017-2027                   | Although work commenced on developing a MOSPLAN 2017-2027 Community Engagement Strategy, the project has been delayed pending the outcome of the local government reform process. It is noted that the next local government election has been rescheduled to September 2017 and the development of a new Community Strategic Plan has also been delayed for merged entities.  |    |
|          | Assist Council in undertaking a comprehensive review of its Community Strategic Plan (MOSPLAN) | The next comprehensive review of the Community Strategic Plan (MOSPLAN) was due to commence in mid- 2016, however integrated planning and reporting timeframes have been impacted by the current local government reform process. With local government elections delayed until September 2017, it is anticipated that the next major review of the Community Strategic Plan will need to be concluded by June 2018.   |    |
|          | Enhance business planning skills and implementation across Council                             | The online Performance Development system PULSE is utilised for documenting employee's core activities for the year ahead; allowing the employee to update their achievements against these core activities throughout the year. The annual performance review is also facilitated and documented online, with final weighting and scoring calculated by the software automatically. The set of employee related data and position numbers in PULSE interfaces with the delegations; and corporate management for those employees with Integrated Planning and Reporting Activities. |  |
|          | Prepare an End of Term Report for the 2012-2016 Council Term                                   | Preparation of this report has been impacted by the NSW Government's local government reform process.  |  |

| Strategy  | Action   | Comment  | Progress  |
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| 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> | Regular use was made during the year of online and hard copy surveys to gauge resident views on key issues and to ascertain user satisfaction with specific services. User surveys included the annual survey by Mosman Library Service. Other surveys and engagement were carried out on significant issues such as local government amalgamations and other matters including synthetic playing surfaces and Council policy on Planning Agreements and car share operations. A Public Meeting was held in October 2015 in relation to local government amalgamations and was attended by approximately 300 people. Concurrently, an information campaign was rolled out in relation to the reform process including signage, brochures and related web content. Social media has been regularly used to inform the community about key issues and events. The Mosman Events website was relaunched with improved mobile functionality and the Mosman Art Gallery website was also significantly upgraded. Customer service was improved with the completion of the Civic Centre foyer refurbishment and electronic queuing system. During early 2016 the major focus of community engagement activity related to Council information campaigns on merger proposals for Mosman, Manly and (part) Warringah and Mosman, North Sydney and Willoughby. |    |
|   | <ul style="list-style-type: none"> <li>Regular production and distribution of Mosman Now (weekly column and quarterly newsletter) and other media releases/liaison as required</li> </ul>  | Mosman's weekly column and quarterly newsletter MosmanNow were developed and distributed along with e-communications to inform and engage with the community about council news, information and events. Council staff distributed 50 media releases and responded to approximately 300 media inquiries.   |   |
|   | Review Council's Community Engagement Strategy, including preparation of an Engagement Resource Kit for staff.   | The review of Council's Community Engagement Strategy and staff Engagement Resource Kit slowed due to the merger proposal period and is now being recommenced.   |  |
|   | Implement and monitor Council's revised suite of Community Consultative Committees.  | Council's Community Consultative Committees met regularly during the year, providing advice and input into Council decision making. The Arts and Culture Community Consultative Committee provided recommendations to Council regarding the ongoing protection of the Mosman Art Collection as well as prize money for the Mosman Art Prize. The Access and Mobility Committee provided a forum for  |  |

| Strategy  | Action   | Comment  | Progress  |
|---|--|--|---|
|   |  | discussion of the new Disability Inclusion Action Plan and made recommendations on matters such as tactile signage. The Friendship Cities Committee reviewed opportunities for further exchanges with Council's core friendship cities (Glen Innes, NSW, Otsu, Japan and Mudanjiang, China) and the Visual Amenity - Signage and Advertising Committee provided advice on the design and implementation new signage for public places in Mosman. All Committees are to be reviewed following the next local government election.   |   |
|   | Expand the capacity and rigor of local community engagement  | Council has continued to actively pursue new ways to inform and engage the community on matters of local interest, particularly through increasingly popular online and social media channels which are providing a range of opportunities for community involvement.<br>All community consultations are published online and easily accessed from the homepage of Council's website. A new consultation tool is being used to allow the community to provide feedback in a variety of ways and to encourage greater engagement. The contact page is also easily accessed from the homepage for residents to find contact details or complete a general enquiry / report an issue.   |    |
| Acknowledge and support community aspirations, initiatives & achievements | <ul style="list-style-type: none"> <li>• Civic receptions</li> <li>• Citizen and Young Citizen of the Year</li> <li>• Australia Day, Mosman Day and Hunter Day celebrations</li> <li>• Citizenship Ceremonies</li> </ul> | During the year six Citizenship Ceremonies were conducted for Mosman residents, five in the Grand Hall of Mosman Art Gallery and one on Australia Day in the Mosman Drill Hall. At the Australia Day Citizenship Ceremony Virginia Howard and Jerome Dardis were awarded 2016 Citizen of the Year and 2016 Young Citizen of the Year respectively. The traditional Mayor's Christmas Reception was held in December to thank local volunteers and others who made a contribution to the Mosman community in 2015, with a further event held at the Gunners Barracks in May 2016 to recognise the work of our volunteers. In June 2016 residents and representatives of local community organisations attended two special 'Celebrate Mosman" events at the Gallery and at the Sergeants Mess, Chowder Bay to acknowledge and celebrate the Mosman community and its heritage. A special video was produced in conjunction with these events and was made available |  |

| Strategy | Action  | Comment   | Progress  |
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|          |   | for free download and sale in DVD format.                                       |   |
|          | <ul style="list-style-type: none"> <li>• School Citizenship Awards</li> </ul> | The School Citizenship Awards 2015 were facilitated and successfully completed. |  |

## Governance and Risk

| Strategy  | Action  | Comment  | Progress  |
|---|---|--|---|
| 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 &amp; auditing of financial reports</li> <li>• Loan program management</li> <li>• Budget preparation, review &amp; reporting</li> <li>• Review of 10 year Financial Plan</li> </ul> | Council considered the rating structure as part of the 2016/17 budget process. Council's Annual Financial Statements for the year ending 30 June 2015 were prepared and audited in August 2015. Council took up the budgeted \$400,000 loan to part fund the capital works program in June 2016. Council considered and adopted the annual Budget for 2016/17 and the Revised Long Term Financial Plan at its meeting held on 7 June 2016. |    |
|   | Review of Investment Properties Business Plan   | Not progressed. Review of Investment Property Business Plan remains subject to determination of redevelopment proposals for Council's Spit Junction properties.  |    |
|   | Achieve full integration of asset management plan financials and 10 year Financial Plan   | The financial budget has been integrated with each Asset Management Plan, covering operations, maintenance, depreciation and capital renewal.  |   |
|   | Further improve integration of Council's Budget with the Community Strategic Plan - MOSPLAN   | The budget for Financial Reporting and MOSPLAN reporting is fully integrated.  |  |
|   | Undertake a fair valuation of infrastructure assets in accordance with Office of Local Government requirements  | The fair value revaluations were undertaken and incorporated into the Annual Financial Statements for the year ended 30 June 2016.   |  |
|   | Review online payment options for all Council revenue   | All currently available options supported by Council's software have been implemented.   |  |

| Strategy   | Action  | Comment  | Progress  |
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| Anticipate and proactively manage risks relating to Council operations and the wider Mosman community                              | <ul style="list-style-type: none"> <li>Regular asset/compliance/regulatory audits</li> </ul>  | During the 2015/16 financial year, safety audits of infrastructure assets were undertaken as planned.  |    |
|  | <ul style="list-style-type: none"> <li>Safeguarding security of Council IT systems and information</li> </ul>   | A major upgrade of Council's Anti-Virus software has been completed.<br>Disaster recovery testing for telephony, e-mail and domain authentication for the IT network has been completed.<br>The building security system server hardware and software has been upgraded resulting in improved performance and software security.   |    |
|  | <ul style="list-style-type: none"> <li>Insurance policy/portfolio review &amp; renewal</li> <li>Risk Management Policy, Procedures &amp; Processes</li> <li>Risk management training &amp; promotion</li> </ul> | All insurance policies reviewed and renewed for new financial year 2016/17. The Risk Management Policy was reviewed by the Audit Committee and adopted by Council. The overarching Business Continuity Plan (BCP) and sub-plans have been completed and a desk-top exercise conducted on the operation of the BCP.   |    |
|  | Progressively upgrade facilities and hardware to facilitate IT business recovery  | Disaster recovery testing for telephony, e-mail and domain authentication for the IT network has been completed.<br>The Internet telecommunications at the Civic Centre and Library sites have been upgrade to facilitate IT business recovery to the cloud.   |    |
|  | Implement an effective Enterprise Risk Management strategy  | The Risk Management Policy was reviewed by the Audit Committee and adopted by Council. The overarching Business Continuity Plan (BCP) and sub-plans have been completed and a desk-top testing of the BCP was undertaken May 2016.   |   |
| Provide a working environment that attracts and retains quality staff and encourages continuous improvement and service excellence | <ul style="list-style-type: none"> <li>Biennial employee engagement survey</li> </ul>   | Employees at Mosman Council continued to provide positive feedback in the 2015 staff survey, with the overall response rate sitting at a healthy 82%, and most staff reporting they are passionate about their work and actively engaged with Council. Overall engagement is 72%, which is the same level compare to the 2013 results, and 2% above the average for the Local Government benchmark. This is a remarkable achievement given that significant organisational and leadership changes have occurred between 2013 and 2015. These changes have focussed on the relaunch of employee well- |  |

| Strategy | Action  | Comment   | Progress  |
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|          |   | <p>being and broader work health safety programs including; equal employment opportunity, flexibility to manage work and family; and a broader range of communication mechanisms from Council's leadership (Executive Bulletin and 'Breakfast with the Executive') keeping staff informed about all aspects of their working relationship with Council.</p> <p>The general level of staff confidence in the Executive and Senior Management team has increased by 10% to 73% and 72% respectively. These leadership results place Council substantially above the average Council benchmark (26% above and 25% above respectively).</p>   |   |
|          | <ul style="list-style-type: none"> <li>• Identification &amp; provision of quality training and staff skill development</li> <li>• Annual Employee Performance and Development Plans</li> </ul>                           | <p>The deployment of a new organisation structure with supporting position descriptions provided a backdrop for a new approach to online performance management; and targeted learning and development for staff, encompassing technical, soft, and mandatory work health safety skills.</p> <p>This included a strong focus on probity and accountability ensuring employees were well informed about their responsibilities under the Code of Conduct and Public Disclosures legislation through their proper orientation and induction, and ongoing training. Conferences were also well attended by management and staff.</p> <p>The online Performance Development system PULSE is utilised for documenting employee's core activities for the year ahead; allowing the employee to update their achievements against these core activities throughout the year. The annual performance review is also facilitated and documented online, with final weighting and scoring calculated by the software automatically.</p> |    |
|          | <ul style="list-style-type: none"> <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> </ul> | <p>Work Health and Safety Inspections and Reports continued to be of a high standard with remedial action documented and actioned accordingly. The financial year ended with work injury and return to work programs finalised and all current claims closed.</p> <p>Council has continued to have a very good record in regards to Workers Compensations and has received significant financial benefits in the form of premium rebates and reduced premiums. It was reported late last year that during 2014/15 that Mosman Council was StateCover's (Council's Workers Compensation</p>  |  |

| Strategy   | Action   | Comment  | Progress  |
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|  |  | Insurer) best performing Council in NSW.   |   |
|  | <ul style="list-style-type: none"> <li>• Staff immunisation and Employee Assistance programs</li> <li>• Staff well-being programs</li> <li>• Staff Induction Program</li> </ul>  | Council continued to offer a broad range of employee benefits that were well subscribed by staff, such as health and fitness reimbursements, immunisation, return to work maternity leave bonus, rostered days off, an additional weeks leave per annum, public transport subsidies; and access to our employee assistance program (EAP Access) where staff are able to discuss a range of personal or work related issues in a confidential setting.  |    |
|  | <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> </ul>   | Inroads into the review of the Human Resource Policy Manual focused on the alignment of new corporate practices with current legislation including Equal Employment Opportunity Statement, Secondary Employment, Higher Grade Duties and Council's Salary System. The Equal Employment Opportunity Management Plan has also been reviewed and updated to include NSW Disability Inclusion Action Planning guidelines. The review of Council boundaries requires the Mosman Council Enterprise Agreement 2013 to be extended and continue during the 'proposal period'. |    |
| Contribute to a safer Mosman community through planning, partnerships, education, and emergency management | <ul style="list-style-type: none"> <li>• Ongoing partnerships and collaboration with Harbourside Local Area Command (HBLAC), State Emergency Service, Fire Brigade and Ambulance services</li> <li>• Provision of Local Emergency Management Officer (LEMO) for Mosman-North Sydney and attendance at Local Emergency Management Committee meetings</li> <li>• New police officer 'Introductions to Mosman' – Harbourside Local Area Command</li> <li>• Companion Animals education, enforcement and registration</li> </ul> | Council has been represented at regular LEMO meetings, networks and partnerships are developing.   |  |
|  | <ul style="list-style-type: none"> <li>• Development and implementation of community safety strategies and projects</li> <li>• Participation in Liquor Accord</li> </ul>   | Council continues to participate as an observer at the Liquor Accord and to provide input from a community perspective into alcohol licensing applications.  |  |

| Strategy  | Action  | Comment  | Progress  |
|---|---|--|---|
|   | <ul style="list-style-type: none"> <li>Review and enhancement of CCTV installations</li> <li>24 hour incident and make-safe callout system for Council's assets</li> <li>Road safety promotion and education</li> <li>Implementation of anti-graffiti strategies</li> </ul>   | Council progressively implemented the CCTV enhancements in priority areas as identified in audits and maintained the CCTV surveillance systems as per the program. Road safety promotions and education programs conducted on a regular basis.   |    |
|   | <ul style="list-style-type: none"> <li>Manly-Mosman District Bushfire Management Plan implementation</li> </ul>   | Manly/ Mosman/ North Sydney Bush Fire Risk Management Plan 2015-2020 was developed and adopted. Meetings attended and on-ground works implemented where possible.  |    |
| Sustainably manage local infrastructure through strategic asset planning and management                       | <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>  | The required inspections and condition audits of infrastructure assets as per the relevant Asset Management Plans completed and records were updated accordingly. Repairs and renewals of assets were undertaken as per the priority within the allocated budgetary provisions.  |    |
|   | Implement new Asset Management System to enhance inspections and financial reporting  | The new Asset Management System was implemented to enhance inspection and financial reporting. Required training on the use of the system was given to the relevant staff.   |    |
| Support good governance, customer service and communication with contemporary policies, systems and processes | <ul style="list-style-type: none"> <li>Participation in the Northern Councils Internal Audit Group. (Hunters Hill, Lane Cove, Manly, Mosman, North Sydney and Willoughby)</li> <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> | Participated in the two scheduled meetings of the General Manager's North Shore Councils Internal Audit Group  |    |
|   | <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>   | <p>The Audio Visual equipment in the Council Chambers has been replaced with up to date equipment.</p> <p>A major upgrade of Council's document management system, financial management system, and digital phone system has been completed.</p> <p>The telecommunications links at the Civic Centre and Library sites have been upgraded to fibre to achieve faster speeds when using the Internet.</p> <p>A point of sales system has been installed at the Mosman Art</p> |  |

| Strategy | Action  | Comment  | Progress  |
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|          |   | Gallery to move from a paper based to an electronic process.   |   |
|          | <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 (GIPA) Act, and Public Interest Disclosures (PID) 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 &amp; procedures to ensure effective records management including compliance with GIPA and PID Acts</li> <li>• Servicing and supporting Council meetings</li> </ul> | All actions undertaken as required.  |    |
|          | <ul style="list-style-type: none"> <li>• Councillor training and advice</li> </ul>  | Advice and training is routinely provided to Councillors as required.  |    |
|          | Audit Council's records management system to ensure compliance with State Records Act, Privacy Act and GIPA   | All actions undertaken as planned. Manager's report on progress on the Action Plan under draft Records Management Strategy, which addresses compliance audits, was considered by the Audit Committee on 14 April 2016. Progress with digitisation and disposal programs. |    |
|          | Prepare and deliver a comprehensive Councillor Induction Program  | Development of a Councillor Induction Program has been impacted by the NSW Government's local government reform process.   |  |
|          | Review Council Policy in accordance with legislative requirements and other imperatives for good governance   | All actions undertaken as planned.   |  |
|          | Review, enhance and document the Information Technology Strategy to meet Council's future needs   | The Information Technology Strategy has been reviewed for 2015/2016 with amendments adopted by the General Manager on 29 December 2015.  |  |
|          | Progressively implement improvements to Information Technology systems and capability in accordance with  | The following actions from the IT Strategic Direction have been completed:   |  |

| Strategy | Action  | Comment  | Progress  |
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|          | the IT Strategic Directions 2014-2017               | <ul style="list-style-type: none"> <li>- Update the Audio Visual equipment in the Council Chambers meeting room</li> <li>- Major upgrade of the document management system - ECM</li> <li>- Major upgrade of the financial systems - Authority</li> <li>- Major upgrade of the VOIP telephony system Interactive Intelligence</li> <li>- Refresh 75 desktops with new hardware with the Windows 7 operating system</li> <li>- Upgrade of Internet links at Civic Centre and Library sites</li> <li>- Develop the Internet and Mobile Computing Corporate Practice</li> <li>- Implement a electronic point of sales system at the Mosman Art Gallery</li> </ul> |   |
|          | Undertake Governance Health Check                   | Due over two year period 2015-17. Conduct of health on hold pending outcome of the local government reform processes.  |  |
|          | Develop and implement a Records Management Strategy | All actions undertaken as planned. Manager's report on progress on the Action Plan under draft Records Management Strategy was considered by the Audit Committee on 14 April 2016. Completion of various actions subject to resourcing having regard to the local government reform processes.   |  |

## 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 2015 to 30 June 2016 appears in this section. Data marked with an asterisk (\*) is the mean score out of 10 from the Mosman Community Survey, 2016.

### Mosman Community Survey 2016

The survey was conducted in April 2016 with a total of 405 resident interviews completed. 288 of the 405 respondents were selected by means of a computer based random selection process using the electronic White Pages. The remaining 117 respondents were 'number harvested' via face-to-face intercept at a number of areas around the Mosman Local Government Area, that is Spit Junction and Mosman Junction. The sample was weighted by age and gender to reflect the 2011 Australian Bureau of Statistics census data.

The Unipolar Scale of 0 to 10 where 0 was the lowest importance or satisfaction and 10 the highest importance or satisfaction, was used in all rating questions. This scale allowed for a mid-range position for those who had a divided or neutral opinion.

Scale: 0 = not at all important/very dissatisfied, 10 = very important/very satisfied.

### Report on Key Performance Indicators for the period 1 July 2015 to 30 June 2016

#### SOCIAL - Community Wellbeing

##### Program Coordination: Manager Community Services

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| Average score using Unipolar Scale:   |                |
| • Services and facilities for children and families   | 7.05*          |
| • Services and facilities for older people  | 7.04*          |
| • Overall range and quality of community facilities and activities                          | 7.18*          |
| • Services and facilities for people with a disability                                      | 6.65*          |
| • Access to Council information and Council support   | 6.63*          |
| • Services for young people   | 6.32*          |
| • Services and facilities for people from culturally and linguistically diverse backgrounds | 5.67*          |
| No. of volunteers in Council services (active @ 30 June 2015)                               | 331            |
| Mosman Rider passenger numbers per annum  | 28,097         |
| No. of meals delivered by Meals on Wheels per annum   | 21,568         |
| No. of Community Transport trips per annum  | 5,508          |

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| No. of children immunised per annum   | 412            |
| No. of young people that have connected with a Council youth program or service | 9,691**        |

\*\* This number does not differentiate between unique users and return users. Some of these numbers are estimates. Regional programs are included.

## SOCIAL - Library and Information

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

| Performance Measures  | Actual 2015-16                           |
|---|--|
| % Residents satisfied with Library services                   | 7.51*                                    |
| % Library users satisfied with Library services and resources | 97                                       |
| No. Library visits per capita per annum                       | 9.16                                     |
| No. Loans per capita per annum                                | 10.51                                    |
| No. Website visits and page views per annum                   | Visits: 405,637<br>Page views: 1,182,638 |

## SOCIAL - Arts and Culture

### Program Coordination: Manager Cultural Services

| Performance Measures   | Actual 2015-16 |
|--|----------------|
| Average score using Unipolar Scale:  |                |
| • Mosman Art Gallery and Community Centre  | 6.81*          |
| • Local festivals and events   | 6.56*          |
| • Overall range of facilities and activities relevant to culture and the arts                      | 6.77*          |
| % users satisfied - Mosman Market  | 98%            |
| Total visitation per annum - Mosman Art Gallery  | 92,000         |
| No. of exhibitions, educational activities and special events held per annum at Mosman Art Gallery | 120            |
| No. of community events held per annum   | 44             |
| No. of attendees at community events per annum   | 28,837         |
| No. of Gallery Friends and Volunteers  | 450            |
| No. of members of the Creative Circle philanthropy program   | 34             |
| No. of events, projects and activities undertaken with Mosman's Friendship Communities per annum   | 3              |

## ENVIRONMENT - Built Environment

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

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| Average score using Unipolar Scale:   |                |
| <ul style="list-style-type: none"><li>Managing development - land use planning</li></ul>    | 5.80*          |
| <ul style="list-style-type: none"><li>Protection of heritage values and buildings</li></ul> | 6.71*          |
| <ul style="list-style-type: none"><li>Development approvals process</li></ul>               | 5.47*          |
| <ul style="list-style-type: none"><li>Providing and maintaining local roads</li></ul>       | 6.61*          |
| <ul style="list-style-type: none"><li>Providing and maintaining footpaths</li></ul>         | 6.48*          |
| No. metres of storm water pipes renewed per annum   | 500 m          |
| % programmed seawall renewal works completed per annum                                      | NA             |
| % programmed road renewal works completed per annum   | >100%          |

## ENVIRONMENT - Healthy Environment

### Program Coordination: Manager Engineering

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| Average score using Unipolar Scale:   |                |
| <ul style="list-style-type: none"><li>Waste and recycling collection services</li></ul>                         | 7.55*          |
| <ul style="list-style-type: none"><li>Overall cleanliness, appearance and management of public spaces</li></ul> | 7.69*          |
| <ul style="list-style-type: none"><li>Cleaning of streets</li></ul>   | 7.57*          |
| <ul style="list-style-type: none"><li>Management and protection of the environment</li></ul>                    | 7.40*          |
| <ul style="list-style-type: none"><li>Enforcement of health and food regulations</li></ul>                      | 7.48*          |
| <ul style="list-style-type: none"><li>Litter control and rubbish dumping</li></ul>                              | 7.33*          |
| <ul style="list-style-type: none"><li>Condition of public toilets</li></ul>                                     | 6.47*          |

## ENVIRONMENT - Community Spaces

### Program Coordination: Manager Environment and Open Space

| Performance Measures   | Actual 2015-16 |
|--|----------------|
| Average score using Unipolar Scale:  |                |
| <ul style="list-style-type: none"><li>Provision and maintenance of parklands including bushland, harbour foreshores, local parks and bushland trails</li></ul> | 7.88*          |
| <ul style="list-style-type: none"><li>Sport and recreational facilities</li></ul>  | 6.98*          |

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| <ul style="list-style-type: none"> <li>Overall cleanliness, appearance and management of public spaces</li> </ul> | 7.69*          |
| % users satisfied - Sporting Fields   | 6.98*          |
| No. hours per annum - Marie Bashir Mosman Sports Centre   | 2559           |
| No. users per annum - Mosman Swim Centre  | 137,139        |
| Average no. ovals bookings per week   | 16             |

## ENVIRONMENT - Traffic and Transport

### Program Coordination: Manager Engineering

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| Average score using Unipolar Scale:   |                |
| <ul style="list-style-type: none"> <li>Traffic Management</li> </ul>                  | 5.79*          |
| <ul style="list-style-type: none"> <li>Enforcement of restrictions</li> </ul>         | 5.54*          |
| <ul style="list-style-type: none"> <li>Provision of carparking</li> </ul>             | 5.91*          |
| <ul style="list-style-type: none"> <li>Providing and maintaining bikepaths</li> </ul> | 5.40*          |
| No. of (off-street) public carparking spaces  | 1,322          |
| No. of traffic accidents reported on local roads per annum                            | 27**           |
| No. metres of marked bike paths in Mosman   | 14.2 km        |

\*\*Crashes on local roads for January to December 2015. This number has reduced dramatically since 2014 due to changes to the Police reporting system where minor crashes no longer have to be reported to the Police.

## ECONOMIC - Local Economy

### Program Coordination: Director Community Development

| Performance Measures  | Actual 2015-16 |
|---|----------------|
| Average score using Unipolar Scale:   |                |
| <ul style="list-style-type: none"> <li>Council assisting economic development with the business community and visitors</li> </ul> | 6.09*          |
| <ul style="list-style-type: none"> <li>Overall cleanliness, appearance and management of public spaces</li> </ul>                 | 7.69*          |
| Cost per passenger trip - Mosman Rider  | \$7.49         |

## GOVERNANCE - Leadership and Engagement

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### Program Coordination: Director Community Development

| Performance Measures   | Actual 2015-16 |
|--|----------------|
| Average score using Unipolar Scale:                                      |                |
| • Council engaging (consulting) with the community                       | 6.19*          |
| • Access to Council information and Council support                      | 6.63*          |
| • Council leadership on matters important to the community               | 6.13*          |
| • Council advocacy on matters impacting on Mosman and neighbouring areas | 6.46*          |
| • Overall delivery of Council services                                   | 6.95*          |

## GOVERNANCE - Governance and Risk

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### Program Coordination: Manager Governance

| Performance Measures   | Actual 2015-16 |
|--|----------------|
| % Residents satisfied with access to Council information and Council support | 6.63*          |
| % Residents who feel safe in their local community                           | 9.10*          |
| % of customer service telephone enquiries resolved on first contact          | **             |
| % of formal complaints resolved within 10 days                               | 42             |

*\*\*Data not captured. Percentage of all calls directly to and completed by the Council's switchboard. Considering percentage of voicemail messages left on staff phones from either direct calls or calls transferred by the switchboard it is estimated that 60% of all calls are dealt with on first contact.*

# **SECTION TWO**

**Statutory and Other Information**

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## 1. MAYORAL AND COUNCILLOR FEES AND EXPENSES

The following fees and expenses with regard to the Mayor and Councillors were paid during 2015-16:

| Details  | \$             |
|--|----------------|
| Mayoral allowance  | 39,191         |
| Councillors' fees  | 125,706        |
| Catering and receptions  | 8,112          |
| Delegates expenses   | 3,152          |
| Travelling   | 3,136          |
| Phone line rentals to Councillors' residences  | 800            |
| Mobile phone for Mayor's use for Council business  | 110            |
| ALGWA membership   | 250            |
| Mayoral Discretionary Fund (Cl.1.1 Expenses Policy) <ul style="list-style-type: none"><li>• Floral tribute (\$80)</li><li>• Mudanjiang delegation (\$997)</li><li>• Nation Parks and Wildlife Service video (\$550)</li><li>• Citizen of the Year Award (\$1,000)</li><li>• Catering (\$412)</li><li>• Circus Quirlus donation (\$300)</li><li>• Pacific project (\$250)</li></ul> | 7,890          |
| <b>TOTAL</b>   | <b>188,347</b> |

Councillors are provided with meals when attending Council and Committee Meetings, workshops and other official functions and receptions, which are included in Catering/Receptions above. Councillor attendance at meetings and workshops is detailed on page 12.

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.

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".

Councillors are provided with tablet devices (five Councillors) and multi-function printers (three Councillors) on a loan basis during the year. Consumables for printers and facsimile machines on loan are provided upon request. 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 reviewed annually and is available on Council's website at [www.mosman.nsw.gov.au](http://www.mosman.nsw.gov.au).

## 2. SENIOR STAFF

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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 2015-16 amounted to **\$961,164**.

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<br>(including salary sacrifice)<br>(\$) | Superannuation<br>(Council contribution)<br>(\$) | Car allowance<br>(\$) | Total<br>(\$)  |
|---------------------------|--|--|-----------------------|----------------|
| General Manager           | 249,167  | 35,516   | 7,556                 | 292,239        |
| Senior Staff <sup>1</sup> | 582,152  | 71,661   | 15,112                | 668,925        |
| <b>Total</b>              | <b>831,319</b>                                 | <b>107,177</b>                                   | <b>22,668</b>         | <b>961,164</b> |

1 Director Community Development, Director Corporate Services and Director Environment and Planning employed 1 July 2015 to 30 June 2016.

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

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There were no overseas visits during 2015-16.

## 4. EQUAL EMPLOYMENT OPPORTUNITY MANAGEMENT

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Equal Employment Opportunity continued to be imbedded into the development and deployment of a new corporate practice; with equality of access to vacant positions and secondment opportunities; and other employee development opportunities.

This included the review and update of Council's Equal Employment Management Plan 2014 - 2017 and development of an Equal Employment Opportunity (EEO) Corporate Practice Statement.

The seamless approach and safeguarding of merit based systems continued to be featured in all new staff orientation programs and targeted training of new leaders in their obligations under relevant legislation supporting transparent decision making.

Equal Employment Opportunity target groups were well represented in both the Consultative and Work Health Safety Committees with all related EEO documentation available on Council's intranet and ECM document management system.

Council was also well represented at the National Disability Inclusion Planning forum in Sydney during November 2015, with preliminary discussions by Council's managers about disability inclusion planning held in-house during June 2016.

## 5. 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 have 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. In 2015-16, additional funding from Council's successful special rate variation resulted in the completion of additional works. This included some stormwater pipe relining works and drainage improvement works along Superba Lane, Cowles Road, Whiting Beach Road and Nock Lane.

### Stormwater Pollution Control and Stormwater Reuse Scheme

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 SQIDs installed. Council continues to allocate funding for the maintenance of these SQIDs. During the year 2015-16 cleaning frequency for some SQIDs was increased and four SQIDs were audited for condition and performance. One SQID was modified to increase the performance. Further performance improvements to the Botanic Road stormwater reuse scheme were implemented.

| 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 2015-16 |
|--|---|---|---|
| Stormwater Drainage Assets, including SQID | \$1,280,000   | \$228,000   | \$1,041,753                                       |

### Road Assets

A comprehensive condition survey and valuation of all its road assets were conducted in 2010. Road assets include roads, kerb and gutter, footpaths, street furniture, traffic control devices such as roundabouts and refuges, linemarking, 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 and reported annually to the Audit Committee.

The RAMP was subsequently updated and adopted by Council in 2013 to reflect new figures. The RAMP notes that significant funding is required to maintain the assets at a satisfactory level and that an injection of funding required to bring those assets with an unsatisfactory rating up to a satisfactory rating. In 2014-15 Council secured a rate levy increase with a further funding injection for road assets. This will ensure Council meets the funding demands of the road assets.

In 2015-16 Council undertook a significant amount of road work primarily due to increased funding made available from the special rate variation. Major road works included the renewal of Ourimbah Road, The Esplanade, Queen Street, Gurrigal Street, Thompson Street, Upper Avenue Road, Plunkett Road, Vista Street and Waitouv Street.

| 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 2015-16 |
|-------------|---|---|---|
| Road Assets | \$2,301,000   | \$774,000   | \$3,482,650                                       |

### 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 especially shark nets, continued investment is required to ensure they are maintained in good condition.

In 2015-16 Council continued its focus on maintenance of Balmoral and Clifton Garden Baths and Jetties and on Spit East beach and drainage improvement works.

| 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 2015-16 |
|---------------|---|---|---|
| Marine Assets | \$106,000   | \$15,000  | \$211,630   |

## 6. CONTRACTS

Details of contracts awarded during 2015-16 (other than employment contracts and contracts for less than \$150,000) follow. Prices are exclusive of GST.

| Activity<br>(Tender No.)                                   | Contractor                | Date Awarded<br>(Item No.) | Term of Contract | Tender Price |
|--|---------------------------|----------------------------|------------------|--------------|
| Supply, Installation and Maintenance of Parking Technology | Smart Parking Pty Limited | 1 December 2015<br>(EP/78) | To be negotiated | \$489,654    |

| Activity<br>(Tender No.)  | Contractor                                      | Date Awarded<br>(Item No.) | Term of Contract                       | Tender Price                             |
|---|---|----------------------------|--|--|
| <b>T-EP-15/12</b>   |   |                            |  |  |
| Sports Field Lighting,<br>Middle Head Oval<br><b>T-EP-15/14</b>                         | Smada Electrical Services<br>Pty Limited        | 1 December 2015<br>(EP/77) | 7 weeks from<br>15 February 2016       | \$236,775                                |
| Waste and Recycling<br>Services Contract 2016-<br>2018<br><b>T-EP-16/01</b>             | URM Environmental<br>Services Pty Limited       | 3 May 2016<br>(EP/27)      | 1 October 2016 to<br>30 September 2018 | \$1,931,037<br>p.a.                      |
| Balmoral Playground<br>Landscape Works<br><b>T-EP-16/03</b>                             | Creative Recreation<br>Solutions                | 5 April 2016<br>(EP/20)    | 19 May 2016 to<br>15 June 2016         | \$173,215                                |
| Ventilation Equipment<br>Replacement - Civic<br>Centre<br><b>T-EP-16/04</b>             | Beaver Air Conditioning<br>Services Pty Limited | 5 April 2016<br>(EP/22)    | 26 May 2016 to<br>29 June 2016         | Stage 1<br>\$200,200                     |
| Road Rehabilitation<br>Works at various<br>locations Mosman<br><b>T-EP-16/05</b>        | Stateline Asphalt Pty<br>Limited                | 3 May 2016<br>(EP/32)      | 5 June 2016 to<br>15 July 2016         | Queen Street<br>\$132,615                |
|   | Roadworx Resurfacing Pty<br>Limited             |                            |  | Thompson Street<br>\$73,282              |
|   |   |                            |  | The Esplanade<br>\$145,942               |
|   |   |                            |  | Bardwell Road<br>(option 1)<br>\$111,583 |
| Concrete Footpath Works<br>at Raglan Street and<br>Musgrave Street<br><b>T-EP-16/07</b> | TGB & Son Pty Limited                           | 5 July 2016<br>(EP/42)     | 6 weeks from<br>2 August 2016          | \$166,381                                |

## 7. LEGAL COSTS AND EXPENSES

The costs for 2015-16 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<br>Application No. | Status   | Consistency with<br>Staff<br>Recommendation | Cost<br>\$ |
|---------------------|--------------------------------|----------|---|------------|
| 7 Arbutus Street    | 8.2014.221.1                   | Approved | Yes   | 224,412    |
| 1 Kirkoswald Avenue | 8.2015.160.1                   | Approved | Yes   | 12,764     |

| Property                    | Development Application No. | Status       | Consistency with Staff Recommendation | Cost \$        |
|-----------------------------|-----------------------------|--------------|---------------------------------------|----------------|
| 2-4 Lavoni Street           | 8.2014.245.1                | Approved     | Yes                                   | 61,987         |
| 710 Military Road           | 8.2012.114.1                | Refused      | Yes                                   | 261,818        |
| 7 Simpson Street            | 8.2013.209.1                | Approved     | No                                    | 474            |
| 9 Glover Street             | 8.2013.095.1                | Approved     | Yes                                   | 24,903         |
| 7 Royalist Road             | 8.2007.369.1                | Legal advice | NA                                    | 1,578          |
| 235 Spit Road               | 8.2014.115.1                | Refused      | Yes                                   | 76,625         |
| 32 Orlando Avenue           | 8.2015.224.1                | Approved     | Yes                                   | 68,688         |
| 1A & 1B Arbutus             | 8.2014.221.1                | Approved     | Yes                                   | 2,748          |
| 12 Euryalus Street          | 8.2015.105.1                | Approved     | Yes                                   | 32,416         |
| 1-2/78 Prince Albert Street | 8.2014.212.1                | Approved     | Yes                                   | 21,025         |
| 16 Rawson Street            | 8.2013.196.1                | Approved     | Yes                                   | 12,044         |
| 40 Almora Street            | 8.2013.155.1                | Legal advice | NA                                    | 814            |
| 21 Raglan Street            | 8.2011.230.1                | Legal advice | NA                                    | 2,108          |
| 9 Curraghbeena Road         | 8.2015.084.1                | Approved     | Yes                                   | 24,582         |
| 69 Parriwi Road             | 8.2006.021.4                | Legal advice | NA                                    | 20,224         |
| 9 Burran Avenue             | 8.2014.233.2                | Pending      | Pending                               | 19,454         |
| 60 Moruben Road             | 8.2012.221.2                | Pending      | Pending                               | 4,818          |
| 2C Mistral Avenue           | 8.2015.12.1                 | Approved     | Yes                                   | 7,819          |
| 103A Raglan Street          | 8.2016.46.1                 | Pending      | Pending                               | 4,328          |
| <b>Total</b>                |                             |              |                                       | <b>885,628</b> |

### Other Legal Costs

| Activity  | Cost \$        |
|---|----------------|
| Finance (rate and debtor matters cost generally recoverable)                    | 17,660         |
| Employment related legal fees   | 32,430         |
| Governance legal fees (including property management, risk management and GIPA) | 18,206         |
| Other Environment and Planning legal fees (trees and compliance)                | 190,545        |
| Amalgamation legal fees   | 224,593        |
| <b>Total</b>  | <b>483,435</b> |

|                          |                  |
|--------------------------|------------------|
| <b>Total Legal Costs</b> | <b>1,369,063</b> |
|--------------------------|------------------|

### Local Court Matters

During 2015-16, 11 matters were referred for mention or were defended hearings in the Local Court. They related to illegal parking offences.

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.

## 8. 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 2016 to 17 June 2017 was \$455,283.59. The contribution was paid by the developer to Council and allocated for infrastructure expenditure in the 2015-16 financial year. Infrastructure works funded by the contribution include:

- Smart Parking Technology and other car parking improvements
- Upper Almora Street pedestrian crossing
- Mosman Square renewal works
- Renewal of road and footpath paving

## **9. APPROVED SPECIAL RATE VARIATION EXPENDITURE**

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The Independent Pricing and Regulatory Tribunal approved a Special Rate Variation of 13.0% effective from 1 July 2015. A condition of approval was that Council report on how the additional funds raised for the purpose of eliminating operating deficits (before capital revenue) over the ten years to 2024-25, whilst increasing infrastructure maintenance of key assets. At the same time, this additional revenue will be used to clear its current infrastructure backlogs of \$8.6 million.

The majority of this funding will be targeted towards road-related assets, although buildings, marine structures, parks and stormwater drainage will also receive funding.

The Annual Financial Reports for the year ending 30 June 2016 discloses the capital renewal expenditure in note 9a to the Accounts (page 42) whilst Special Schedule 7 - Report on Infrastructure assets as at 30 June 2016 discloses the reduction in the infrastructure backlog together with increased maintenance expenditure over various classes of assets.

## **10. RATES AND CHARGES WRITTEN OFF DURING THE YEAR**

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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 2015-16 Council wrote off pensioner rates and charges of \$121,242 and \$49,113 respectively. Additionally Council wrote off rates for a State Government property that had been leased amounting to \$3,744.

## **11. PRIVATE WORKS**

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There were no works carried out on private land during 2015-16.

## **12. DONATIONS AND SUBSIDIES**

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No monies were paid during 2015-16 in respect of donations and subsidies under section 356 of the *Local Government Act 1993*.

However, Council conducts an annual Community Grants program to provide an opportunity for Council to assist community groups to meet local community needs and provide activities, services and programs for residents. Grants are a constructive and effective means for Councils to build capacity in their communities, and are particularly valuable as Council does not have the necessary resources in-house to meet the needs of all groups in the community. Council's budgeted allocation for 2015-16 was \$50,000.

## **13. EXTERNAL BODIES EXERCISING FUNCTIONS DELEGATED BY COUNCIL**

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

## **14. COMPANIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST**

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**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%.

Mosman Council's interest in the company will be under review in the future having regard to the proclamation of the Northern Beaches Council comprising the former Manly, Pittwater and Warringah Councils on 12 May 2016 and the unresolved amalgamation proposal for Mosman, North Sydney and Willoughby Councils.

## **15. 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 removal
- Safe Communities
- Procurement initiatives
- Police and Justice
- Waste Management
- Health Services
- Finance and Competition Policy
- Regional Plans

During the reporting period, Council participated in the following joint tenders called by SHOROC:

- Provision of cash collection services to Pittwater, Manly, Mosman and Willoughby Councils
- Provision of Stormwater Inspections, Cleaning and Maintenance Services to Manly, Mosman, Pittwater, Hunters Hill and Ku-ring-gai Councils
- Minor Capital Works Panel on behalf of Manly, Mosman, Pittwater and Hornsby Councils
- Receive, Process and/or Dispose of Municipal Solid Waste from the SHOROC Councils

### **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.

## Amalgamations

Mosman Council's membership of these organisations in the future is subject to the amalgamation proposals involving all member councils.

## 16. 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 2015-16.

Compliance Officers, as part of the Compliance Team, have an active role which involves promoting not only the responsibilities when it comes to owning a Companion Animal, but also the responsibilities the pet owner has towards other members of the community.

Under the provisions of the *Companion Animals Act 1998*, Council's Compliance Officers have the authority to manage issues relating to Companion Animals. This can include investigating dog attacks, barking dogs and nuisance animals, patrols in public areas to ensure owners compliance with laws such as leashing and picking up after their dogs and monitoring declarations of menacing or dangerous dogs.

Mosman Council places an emphasis on the prompt and efficient handling of animal complaints or requests for assistance. When an animal such as a dog is not under effective control in a public place and no owner is present, Compliance Officers are quick to attend and they may secure and impound the dog to avoid any safety concerns for our community.

There is quite a high rate of dog ownership in Mosman and Compliance Officers want to make sure everyone is following the rules to ensure residential amenity and the safety of both residents and dogs.

Pound data statistics are collected monthly and lodged annually with the Office of Local Government. These are the statistics for the 2015-16 financial year.

|      | Total taken to Pound 2015-16 | Surrendered to Pound by other parties | Taken to Pound by Council | Total not taken to Pound and returned to their home by Council |
|------|------------------------------|---------------------------------------|---------------------------|--|
| Dogs | 16                           | 0                                     | 16                        | 21   |
| Cats | 1                            | 0                                     | 1                         | 1  |

|      | Released to Owners |    | Euthanased |    | Sold |    | Re-homed with Rescue Organisations |    |
|------|--------------------|----|------------|----|------|----|------------------------------------|----|
| Dogs | 0                  | 0% | 0          | 0% | 0    | 0% | 0                                  | 0% |
| Cats | 0                  | 0% | 0          | 0% | 0    | 0% | 0                                  | 0% |

## Education

The Compliance Team has initiated a campaign to remind residents of the importance of maintaining current and accurate micro chipping records and to encourage owners to register those companion animals that are yet to be registered. As part of the reminder to register companion animals, fact sheets on how to care for animals also accompanied reminder letters.

A procedure that details the process for the investigation of barking dog complaints has been revised so the Compliance Officers can focus strongly on customer liaison to assist both the owner of the dog and the person affected by the barking noise. Actions attempt to achieve the most desirable outcome for the community.

## Impounding Facilities

Council has a six month contract with Cremorne Vets to shelter, return to owner and re-homing of companion animals. Educational brochures are available to people contemplating adopting a pet and how to care for the animal once they have taken their new dog or cat home.

## Enforcement

For the financial year 2015-16 a total of 15 dog attacks in Mosman were reported to the Office of Local Government.

Council is required to report dog attacks to the Office of Local Government within 72 hours after any relevant information is received by the Council.

| Nuisance Orders issued                                       |    |
|--|----|
| Habitually at large in a public place                        | 0  |
| Endangers Health of a person/Animal                          | 0  |
| Dog Noise  | 3  |
| Defecating   | 0  |
| Total  | 0  |
| Declarations of Dangerous Dog                                |    |
| Attacks on Persons   | 7  |
| Attacks on Animals   | 8  |
| Used for the purposes of hunting                             | 0  |
| Total  | 15 |
| Declaration of Menacing Dog                                  |    |
| Attacked an animal - no serious injury or death              | 0  |
| Displayed unreasonable aggression towards a person or animal | 1  |
| Total  | 1  |

Council provides off-leash dog areas including:

- Rawson Park
- Lawry Plunkett Reserve
- Reid Park (subject to restricted times)
- Spit Reserve (subject to restricted times)
- Clifton Gardens Reserve, Sirius Park, Rosherville Reserve, Sirius Cove Beach, and Spit East/West Beach (subject to restricted and seasonal times)

Penalty Infringement Notices were issued for breaches of the *Companion Animals Act 1998* as follows:

| Number of Infringements | Infringement   |
|-------------------------|--|
| 0                       | Companion animal not registered as required  |
| 0                       | Fail to comply with prevention notice  |
| 0                       | Fail to comply with nuisance dog order   |
| 0                       | Owner failed to comply with dangerous dog control requirements   |
| 5                       | In charge of dog which rushes at/attacks/bites/harasses/chases any person/animal -not declared dangerous/menacing/restricted dog |
| 5                       | Owner of dog which rushes at/attacks/bites/harasses/chases- not declared dangerous/menacing/restricted dog                       |
| 0                       | Own dog uncontrolled in public place-not declared dangerous/menacing/restricted dog  |
| 0                       | Own dog uncontrolled in public place- declared dangerous dog   |

|   |  |
|---|--|
| 0 | Owner failed to prevent dog from escaping-not declared dangerous/menacing/restricted dog |
| 0 | Owner failed to prevent dog from escaping- declared dangerous dog                        |

## Funding

Funding for Council's Companion Animal Management is absorbed within the general Compliance budget. All Compliance Officers have been issued dog scanners to ensure timely and accurate scanning is able to be conducted in the field rather than return to the office with the companion animal.

## 17. SWIMMING POOLS ACT 1992 AND REGULATION

In 2013 The New South Wales Government made changes to the *Swimming Pools Act 1992* (the Act). The amendments were designed to enhance the Act, and to actively contribute to a reduction of drowning or near drowning immersions in New South Wales private backyard swimming pools, including spa pools.

The amendments to the Act include:

- A new online state-wide register of swimming pools
- Mandatory registration of swimming pools by owners
- A certification system of compliance for all New South Wales swimming pools with the ability of authorised Council officers and private Accredited Certifiers to undertake inspections
- Mandatory inspection of pools associated with multi-occupancy dwellings and tourist accommodation
- Mandatory compliance certification to be obtained for properties with swimming pools before they can be sold or leased (extended to April 2016)
- Requirement for Councils to develop a locally appropriate and affordable inspection program in consultation with their communities
- Requirement for Councils to report annually on the number of swimming pool inspections undertaken and the level of compliance with the requirements

### Swimming Pool Inspection Program

On 3 December 2013 Council adopted the Swimming Pool inspection Program. The program requires Council staff to inspect properties with Swimming Pools and Spas under the following circumstances:

- Inspection as a result of a complaint
- Inspection at the request of a pool owner
- Inspection at the request of a pool owner – sale or lease
- Inspection of a tourist, visitor, multi occupancy development
- Inspection of Development Applications which have not been finalised
- Referral and customer requests from Council's internal staff

There is a statutory obligation for Council under the *Swimming Pools Act 1992* to inspect swimming pools in its area, in accordance with the adopted swimming pools inspection program.

All inspections carried out on behalf of Council are undertaken by authorised officers under the Act. It is the responsibility of all swimming pool owners to register their swimming pool on the Swimming Pool Register operated by the Office of Local Government.

The Swimming Pool Inspection Program is relevant to all swimming pools regulated under the *Swimming Pools Act 1992*. A reference to a swimming pool also includes a spa pool. The inspection program is designed to provide measures to identify non-compliant swimming pools, ensure upgrade works are carried out, and in the process raise swimming pool safety awareness.

## Current Overview

1. Mosman has approximately 2,300 swimming pools
2. Mosman has 1,936 pools registered on the State Register
3. Approximately 98% of the first inspections conducted for swimming pools are recorded as being non-compliant
4. There is more than one main reason for non-compliances:
  - The gate not self-closing when resting on the latch,
  - Vegetation in NCZ 5 (on the inside of the boundary barrier)
  - Vegetation/objects in NCZ 2 and NCZ 3 (on outside of the internal pool barrier)

The Record of inspections for the financial year 2015-16 is as follows:

|   |       |
|---|-------|
| Inspections completed   | 314   |
| Number of pools registered on the NSW Register (not including Private Certifiers) | 1,936 |
| Number of compliance certificate applications                                     | 167   |

It should be noted swimming pool barriers are very rarely compliant with the Act and Regulations on first inspection. A number of inspections are normally required to ensure that swimming pool barriers are compliant.

## Education

The implementation of the swimming pools inspection program has been underpinned by various educational opportunities including the dissemination of information through Councils website, mail outs to residents and agents along with media releases.

In line with the Royal Life Saving Society 'Be Pool Safe' campaign, Council has developed a range of resources and public awareness materials to assist in raising awareness amongst backyard swimming pool owners and the broader community. Council's webpage has been updated to provide current information on the changes to the swimming pool laws and direct links to relevant websites, including the State Government Swimming Pool Register ([www.swimmingpoolregister.nsw.gov.au](http://www.swimmingpoolregister.nsw.gov.au)), facts sheets and swimming pool checklists. Information has also been forwarded to the community through the Mosman Daily and local media outlets.

Letters have been sent to all agents involved in the sale/leasing of properties within Mosman local government area informing them of the recent changes to the *Swimming Pools Act 1992*.

## Resourcing

Through a review of approval records and aerial photographs, a database has been developed by Council, which currently contains over 2,300 properties with swimming pools. Not all pools are registered on the State Register.

A number of other officers within Compliance Services are actively engaged in swimming pool safety amongst their broader roles and responsibilities.

The implementation of the swimming pools inspection program is believed to have had a significant effect on, not only raising the level of awareness of swimming pool safety issues within the community, but also to provide a practical continuing improvement in the level of safety for young children with an increased number of compliant swimming pools in Mosman area.

## 18. 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 no Code of Conduct complaints about Councillors or the General Manager during the reporting period 1 September 2015 to 31 August 2016.

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

| Number of Complaints and Associated Costs |  |     |
|---|--|-----|
| 1a  | The total number of code of conduct complaints made about councillors and the general manager under the code of conduct        | 0   |
| 1b  | The number of code of conduct complaints referred to a conduct reviewer  | 0   |
| 1c  | The number of code of conduct complaints investigated by a conduct reviewer  | 0   |
| 1d  | The number of code of conduct complaints investigated by a conduct review committee  | 0   |
| 1e  | The total cost of dealing with code of conduct complaints made about councillors and the general manager including staff costs | \$0 |
| Preliminary Assessment Statistics         |  |     |
| 2a  | The number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage                   | 0   |
| Final Investigation Statistics            |  |     |
| 3a  | The number of code of conduct complaints investigated by a conduct reviewer or conduct review committee                        | 0   |
| Complaints Reviewed by the Division       |  |     |
| G   | The number of matters reviewed by the Office of Local Government   | 0   |

## 19. 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 for 2015-16 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                      | 1                               | 0  | 0                     |
| Private sector business   | 0                      | 1                      | 1                      | 1             | 1                      | 2                               | 0  | 0                     |
| Not for profit organisations or community groups                  | 0                      | 0                      | 0                      | 0             | 0                      | 0                               | 0  | 0                     |
| Members of the public (application by)                            | 1                      | 2                      | 0                      | 0             | 0                      | 0                               | 0  | 0                     |

|                               |          |          |          |          |          |          |          |          |
|-------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| legal representative)         |          |          |          |          |          |          |          |          |
| Members of the public (other) | 0        | 6        | 1        | 1        | 0        | 0        | 0        | 0        |
| <b>Total</b>                  | <b>1</b> | <b>9</b> | <b>2</b> | <b>2</b> | <b>1</b> | <b>3</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)                     | 1                      | 7                      | 2                      | 2             | 1                      | 3                               | 0  | 0                     |
| Access applications that are partly personal information applications and partly other | 0                      | 2                      | 0                      | 0             | 0                      | 0                               | 0  | 0                     |
| <b>Total</b>   | <b>1</b>               | <b>9</b>               | <b>2</b>               | <b>2</b>      | <b>1</b>               | <b>3</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)  | 0                      |
| Application is for excluded information of the agency (section 43 of the Act) | 0                      |
| Application contravenes restraint order (section 110 of the Act)              | 0                      |
| Total number of invalid applications received                                 | 0                      |
| Invalid applications that subsequently became valid applications              | 0                      |
| <b>Total</b>  | <b>0</b>               |

| 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  | 3                                   |
| 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        |
| <b>Total</b>                          | <b>3</b> |

*\*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.*

| <b>Table E: Other public interest considerations against disclosure:<br/>matters listed in table to section 14 of the Act</b> |  |
|---|--|
|   | <b>Number of occasions when<br/>application not successful</b> |
| Responsible and effective government  | 12   |
| Law enforcement and security  | 0  |
| Individual rights, judicial processes and natural justice   | 11   |
| Business interests of agencies and other persons  | 6  |
| Environment, culture, economy and general matters   | 0  |
| Secrecy provisions  | 0  |
| Exempt documents under interstate Freedom of Information legislation  | 0  |
| <b>Total</b>  | <b>29</b>  |

| <b>Table F: Timeliness</b>   |                               |
|--|-------------------------------|
|  | <b>Number of applications</b> |
| Decided within the statutory timeframe (20 days plus any extensions) | 17                            |
| Decided after 35 days (by agreement with applicant)                  | 1                             |
| Not decided within time (deemed refusal)                             | 0                             |
| <b>Total</b>   | <b>18</b>                     |

| <b>Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)</b> |                            |                            |              |
|---|----------------------------|----------------------------|--------------|
|   | <b>Decision<br/>varied</b> | <b>Decision<br/>upheld</b> | <b>Total</b> |
| Internal review   | 1                          | 0                          | 1            |
| Review by Information Commissioner*   | 0                          | 0                          | 0            |
| Internal review following recommendation under section 93 of Act  | 0                          | 1                          | 1            |
| Review by ADT   | 0                          | 0                          | 0            |
| <b>Total</b>  | <b>1</b>                   | <b>1</b>                   | <b>2</b>     |

*\*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.*

| <b>Table H: Applications for review under Part 5 of the Act (by type of applicant)</b>                            |  |
|---|--|
|   | <b>Number of applications for review</b> |
| Applications by access applicants   | 2  |
| Applications by persons to whom information the subject of access application relates (see section 54 of the Act) | 0  |
| <b>Total</b>  | <b>2</b>                                 |

| Table I: Applications transferred to other agencies |                                    |
|---|------------------------------------|
|   | Number of applications transferred |
| Agency-Initiated Transfers                          | 0                                  |
| Applicant-Initiated Transfers                       | 0                                  |
| <b>Total</b>  | <b>0</b>                           |

In addition to the above, a total of 427 informal applications to access Council information were processed and completed during the reporting period.

## 20. 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 2015-16:

| Details   | 2015-16 |
|---|---------|
| Number of public officials who made public interest disclosures<br><i>(performing their day to day functions)</i>   | 1       |
| Number of public interest disclosures received<br><i>(made by public officials performing their day to day functions)</i>   | 1       |
| Of public interest disclosures received, how many were primarily about:   |         |
| • Corrupt conduct   | 1       |
| • Maladministration   | 0       |
| • Serious and substantial waste   | 0       |
| • Government information contravention  | 0       |
| • Local government pecuniary interest contravention   | 0       |
| Number of public interest disclosures (received since 1 January 2012) that have been finalised in this reporting period   | 0       |
| Have you established an internal reporting policy?  | Yes     |
| Has the General Manager taken action to meet staff awareness obligations?   | Yes     |
| The following actions were taken during 2015-16:  |         |
| • Mandatory training was conducted by the NSW Ombudsman for all managers and staff in March 2016 - the objective of the training was to promote a positive reporting environment and ensure all managers and staff are aware of and comply with requirements of the Public Interest Disclosures Act 1994; as well as the responsibilities of the nominated officers, executives, managing the parties involved and the role of the NSW Ombudsman. |         |
| • Staff are aware of the contents of the policy and the protections under the Act for a person who makes a public interest disclosure   |         |
| • Staff undertaking that they have read and understood Mosman Council's internal reporting policy   |         |
| • Training has been provided for staff in public disclosures  |         |
| • 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
- PID and ethics awareness questions included in Employee Engagement Survey conducted over June and July 2015

## **21. PRIVACY MANAGEMENT PLAN**

---

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.

The Privacy Management Plan was last revised and adopted by Council 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.

No privacy complaints were received by Council during 2015-16.

The Information and Privacy Commission's e-learning portal is being made available to Council staff to educate and promote privacy and access to information legislation and issues.

An internal audit of privacy management within Council was conducted during the reporting period.

## **22. FORMAL COMPLAINTS**

---

During 2015-16 a total of 19 complaints were received, investigated and responded to as formal complaints under Council's Complaints Handling Policy. Of these, eight complaints were responded to within the 10 day response period required by the policy and 11 were responded to outside the 10 day response period in view of the complex nature of the complaints.

## **23. 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. The Mayor, General Manager, all Directors, Manager Human Resources and Manager Governance can receive public interest disclosures.

Council has an Audit Committee which includes three external representatives one of whom must be the Chair. 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.

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# **SECTION THREE**

**Financial Reports for the Year ended  
30 June 2016  
including Auditor's Report**

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# Mosman Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

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

**Mosman**  
COUNCIL

## Mosman Council

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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* (LGA).

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 09 September 2016. Council has the power to amend and reissue these financial statements.
-

## Mosman Council

### General Purpose Financial Statements for the year ended 30 June 2016

## Understanding Council's financial statements

---

### Introduction

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

### What you will find in the statements

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

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

### About the Councillor/Management Statement

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

### About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

#### 1. The Income Statement

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

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

#### 2. The Statement of Comprehensive Income

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

#### 3. The Statement of Financial Position

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

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

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

#### 5. The Statement of Cash Flows

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

### About the Notes to the Financial Statements

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

### About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise in local government). In NSW, the auditor provides 2 audit reports:

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

### Who uses the financial statements?

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

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

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

## Mosman Council

### General Purpose Financial Statements

for the year ended 30 June 2016

### Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

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

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

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

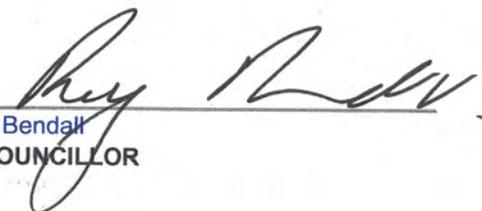
- present fairly the Council's operating result and financial position for the year, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 06 September 2016.



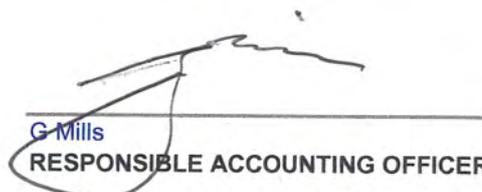
P Abelson  
MAYOR



R Bendall  
COUNCILLOR



D Johnson  
ACTING GENERAL MANAGER



G Mills  
RESPONSIBLE ACCOUNTING OFFICER

## Mosman Council

## Income Statement

for the year ended 30 June 2016

| Budget <sup>1</sup><br>2016                | \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|--|-------|----------------|----------------|
| <b>Income from continuing operations</b>   |  |       |                |                |
| <b>Revenue:</b>                            |  |       |                |                |
| 25,273                                     | Rates and annual charges   | 3a    | 25,354         | 23,680         |
| 10,518                                     | User charges and fees  | 3b    | 10,755         | 10,023         |
| 425  | Interest and investment revenue  | 3c    | 526            | 503            |
| 4,432                                      | Other revenues   | 3d    | 4,871          | 6,115          |
| 2,119                                      | Grants and contributions provided for operating purposes   | 3e,f  | 2,919          | 2,545          |
| 1,780                                      | Grants and contributions provided for capital purposes   | 3e,f  | 1,920          | 2,264          |
| <b>Other income:</b>                       |  |       |                |                |
| –  | Net share of interests in joint ventures and associates using the equity method                                    | 19    | 167            | 150            |
| <b>44,547</b>                              | <b>Total income from continuing operations</b>   |       | <b>46,512</b>  | <b>45,280</b>  |
| <b>Expenses from continuing operations</b> |  |       |                |                |
| 17,227                                     | Employee benefits and on-costs   | 4a    | 16,874         | 15,925         |
| 431  | Borrowing costs  | 4b    | 502            | 612            |
| 13,897                                     | Materials and contracts  | 4c    | 14,291         | 11,911         |
| 5,387                                      | Depreciation and amortisation  | 4d    | 5,415          | 5,166          |
| –  | Impairment   | 4d    | –              | –              |
| 5,728                                      | Other expenses   | 4e    | 10,914         | 6,430          |
| –  | Net losses from the disposal of assets   | 5     | –              | 20             |
| <b>42,670</b>                              | <b>Total expenses from continuing operations</b>   |       | <b>47,996</b>  | <b>40,064</b>  |
| <b>1,877</b>                               | <b>Operating result from continuing operations</b>   |       | <b>(1,484)</b> | <b>5,216</b>   |
| <b>Discontinued operations</b>             |  |       |                |                |
| –  | Net profit/(loss) from discontinued operations   | 24    | –              | –              |
| <b>1,877</b>                               | <b>Net operating result for the year<sup>2</sup></b>   |       | <b>(1,484)</b> | <b>5,216</b>   |
| 1,877                                      | Net operating result attributable to Council   |       | (1,484)        | 5,216          |
| –  | Net operating result attributable to non-controlling interests   |       | –              | –              |
| <b>97</b>                                  | <b>Net operating result for the year before grants and contributions provided for capital purposes<sup>2</sup></b> |       | <b>(3,404)</b> | <b>2,952</b>   |

<sup>1</sup> Original budget as approved by Council – refer Note 16

<sup>2</sup> Operating result heavily influence by asset revaluation decrements (Note 4e). Operating Performance Ratio, measuring underlying ability to maintain expenditure within revenues, remains robust and improved in reporting period (Note 13).

## Mosman Council

## Statement of Comprehensive Income

for the year ended 30 June 2016

| \$ '000  | Notes    | Actual<br>2016 | Actual<br>2015 |
|--|----------|----------------|----------------|
| <b>Net operating result for the year</b> (as per Income Statement)                                       |          | <b>(1,484)</b> | <b>5,216</b>   |
| <b>Other comprehensive income:</b>   |          |                |                |
| Amounts which will not be reclassified subsequently to the operating result                              |          |                |                |
| Gain (loss) on revaluation of I,PP&E   | 20b (ii) | 8,398          | 749            |
| <b>Total items which will not be reclassified subsequently to the operating result</b>                   |          | <b>8,398</b>   | <b>749</b>     |
| Amounts which will be reclassified subsequently to the operating result when specific conditions are met |          |                |                |
| Nil  |          |                |                |
| <b>Total other comprehensive income for the year</b>   |          | <b>8,398</b>   | <b>749</b>     |
| <b>Total comprehensive income for the year</b>   |          | <b>6,914</b>   | <b>5,965</b>   |
| <b>Total comprehensive income attributable to Council</b>  |          | <b>6,914</b>   | <b>5,965</b>   |
| <b>Total comprehensive income attributable to non-controlling interests</b>                              |          | <b>–</b>       | <b>–</b>       |

## Mosman Council

## Statement of Financial Position

as at 30 June 2016

| \$ '000   | Notes | Actual<br>2016 | Actual<br>2015 |
|---|-------|----------------|----------------|
| <b>ASSETS</b>                                     |       |                |                |
| <b>Current assets</b>                             |       |                |                |
| Cash and cash equivalents                         | 6a    | 12,725         | 13,160         |
| Investments                                       | 6b    | 2,000          | –              |
| Receivables                                       | 7     | 3,440          | 3,685          |
| Inventories                                       | 8     | 148            | 163            |
| Other   | 8     | 227            | 60             |
| Non-current assets classified as 'held for sale'  | 22    | –              | –              |
| <b>Total current assets</b>                       |       | <b>18,540</b>  | <b>17,068</b>  |
| <b>Non-current assets</b>                         |       |                |                |
| Investments                                       | 6b    | –              | –              |
| Receivables                                       | 7     | 122            | 82             |
| Inventories                                       | 8     | –              | –              |
| Infrastructure, property, plant and equipment     | 9     | 433,963        | 423,281        |
| Investments accounted for using the equity method | 19    | 898            | 792            |
| Investment property                               | 14    | 44,963         | 48,950         |
| Intangible assets                                 | 25    | 282            | 298            |
| <b>Total non-current assets</b>                   |       | <b>480,228</b> | <b>473,403</b> |
| <b>TOTAL ASSETS</b>                               |       | <b>498,768</b> | <b>490,471</b> |
| <b>LIABILITIES</b>                                |       |                |                |
| <b>Current liabilities</b>                        |       |                |                |
| Payables  | 10    | 11,954         | 9,770          |
| Borrowings  | 10    | 1,746          | 1,913          |
| Provisions  | 10    | 4,735          | 3,895          |
| <b>Total current liabilities</b>                  |       | <b>18,435</b>  | <b>15,578</b>  |
| <b>Non-current liabilities</b>                    |       |                |                |
| Payables  | 10    | –              | –              |
| Borrowings  | 10    | 5,819          | 7,166          |
| Provisions  | 10    | 159            | 286            |
| <b>Total non-current liabilities</b>              |       | <b>5,978</b>   | <b>7,452</b>   |
| <b>TOTAL LIABILITIES</b>                          |       | <b>24,413</b>  | <b>23,030</b>  |
| <b>Net assets</b>                                 |       | <b>474,355</b> | <b>467,441</b> |
| <b>EQUITY</b>                                     |       |                |                |
| Retained earnings                                 | 20    | 254,006        | 255,490        |
| Revaluation reserves                              | 20    | 220,349        | 211,951        |
| Council equity interest                           |       | 474,355        | 467,441        |
| Non-controlling equity interests                  |       | –              | –              |
| <b>Total equity</b>                               |       | <b>474,355</b> | <b>467,441</b> |

## Mosman Council

Statement of Changes in Equity  
for the year ended 30 June 2016

| \$ '000  | Notes    | Retained earnings | Reserves<br>(Refer 20b) | Council interest | Non-controlling Interest | Total equity   |
|--|----------|-------------------|-------------------------|------------------|--------------------------|----------------|
| <b>2016</b>  |          |                   |                         |                  |                          |                |
| <b>Opening balance</b> (as per last year's audited accounts)       |          | 296,019           | 211,951                 | 507,970          | –                        | 507,970        |
| a. Correction of prior period errors                               | 20 (c)   | –                 | –                       | –                | –                        | –              |
| b. Changes in accounting policies (prior year effects)             | 20 (d)   | (40,529)          | –                       | (40,529)         | –                        | (40,529)       |
| <b>Revised opening balance (as at 1/7/15)</b>                      |          | <b>255,490</b>    | <b>211,951</b>          | <b>467,441</b>   | <b>–</b>                 | <b>467,441</b> |
| <b>c. Net operating result for the year</b>                        |          | <b>(1,484)</b>    | <b>–</b>                | <b>(1,484)</b>   | <b>–</b>                 | <b>(1,484)</b> |
| d. Other comprehensive income                                      |          |                   |                         |                  |                          |                |
| – Revaluations: IPP&E asset revaluation rsve                       | 20b (ii) | –                 | 8,398                   | 8,398            | –                        | 8,398          |
| – Revaluations: other reserves                                     | 20b (ii) | –                 | –                       | –                | –                        | –              |
| – Transfers to Income Statement                                    | 20b (ii) | –                 | –                       | –                | –                        | –              |
| – Impairment (loss) reversal relating to I,PP&E                    | 20b (ii) | –                 | –                       | –                | –                        | –              |
| – Joint ventures and associates                                    | 19b      | –                 | –                       | –                | –                        | –              |
| <b>Other comprehensive income</b>                                  |          | <b>–</b>          | <b>8,398</b>            | <b>8,398</b>     | <b>–</b>                 | <b>8,398</b>   |
| <b>Total comprehensive income (c&amp;d)</b>                        |          | <b>(1,484)</b>    | <b>8,398</b>            | <b>6,914</b>     | <b>–</b>                 | <b>6,914</b>   |
| e. Distributions to/(contributions from) non-controlling Interests |          | –                 | –                       | –                | –                        | –              |
| f. Transfers between equity  |          | –                 | –                       | –                | –                        | –              |
| <b>Equity – balance at end of the reporting period</b>             |          | <b>254,006</b>    | <b>220,349</b>          | <b>474,355</b>   | <b>–</b>                 | <b>474,355</b> |

| \$ '000  | Notes    | Retained Earnings | Reserves<br>(Refer 20b) | Council interest | Non-controlling Interest | Total Equity   |
|--|----------|-------------------|-------------------------|------------------|--------------------------|----------------|
| <b>2015</b>  |          |                   |                         |                  |                          |                |
| <b>Opening balance</b> (as per last year's audited accounts)       |          | 290,803           | 211,202                 | 502,005          | –                        | 502,005        |
| a. Correction of prior period errors                               | 20 (c)   | –                 | –                       | –                | –                        | –              |
| b. Changes in accounting policies (prior year effects)             | 20 (d)   | (40,529)          | –                       | (40,529)         | –                        | (40,529)       |
| <b>Revised opening balance (as at 1/7/14)</b>                      |          | <b>250,274</b>    | <b>211,202</b>          | <b>461,476</b>   | <b>–</b>                 | <b>461,476</b> |
| <b>c. Net operating result for the year</b>                        |          | <b>5,216</b>      | <b>–</b>                | <b>5,216</b>     | <b>–</b>                 | <b>5,216</b>   |
| d. Other comprehensive income                                      |          |                   |                         |                  |                          |                |
| – Revaluations: IPP&E asset revaluation rsve                       | 20b (ii) | –                 | 749                     | 749              | –                        | 749            |
| – Revaluations: other reserves                                     | 20b (ii) | –                 | –                       | –                | –                        | –              |
| – Transfers to Income Statement                                    | 20b (ii) | –                 | –                       | –                | –                        | –              |
| – Impairment (loss) reversal relating to I,PP&E                    | 20b (ii) | –                 | –                       | –                | –                        | –              |
| – Joint ventures and associates                                    | 19b      | –                 | –                       | –                | –                        | –              |
| <b>Other comprehensive income</b>                                  |          | <b>–</b>          | <b>749</b>              | <b>749</b>       | <b>–</b>                 | <b>749</b>     |
| <b>Total comprehensive income (c&amp;d)</b>                        |          | <b>5,216</b>      | <b>749</b>              | <b>5,965</b>     | <b>–</b>                 | <b>5,965</b>   |
| e. Distributions to/(contributions from) non-controlling Interests |          | –                 | –                       | –                | –                        | –              |
| f. Transfers between equity  |          | –                 | –                       | –                | –                        | –              |
| <b>Equity – balance at end of the reporting period</b>             |          | <b>255,490</b>    | <b>211,951</b>          | <b>467,441</b>   | <b>–</b>                 | <b>467,441</b> |

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

## Mosman Council

## Statement of Cash Flows

for the year ended 30 June 2016

| Budget<br>2016                                      | \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|---|--|-------|----------------|----------------|
| <b>Cash flows from operating activities</b>         |  |       |                |                |
| <b>Receipts:</b>                                    |  |       |                |                |
| 25,244  | Rates and annual charges                                     |       | 25,299         | 23,512         |
| 10,448  | User charges and fees  |       | 10,843         | 9,835          |
| 421   | Investment and interest revenue received                     |       | 510            | 515            |
| 3,995   | Grants and contributions                                     |       | 5,057          | 5,193          |
| –   | Bonds, deposits and retention amounts received               |       | 3,283          | 1,809          |
| 4,373   | Other  |       | 4,765          | 4,421          |
| <b>Payments:</b>                                    |  |       |                |                |
| (16,619)  | Employee benefits and on-costs                               |       | (16,678)       | (15,266)       |
| (13,163)  | Materials and contracts                                      |       | (13,602)       | (12,092)       |
| (439)   | Borrowing costs  |       | (513)          | (621)          |
| –   | Bonds, deposits and retention amounts refunded               |       | (2,259)        | (1,077)        |
| (6,405)   | Other  |       | (6,659)        | (6,304)        |
| <b>7,855</b>  | <b>Net cash provided (or used in) operating activities</b>   | 11b   | <b>10,046</b>  | <b>9,925</b>   |
| <b>Cash flows from investing activities</b>         |  |       |                |                |
| <b>Receipts:</b>                                    |  |       |                |                |
| –   | Sale of investment securities                                |       | 31,000         | 19,350         |
| –   | Sale of infrastructure, property, plant and equipment        |       | 28             | –              |
| –   | Distributions received from joint ventures and associates    |       | 61             | 32             |
| <b>Payments:</b>                                    |  |       |                |                |
| –   | Purchase of investment securities                            |       | (33,000)       | (19,350)       |
| (6,260)   | Purchase of infrastructure, property, plant and equipment    |       | (7,056)        | (5,060)        |
| <b>(6,260)</b>                                      | <b>Net cash provided (or used in) investing activities</b>   |       | <b>(8,967)</b> | <b>(5,028)</b> |
| <b>Cash flows from financing activities</b>         |  |       |                |                |
| <b>Receipts:</b>                                    |  |       |                |                |
| 400   | Proceeds from borrowings and advances                        |       | 400            | –              |
| <b>Payments:</b>                                    |  |       |                |                |
| (2,028)   | Repayment of borrowings and advances                         |       | (1,914)        | (1,887)        |
| <b>(1,628)</b>                                      | <b>Net cash flow provided (used in) financing activities</b> |       | <b>(1,514)</b> | <b>(1,887)</b> |
| <b>(33)</b>   | <b>Net increase/(decrease) in cash and cash equivalents</b>  |       | <b>(435)</b>   | <b>3,010</b>   |
| 9,600   | Plus: cash and cash equivalents – beginning of year          | 11a   | 13,160         | 10,150         |
| <b>9,567</b>  | <b>Cash and cash equivalents – end of the year</b>           | 11a   | <b>12,725</b>  | <b>13,160</b>  |
| Additional Information:                             |  |       |                |                |
|   | plus: Investments on hand – end of year                      | 6b    | 2,000          | –              |
| <b>Total cash, cash equivalents and investments</b> |  |       | <b>14,725</b>  | <b>13,160</b>  |

Please refer to Note 11 for additional cash flow information.

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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n/a – not applicable

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies

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

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

##### (a) Basis of preparation

###### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the not-for-profit sector (including local government) which are not in compliance with IFRSs, or
- (b) specifically exclude application by not-for-profit entities.

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

Under the *Local Government Act (LGA)*, Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

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

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

###### (iv) Early adoption of accounting standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015, except for AASB2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, which has reduced the fair value disclosures for Level 3 assets.

For summary information relating to the effects of standards with future operative dates refer further to paragraph (y).

###### (v) Basis of accounting

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

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

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

###### (vi) Changes in accounting policies

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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.

Significant judgements in applying Council's accounting policies include the impairment of receivables – Council has made significant judgements about the impairment of a number of its receivables in Note 7.

##### **(b) Revenue recognition**

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

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

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

Revenue is measured on major income categories as follows:

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

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

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

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

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

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

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

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s94 of the *EPA Act 1979*.

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

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

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

#### User charges, fees and other income

User charges, fees and other income (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

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

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

#### Sale of infrastructure, property, plant and equipment

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

#### Interest and rents

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

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

#### Dividend income

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

#### Other Income

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

#### (c) Principles of consolidation

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

##### (i) The Consolidated Fund

In accordance with the provisions of section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's consolidated fund unless it is required to be held in the Council's trust fund.

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

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

- General Purpose Operations
- Kimbriki

##### (ii) The trust fund

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

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

#### (iii) Interests in other entities

##### Subsidiaries

Council has no interest in any subsidiaries.

##### Joint arrangements

Council has no interest in any joint arrangements.

##### Joint ventures

Joint ventures represent operational arrangements where the joint control parties have rights to the net assets of the arrangement.

Any interests in joint ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings and reserves are recognised in the balance sheet.

Detailed information relating to Council's joint ventures can be found at Note 19 (b).

##### Associates

Council has no interest in any associates.

##### County councils

Council is not a member of any county councils.

##### Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

#### (d) Leases

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

##### Finance leases

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

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

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

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

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

Property, plant and equipment acquired under finance leases 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;

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

#### (f) Investments and other financial assets

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

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

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

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

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

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

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

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

#### (ii) Loans and receivables

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

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

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

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

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

In contrast to the 'loans and receivables' classification, these investments are generally quoted in an active market.

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

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

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

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

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

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

##### Financial assets – reclassification

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

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

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

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

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

##### General accounting and measurement of financial instruments:

###### (i) Initial recognition

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

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

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

###### (ii) Subsequent measurement

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

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

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

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

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

##### Impairment

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

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

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.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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

##### (iii) Types of investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

##### (g) Fair value estimation – financial instruments

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

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

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

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

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

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

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

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

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

##### (h) Receivables

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

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

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

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

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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.

#### (j) Infrastructure, property, plant and equipment (I,PP&E)

##### Acquisition of assets

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

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

- **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 (i.e. date of exchange) of the asset to arrive at fair value.

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

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

##### 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 infrastructure, property, plant and equipment:

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

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

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

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

##### Capitalisation thresholds

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

##### Land

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

##### Plant and Equipment

|                           |           |
|---------------------------|-----------|
| Office Furniture          | > \$1,000 |
| Office Equipment          | > \$1,000 |
| Other Plant and Equipment | > \$1,000 |

##### Buildings and Land Improvements

|                              |           |
|------------------------------|-----------|
| Park Furniture and Equipment | > \$5,000 |
|------------------------------|-----------|

##### Building

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

##### 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 |

##### Other Infrastructure Assets

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

##### Other Infrastructure

> \$10,000

##### Depreciation

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

Land is not depreciated.

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

##### Plant 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 |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

##### Other Equipment

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

##### Buildings

|             |                 |
|-------------|-----------------|
| - Buildings | 50 to 100 years |
|-------------|-----------------|

##### Stormwater Drainage

|                           |          |
|---------------------------|----------|
| - Drainage Infrastructure | 125years |
|---------------------------|----------|

##### Transportation Assets

|                           |                 |
|---------------------------|-----------------|
| - Sealed Roads: Surface   | 50 years        |
| - Sealed Roads: Structure | 100 years       |
| - Unsealed roads          | 100 years       |
| - Road Pavements          | 100 years       |
| - Kerb, Gutter and Paths  | 95 to 100 years |

##### Other Infrastructure Assets

|  |                |
|--|----------------|
| - Other Open Space/<br>Recreational Assets | 10 to 40 years |
| - Retaining Walls                          | 150 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 derecognition

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

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

##### (k) Land

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

*Act (1993)* classified as either operational or community.

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

##### (l) Land under roads

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

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

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

##### (m) Intangible assets

Council's interest in Kimbriki Waste Services Access rights is recognised as an Intangible Asset and will be amortised over the 25 year expected 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.

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (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 year.

##### (p) Impairment of assets

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

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

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

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

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

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

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 that are unpaid.

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 are expensed

##### (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.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

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

Due to the nature of when and how long service leave can be taken, all long service leave for employees with 4 or more years of service has been classified as current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

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

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

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

##### **Defined benefit plans**

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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 on 24 February 2016 and covers the period ended 30 June 2015.

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

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2016 was \$308,199.

The amount of additional contributions included in the total employer contribution advised above is \$313,151.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$225,157 as at 30 June 2016.

Council's share of that deficiency cannot be accurately calculated as the scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

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

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

#### Defined contribution plans

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

#### (iv) Employee benefit on-costs

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

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

#### (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.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

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

##### Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if it is not expected to be settled within the next 12 months.

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

##### (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 (GST).

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

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

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

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

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

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

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

flows that are recoverable from or payable to the ATO are classified as operating cash flows.

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

##### (y) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

Council has not adopted any of these standards early.

Apart from the AASB disclosures below, there are no other standards that are 'not yet effective' that are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Council's assessment of the impact of upcoming new standards and interpretations that are likely to have an effect are set out below.

##### AASB 9 – Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets and financial liabilities.

These requirements are designed to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value, and

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

- amortised cost (where financial assets will only be able to be measured at amortised cost when very specific conditions are met).

Council is yet to undertake a detailed assessment of the impact of AASB 9.

#### **AASB 15 – Revenue from Contracts with Customers and associated amending standards**

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

AASB 15 will introduce a 5-step process for revenue recognition with the core principle of the new standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements, as well as additional disclosures.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2018.

Council is yet to undertake a detailed assessment of the impact of AASB 15.

#### **AASB ED 260 Income of Not-for-Profit Entities**

The AASB previously issued exposure draft AASB ED 260 on Income of Not-for-Profit Entities in April 2015.

The exposure draft proposed specific not-for-profit entity requirements and guidance when applying the principles of AASB 15 to income from certain transactions.

Much of the material in AASB 1004 is expected to be replaced by material included in AASB ED 260.

Specific revenue items that may considerably change are Grants and Contributions.

The most likely financial statement impact is the deferred recognition of Grants and Contributions (i.e.

recognition as unearned revenue [liability]) until Council has met the associated performance obligation/s relating to the Grants or Contribution.

At this stage there is no specific date of release for a standard or a date of applicability.

#### **AASB16 – Leases**

AASB 116 Leases replaces AASB 117 Leases and some associated lease-related Interpretations.

AASB 16 introduces a single lease accounting model (for lessees) that will require all leases to be accounted for on the balance sheet (ie. recognition of both a right-of-use asset and a corresponding lease) for all leases with a term of more than 12 months unless the underlying assets are determined to be of 'low value'. There will also be detailed disclosure requirements for all lessees.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2019.

Council is yet to undertake a detailed assessment of the accounting impacts from AASB 16. However, based on preliminary assessments, impacts from the first time adoption of the standard are likely to include:

- a significant increase in lease assets and financial liabilities recognised on the balance sheet,
- a reduction in reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities,
- lower operating cash outflows and higher financing cash flows in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

#### **AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities**

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of significant accounting policies (continued)

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

***AASB 2014 – 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]***

This Standard amends AASB 11 to provide guidance on the accounting for acquisitions of interests in joint operations in which the activity constitutes a business.

The amendments require:

- (a) the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in AASB 3 Business Combinations, to apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except for those principles that conflict with the guidance in AASB 11, and
- (b) the acquirer to disclose the information required by AASB 3 and other Australian Accounting Standards for business combinations.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

If a joint operation is acquired during the reporting period, then this standard clarifies the accounting for the acquisition to be in accordance with AASB 3, i.e. assets and liabilities acquired to be measured at fair value.

#### **(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.

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| Functions/activities   | Income, expenses and assets have been directly attributed to the following functions/activities.<br>Details of these functions/activities are provided in Note 2(b). |               |               |                                     |               |               |   |                 |                 |  |              |   |                |
|--|--|---------------|---------------|-------------------------------------|---------------|---------------|---|-----------------|-----------------|--|--------------|---|----------------|
|  | Income from continuing operations  |               |               | Expenses from continuing operations |               |               | Operating result from continuing operations |                 |                 | Grants included in income from continuing operations |              | Total assets held (current & non-current) |                |
|  | Original budget  | Actual        | Actual        | Original budget                     | Actual        | Actual        | Original budget                             | Actual          | Actual          | Actual   | Actual       | Actual                                    | Actual         |
|  | 2016   | 2016          | 2015          | 2016                                | 2016          | 2015          | 2016  | 2016            | 2015            | 2016   | 2015         | 2016                                      | 2015           |
| Governance   | –  | –             | –             | 1,770                               | 1,773         | 1,597         | (1,770)                                     | (1,773)         | (1,597)         | –  | –            | 705                                       | 270            |
| Community wellbeing  | 1,784  | 1,851         | 1,790         | 3,026                               | 2,901         | 2,857         | (1,242)                                     | (1,050)         | (1,067)         | 888  | 868          | 4,437                                     | 4,275          |
| Library and information  | 179  | 176           | 182           | 2,190                               | 2,179         | 2,120         | (2,011)                                     | (2,003)         | (1,938)         | 82   | 96           | 7,326                                     | 7,377          |
| Arts and culture <sup>2</sup>  | 560  | 883           | 645           | 1,605                               | 1,550         | 1,244         | (1,045)                                     | (667)           | (599)           | 343  | 75           | 5,253                                     | 4,441          |
| Built environment  | 3,096  | 3,246         | 2,073         | 7,429                               | 7,969         | 6,877         | (4,333)                                     | (4,723)         | (4,804)         | 522  | 512          | 183,577                                   | 181,711        |
| Community spaces <sup>3</sup>  | 5,563  | 6,102         | 7,981         | 7,242                               | 8,770         | 7,475         | (1,679)                                     | (2,668)         | 506             | 27   | 53           | 215,487                                   | 211,996        |
| Healthy environment  | 6,563  | 6,507         | 6,344         | 5,355                               | 4,945         | 5,153         | 1,208                                       | 1,562           | 1,191           | 134  | 112          | 726                                       | 690            |
| Transport and traffic  | 6,233  | 6,612         | 5,863         | 2,146                               | 2,029         | 1,565         | 4,087                                       | 4,583           | 4,298           | 65   | 60           | 58,964                                    | 58,940         |
| Leadership and engagement  | –  | –             | 69            | 2,478                               | 2,573         | 2,585         | (2,478)                                     | (2,573)         | (2,516)         | –  | –            | 15  | 20             |
| Corporate and risk <sup>4</sup>  | 695  | 960           | 1,591         | 9,429                               | 13,307        | 8,591         | (8,734)                                     | (12,347)        | (7,000)         | –  | 180          | 21,380                                    | 19,959         |
| <b>Total functions and activities</b>  | <b>24,673</b>  | <b>26,337</b> | <b>26,538</b> | <b>42,670</b>                       | <b>47,996</b> | <b>40,064</b> | <b>(17,997)</b>                             | <b>(21,659)</b> | <b>(13,526)</b> | <b>2,061</b>   | <b>1,956</b> | <b>497,870</b>                            | <b>489,679</b> |
| Share of gains/(losses) in associates and joint ventures (using the equity method) | –  | 167           | 150           | –                                   | –             | –             | –   | 167             | 150             | –  | –            | 898                                       | 792            |
| General purpose income <sup>1</sup>  | 19,874   | 20,008        | 18,592        | –                                   | –             | –             | 19,874                                      | 20,008          | 18,592          | 910  | 914          | –   | –              |
| <b>Operating result from continuing operations</b>                                 | <b>44,547</b>  | <b>46,512</b> | <b>45,280</b> | <b>42,670</b>                       | <b>47,996</b> | <b>40,064</b> | <b>1,877</b>                                | <b>(1,484)</b>  | <b>5,216</b>    | <b>2,971</b>   | <b>2,870</b> | <b>498,768</b>                            | <b>490,471</b> |

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

**Explanations of variances greater than 10%:**

2. Actual income includes art donations of \$238k.

3. Actual Income Includes S94 contributions \$400k greater than budgeted. Expenses include revaluation decrements to Community Land (ref Note 4 E)

4. 2016 Income has unbudgeted return on Joint Ventures (Note 19) 2015 Actual income includes revaluation increment to Investment Property (N14) 2016 Actual Expenses includes decrement to Investment Property (N14)

\* The activities "Governance" and "Corporate and risk" are aggregated in Council's strategic plan (MOSPLAN) as "Governance and risk".

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 2(b). Council functions/activities – component descriptions

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

##### **GOVERNANCE**

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

##### **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.

##### **CORPORATE 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 year ended 30 June 2016

## Note 3. Income from continuing operations

| \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|-------|----------------|----------------|
| <b>(a) Rates and annual charges</b>  |       |                |                |
| <b>Ordinary rates</b>  |       |                |                |
| Residential  |       | 16,899         | 15,666         |
| Business   |       | 1,782          | 1,600          |
| <b>Total ordinary rates</b>  |       | <b>18,681</b>  | <b>17,266</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   |       | 6,406          | 6,150          |
| Stormwater management services   |       | 236            | 236            |
| Section 611 charges  |       | 31             | 28             |
| <b>Total annual charges</b>  |       | <b>6,673</b>   | <b>6,414</b>   |
| <b>TOTAL RATES AND ANNUAL CHARGES</b>  |       | <b>25,354</b>  | <b>23,680</b>  |
| <b>(b) User charges and fees</b>   |       |                |                |
| <b>Specific user charges</b> (per s.502 – specific 'actual use' charges)     |       |                |                |
| Domestic waste management services   |       | 85             | 81             |
| <b>Total user charges</b>  |       | <b>85</b>      | <b>81</b>      |
| <b>Other user charges and fees</b>   |       |                |                |
| <b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b> |       |                |                |
| Planning and building regulation   |       | 819            | 798            |
| Regulatory fees  |       | 94             | 62             |
| Section 149 certificates (EPA Act)   |       | 149            | 168            |
| Section 603 certificates   |       | 105            | 111            |
| <b>Total fees and charges – statutory/regulatory</b>                         |       | <b>1,167</b>   | <b>1,139</b>   |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000   | Notes | Actual<br>2016 | Actual<br>2015 |
|---|-------|----------------|----------------|
| <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            | 439            |
| Art prize fees  |       | 45             | 39             |
| Children's leisure and learning   |       | 13             | 9              |
| Community restaurant  |       | 30             | 32             |
| Cultural centre   |       | 148            | 113            |
| Dinghy storage racks  |       | 51             | 32             |
| Filming permits   |       | 4              | 9              |
| Footpath occupation   |       | 217            | 220            |
| Hoarding fees   |       | 197            | 208            |
| Kidzone – vacation  |       | 92             | 85             |
| Lease rentals (property)  |       | 1,414          | 1,249          |
| Leaseback fees – Council vehicles   |       | 8              | 8              |
| Market days (stall holders)   |       | 110            | 88             |
| Meals on wheels   |       | 64             | 82             |
| Merchant fee recovery   |       | 81             | 71             |
| Mini skips  |       | 46             | 51             |
| Mosman Occasional Child Care  |       | 204            | 245            |
| Out of school care  |       | 398            | 379            |
| Oval rents  |       | 284            | 287            |
| Parking fees – foreshore  |       | 1,374          | 1,277          |
| Parking fees – foreshore (stickers)   |       | 281            | 261            |
| Parking fees – on street  |       | 2,267          | 2,221          |
| Parking fees – resident parking scheme permits                                |       | 53             | 48             |
| Photocopying – civic centre   |       | 1              | 2              |
| Photocopying – library  |       | 7              | 7              |
| Reserve rents   |       | 111            | 72             |
| Restoration charges   |       | 483            | 292            |
| Section 153 land leases   |       | 52             | 35             |
| Stand plant permits   |       | 148            | 189            |
| Vacation care   |       | 33             | 21             |
| Vehicular crossing  |       | 124            | 91             |
| Vehicular crossing – inspection fees  |       | 38             | 9              |
| Work zone fees  |       | 347            | 342            |
| Other   |       | 339            | 290            |
| <b>Total fees and charges – other</b>   |       | <b>9,503</b>   | <b>8,803</b>   |
| <b>TOTAL USER CHARGES AND FEES</b>  |       | <b>10,755</b>  | <b>10,023</b>  |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|-------|----------------|----------------|
| <b>(c) Interest and investment revenue (including losses)</b>                |       |                |                |
| <b>Interest</b>  |       |                |                |
| – Interest on overdue rates and annual charges (incl. special purpose rates) |       | 52             | 48             |
| – Interest earned on investments (interest and coupon payment income)        |       | 474            | 455            |
| <b>TOTAL INTEREST AND INVESTMENT REVENUE</b>                                 |       | <b>526</b>     | <b>503</b>     |
| <b>Interest revenue is attributable to:</b>                                  |       |                |                |
| <b>Unrestricted investments/financial assets:</b>                            |       |                |                |
| Overdue rates and annual charges (general fund)                              |       | 52             | 48             |
| General Council cash and investments   |       | 365            | 364            |
| <b>Restricted investments/funds – external:</b>                              |       |                |                |
| Development contributions  |       |                |                |
| – Section 94   |       | 109            | 91             |
| <b>Total interest and investment revenue recognised</b>                      |       | <b>526</b>     | <b>503</b>     |
| <b>(d) Other revenues</b>  |       |                |                |
| Fair value increments – investment properties                                | 14    | –              | 2,129          |
| Rental income – investment properties  | 14    | 1,913          | 1,800          |
| Fines  |       | 2,583          | 1,998          |
| Commissions and agency fees  |       | 22             | 14             |
| Legal Recoupment   |       | 10             | –              |
| Workers Compensation Insurance incentives                                    |       | 179            | –              |
| Art Gallery Sponsorship and Donations  |       | 48             | –              |
| Other  |       | 116            | 174            |
| <b>TOTAL OTHER REVENUE</b>   |       | <b>4,871</b>   | <b>6,115</b>   |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000   | 2016<br>Operating | 2015<br>Operating | 2016<br>Capital | 2015<br>Capital |
|---|-------------------|-------------------|-----------------|-----------------|
| <b>(e) Grants</b>                               |                   |                   |                 |                 |
| <b>General purpose (untied)</b>                 |                   |                   |                 |                 |
| Financial assistance – general component        | 615               | 616               | –               | –               |
| Financial assistance – local roads component    | 229               | 232               | –               | –               |
| Pensioners' rates subsidies – general component | 66                | 66                | –               | –               |
| <b>Total general purpose</b>                    | <b>910</b>        | <b>914</b>        | <b>–</b>        | <b>–</b>        |
| <b>Specific purpose</b>                         |                   |                   |                 |                 |
| Pensioners' rates subsidies:                    |                   |                   |                 |                 |
| – Domestic waste management                     | 30                | 30                | –               | –               |
| Aged care                                       | 537               | 520               | –               | –               |
| Child care                                      | 391               | 348               | –               | –               |
| Environmental protection                        | 20                | 64                | –               | –               |
| Excess weight subsidy                           | 11                | 12                | –               | –               |
| Housing and community amenities                 | 122               | 112               | –               | –               |
| Library – per capita                            | 56                | 55                | –               | –               |
| Library – special projects                      | 26                | 34                | –               | –               |
| LIRS subsidy                                    | 72                | 125               | –               | –               |
| Recreation and culture                          | 112               | 75                | –               | –               |
| Traffic route subsidy                           | 99                | 97                | –               | –               |
| Transport (roads to recovery)                   | 315               | –                 | –               | 110             |
| Transport (other roads and bridges funding)     | –                 | –                 | 270             | 374             |
| <b>Total specific purpose</b>                   | <b>1,791</b>      | <b>1,472</b>      | <b>270</b>      | <b>484</b>      |
| <b>Total grants</b>                             | <b>2,701</b>      | <b>2,386</b>      | <b>270</b>      | <b>484</b>      |
| <b>Grant revenue is attributable to:</b>        |                   |                   |                 |                 |
| – Commonwealth funding                          | 1,485             | 1,469             | –               | 110             |
| – State funding                                 | 1,212             | 917               | 270             | 374             |
| – Other funding                                 | 4                 | –                 | –               | –               |
|   | <b>2,701</b>      | <b>2,386</b>      | <b>270</b>      | <b>484</b>      |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000  | 2016<br>Operating | 2015<br>Operating | 2016<br>Capital | 2015<br>Capital |
|--|-------------------|-------------------|-----------------|-----------------|
| <b>(f) Contributions</b>                               |                   |                   |                 |                 |
| <b>Developer contributions:</b>                        |                   |                   |                 |                 |
| <b>(s93 &amp; s94 – EP&amp;A Act, s64 of the LGA):</b> |                   |                   |                 |                 |
| S 94A – fixed development consent levies               | –                 | –                 | 1,409           | 1,589           |
| <b>Total developer contributions</b>                   | <b>–</b>          | <b>–</b>          | <b>1,409</b>    | <b>1,589</b>    |
| <b>Other contributions:</b>                            |                   |                   |                 |                 |
| Art collection donations                               | –                 | –                 | 238             | 185             |
| Recreation and culture                                 | –                 | –                 | –               | 6               |
| RMS contributions (regional roads, block grant)        | 175               | 159               | –               | –               |
| Other (Youth Programs)                                 | 43                | –                 | –               | –               |
| Other  | –                 | –                 | 3               | –               |
| <b>Total other contributions</b>                       | <b>218</b>        | <b>159</b>        | <b>241</b>      | <b>191</b>      |
| <b>Total contributions</b>                             | <b>218</b>        | <b>159</b>        | <b>1,650</b>    | <b>1,780</b>    |
| <b>TOTAL GRANTS AND CONTRIBUTIONS</b>                  | <b>2,919</b>      | <b>2,545</b>      | <b>1,920</b>    | <b>2,264</b>    |

| \$ '000  | Actual<br>2016 | Actual<br>2015 |
|--|----------------|----------------|
| <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   | 3,826          | 3,080          |
| Add: grants and contributions recognised in the current period but not yet spent:                                      | 909            | 1,871          |
| Less: grants and contributions recognised in a previous reporting period now spent:                                    | (309)          | (1,125)        |
| <b>Net increase (decrease) in restricted assets during the period</b>  | <b>600</b>     | <b>746</b>     |
| <b>Unexpended and held as restricted assets</b>  | <b>4,426</b>   | <b>3,826</b>   |
| <b>Comprising:</b>   |                |                |
| – Specific purpose unexpended grants   | 81             | 309            |
| – Developer contributions  | 4,345          | 3,517          |
|  | <b>4,426</b>   | <b>3,826</b>   |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations

| \$ '000   | Notes | Actual<br>2016       | Actual<br>2015       |
|---|-------|----------------------|----------------------|
| <b>(a) Employee benefits and on-costs</b>   |       |                      |                      |
| Salaries and wages  |       | 12,555               | 11,982               |
| Employee termination costs (where material – other than vested leave paid)  |       | 32                   | –                    |
| Travel expenses   |       | 324                  | 292                  |
| Employee leave entitlements (ELE)   |       | 1,937                | 1,767                |
| Superannuation – defined contribution plans   |       | 1,150                | 1,070                |
| Superannuation – defined benefit plans  |       | 321                  | 331                  |
| Workers' compensation insurance   |       | 272                  | 363                  |
| Fringe benefit tax (FBT) <sup>(1)</sup>   |       | 130                  | 32                   |
| Training costs (other than salaries and wages)  |       | 138                  | 77                   |
| Other   |       | 15                   | 11                   |
| <b><u>TOTAL EMPLOYEE COSTS EXPENSED</u></b>   |       | <b><u>16,874</u></b> | <b><u>15,925</u></b> |
| <sup>(1)</sup> FBT was affected in each year by timing changes in benefit payments. Comparative does not reflect proportionate increase in benefit payments |       |                      |                      |
| Number of 'full-time equivalent' employees (FTE) at year end  |       | <b>168</b>           | <b>167</b>           |
| Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)  |       | <b>175</b>           | <b>174</b>           |
| <b>(b) Borrowing costs</b>  |       |                      |                      |
| <b>(i) Interest bearing liability costs</b>   |       |                      |                      |
| Interest on loans   |       | 502                  | 612                  |
| <b>Total interest bearing liability costs expensed</b>  |       | <b><u>502</u></b>    | <b><u>612</u></b>    |
| <b>(ii) Other borrowing costs</b>   |       |                      |                      |
| Nil   |       |                      |                      |
| <b><u>TOTAL BORROWING COSTS EXPENSED</u></b>  |       | <b><u>502</u></b>    | <b><u>612</u></b>    |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|-------|----------------|----------------|
| <b>(c) Materials and contracts</b>                               |       |                |                |
| Raw materials and consumables *                                  |       | 144            | 170            |
| Contractor and consultancy costs                                 |       |                |                |
| – Aged services  |       | 130            | 118            |
| – Art Gallery and Community Centre *                             |       | 59             | –              |
| – Bushcare #   |       | 459            | 355            |
| – Childrens Services *   |       | 101            | –              |
| – Cleansing #  |       | 255            | 444            |
| – Communications and Events *                                    |       | 105            | –              |
| – Conduct complaints   |       | –              | 23             |
| – Development assessment and urban planning                      |       | 181            | 194            |
| – Fit for the future consultant                                  |       | –              | 20             |
| – Infrastructure #   |       | 2,037          | 1,785          |
| – Internal audit   |       | 72             | 91             |
| – Library *  |       | 242            | –              |
| – Swim Centre Management *                                       |       | 150            | –              |
| – Parks, gardens and civic spaces *                              |       | 1,590          | 1,241          |
| – Plant running  |       | 81             | 101            |
| – Recreational facilities #                                      |       | 720            | 607            |
| – Save Mosman information campaign *                             |       | 61             | –              |
| – Structures #   |       | 1,270          | 1,241          |
| – Temp Staff and Agency Casuals **                               |       | 467            | 109            |
| – Youth Services *   |       | 83             | –              |
| – Waste management   |       | 3,104          | 3,103          |
| – Other contractor and consultancy costs *                       |       | 900            | 1,288          |
| Auditors remuneration <sup>(1)</sup>                             |       | 38             | 36             |
| Infringement notice contract costs (SEINS)                       |       | 318            | 263            |
| Legal expenses:  |       |                |                |
| – Legal expenses: planning and development ##                    |       | 913            | 325            |
| – Legal expenses: Save Mosman campaign                           |       | 244            | –              |
| – Legal expenses: other ##                                       |       | 212            | 131            |
| Operating leases:  |       |                |                |
| – Operating lease rentals: minimum lease payments <sup>(2)</sup> |       | 245            | 109            |
| Printing *   |       | 110            | 157            |
| <b>TOTAL MATERIALS AND CONTRACTS</b>                             |       | <b>14,291</b>  | <b>11,911</b>  |

\* Several contracts were reclassified from generic categories to functional categories

# Changes in these categories reflect overall maintenance increase due to Special Rate Variation and differing maintenance priorities

\*\* Reflects difficulty recruiting staff in amalgamation environment

## Changes in comparative Legal Fees due to 710 Military, Independence, Compliance and Tree matters

## Mosman Council

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

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

| \$ '000   | Notes | Actual<br>2016 | Actual<br>2015 |
|---|-------|----------------|----------------|
| <b>(c) Materials and contracts (continued)</b>  |       |                |                |
| <b>1. Auditor remuneration</b>  |       |                |                |
| During the year, the following fees were incurred for services provided by the Council's Auditor (and the Auditors of other consolidated entities): |       |                |                |
| <b>(i) Audit and other assurance services</b>   |       |                |                |
| – Audit and review of financial statements: Council's Auditor   |       | 38             | 36             |
| <b>Remuneration for audit and other assurance services</b>  |       | <b>38</b>      | <b>36</b>      |
| <b>Total Auditor remuneration</b>   |       | <b>38</b>      | <b>36</b>      |
| <b>2. Operating lease payments are attributable to:</b>   |       |                |                |
| Computers   |       | 245            | 109            |
|   |       | <b>245</b>     | <b>109</b>     |

2014/15 Operating Lease amount lower due to delay in introduction of new leasing arrangements

| \$ '000   | Notes | Impairment costs |                | Depreciation/amortisation |                |
|---|-------|------------------|----------------|---------------------------|----------------|
|   |       | Actual<br>2016   | Actual<br>2015 | Actual<br>2016            | Actual<br>2015 |
| <b>(d) Depreciation, amortisation and impairment</b>        |       |                  |                |                           |                |
| Plant and equipment   |       | –                | –              | 196                       | 180            |
| Office equipment  |       | –                | –              | 132                       | 130            |
| Furniture and fittings                                      |       | –                | –              | 29                        | 25             |
| Land improvements (depreciable)                             |       | –                | –              | 7                         | 13             |
| Infrastructure:   |       |                  |                |                           |                |
| – Buildings – non-specialised                               |       | –                | –              | 512                       | 483            |
| – Buildings – specialised                                   |       | –                | –              | 284                       | 281            |
| – Other structures  |       | –                | –              | 6                         | 6              |
| – Roads   |       | –                | –              | 2,424                     | 2,336          |
| – Footpaths   |       | –                | –              | 244                       | 178            |
| – Stormwater drainage                                       |       | –                | –              | 372                       | 379            |
| – Other open space/recreational assets                      |       | –                | –              | 952                       | 896            |
| Other assets  |       |                  |                |                           |                |
| – Library books   |       | –                | –              | 237                       | 239            |
| – Other   |       | –                | –              | 4                         | 4              |
| Intangible assets   | 25    | –                | –              | 16                        | 16             |
| <b>TOTAL DEPRECIATION AND<br/>IMPAIRMENT COSTS EXPENSED</b> |       | <b>–</b>         | <b>–</b>       | <b>5,415</b>              | <b>5,166</b>   |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000  | Notes | Actual<br>2016       | Actual<br>2015      |
|--|-------|----------------------|---------------------|
| <b>(e) Other expenses</b>  |       |                      |                     |
| Other expenses for the year include the following:                           |       |                      |                     |
| Advertising  |       | 173                  | 200                 |
| Bad and doubtful debts   |       | 31                   | 49                  |
| Bad and doubtful debts parking fines   |       | 444                  | 195                 |
| Bank charges   |       | 176                  | 141                 |
| Catering   |       | 79                   | 76                  |
| Computer software charges  |       | 975                  | 877                 |
| Contributions/levies to other levels of government                           |       |                      |                     |
| – Department of Planning levy  |       | 201                  | 196                 |
| – Local Government NSW   |       | 33                   | 25                  |
| – NSW Fire Brigade levy  |       | 966                  | 959                 |
| Councillor expenses – mayoral fee  |       | 36                   | 38                  |
| Councillor expenses – councillors' fees                                      |       | 126                  | 123                 |
| Councillors' expenses (incl. mayor) – other (excluding fees above)           |       | 32                   | 38                  |
| Donations, contributions and assistance to other organisations (Section 356) |       | 237                  | 269                 |
| Electricity and heating <sup>(1)</sup>                                       |       | 269                  | 429                 |
| Equipment maintenance  |       | 12                   | 16                  |
| Fair value decrements – I,PP&E   | 9(a)  | 1,223                | –                   |
| Fair value decrements – investment properties                                | 14    | 3,219                | –                   |
| Insurance  |       | 838                  | 781                 |
| Leases – photocopiers  |       | 98                   | 90                  |
| Leases – property  |       | 57                   | 50                  |
| Postage  |       | 82                   | 71                  |
| Street lighting <sup>(2)</sup>   |       | 127                  | 431                 |
| Subscriptions and publications   |       | 98                   | 53                  |
| Telephone and communications   |       | 117                  | 144                 |
| Waste disposal and recycling centre  |       | 887                  | 808                 |
| Water  |       | 139                  | 169                 |
| Other  |       | 239                  | 202                 |
| <b><u>TOTAL OTHER EXPENSES</u></b>   |       | <b><u>10,914</u></b> | <b><u>6,430</u></b> |

(1) Savings from joint SSROC contract

(2) Maintenance component transferred to Infrastructure Contractors

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|-------|----------------|----------------|
| <b>Property</b> (excl. investment property)                      |       |                |                |
| Proceeds from disposal – property                                |       | 28             | –              |
| Less: carrying amount of property assets sold/written off        |       | (13)           | –              |
| <b>Net gain/(loss) on disposal</b>                               |       | <b>15</b>      | <b>–</b>       |
| <b>Infrastructure</b>  |       |                |                |
| Less: carrying amount of infrastructure assets sold/written off  |       | (15)           | (20)           |
| <b>Net gain/(loss) on disposal</b>                               |       | <b>(15)</b>    | <b>(20)</b>    |
| <b>Financial assets *</b>  |       |                |                |
| Proceeds from disposal/redemptions/maturities – financial assets |       | 31,000         | 19,350         |
| Less: carrying amount of financial assets sold/redeemed/matured  |       | (31,000)       | (19,350)       |
| <b>Net gain/(loss) on disposal</b>                               |       | <b>–</b>       | <b>–</b>       |
| <b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>                     |       | <b>–</b>       | <b>(20)</b>    |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

| \$ '000  | Notes | 2016              | 2016                  | 2015              | 2015                  |
|--|-------|-------------------|-----------------------|-------------------|-----------------------|
|  |       | Actual<br>Current | Actual<br>Non-current | Actual<br>Current | Actual<br>Non-current |
| <b>Cash and cash equivalents (Note 6a)</b>                     |       |                   |                       |                   |                       |
| Cash on hand and at bank                                       |       | 725               | –                     | 70                | –                     |
| Cash-equivalent assets <sup>1</sup>                            |       |                   |                       |                   |                       |
| – Deposits at call   |       | –                 | –                     | 1,090             | –                     |
| – Short-term deposits  |       | 12,000            | –                     | 12,000            | –                     |
| <b>Total cash and cash equivalents</b>                         |       | <b>12,725</b>     | <b>–</b>              | <b>13,160</b>     | <b>–</b>              |
| <b>Investments (Note 6b)</b>                                   |       |                   |                       |                   |                       |
| – Long term deposits   |       | 2,000             | –                     | –                 | –                     |
| <b>Total investments</b>                                       |       | <b>2,000</b>      | <b>–</b>              | <b>–</b>          | <b>–</b>              |
| <b>TOTAL CASH ASSETS, CASH<br/>EQUIVALENTS AND INVESTMENTS</b> |       | <b>14,725</b>     | <b>–</b>              | <b>13,160</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>12,725</b> | <b>–</b> | <b>13,160</b> | <b>–</b> |
|--|--|---------------|----------|---------------|----------|

**Investments**

|                       |        |              |          |          |          |
|-----------------------|--------|--------------|----------|----------|----------|
| a. 'Held to maturity' | 6(b-i) | 2,000        | –        | –        | –        |
| <b>Investments</b>    |        | <b>2,000</b> | <b>–</b> | <b>–</b> | <b>–</b> |

**Note 6(b-i)**

**Reconciliation of investments classified as 'held to maturity'**

|                                   |  |              |          |          |          |
|-----------------------------------|--|--------------|----------|----------|----------|
| Additions                         |  | 33,000       | –        | 19,350   | –        |
| Disposals (sales and redemptions) |  | (31,000)     | –        | (19,350) | –        |
| <b>Balance at end of year</b>     |  | <b>2,000</b> | <b>–</b> | <b>–</b> | <b>–</b> |

**Comprising:**

|                      |  |              |          |          |          |
|----------------------|--|--------------|----------|----------|----------|
| – Long term deposits |  | 2,000        | –        | –        | –        |
| <b>Total</b>         |  | <b>2,000</b> | <b>–</b> | <b>–</b> | <b>–</b> |

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

## Mosman Council

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

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

| \$ '000                                      | 2016              | 2016                  | 2015              | 2015                  |
|--|-------------------|-----------------------|-------------------|-----------------------|
|  | Actual<br>Current | Actual<br>Non-current | Actual<br>Current | Actual<br>Non-current |
| Total cash, cash equivalents and investments | 14,725            | –                     | 13,160            | –                     |
| <b>attributable to:</b>                      |                   |                       |                   |                       |
| External restrictions (refer below)          | 5,877             | –                     | 5,262             | –                     |
| Internal restrictions (refer below)          | 6,476             | –                     | 5,287             | –                     |
| Unrestricted                                 | 2,372             | –                     | 2,611             | –                     |
|  | <b>14,725</b>     | <b>–</b>              | <b>13,160</b>     | <b>–</b>              |

| 2016<br>\$ '000 | Opening<br>balance | Transfers to<br>restrictions | Transfers from<br>restrictions | Closing<br>balance |
|-----------------|--------------------|------------------------------|--------------------------------|--------------------|
|-----------------|--------------------|------------------------------|--------------------------------|--------------------|

## Details of restrictions

## External restrictions – included in liabilities

Nil

## External restrictions – other

|                                      |     |              |              |              |              |
|--------------------------------------|-----|--------------|--------------|--------------|--------------|
| Developer contributions – general    | (D) | 3,517        | 1,518        | (690)        | 4,345        |
| Specific purpose unexpended grants   | (F) | 309          | 81           | (309)        | 81           |
| Domestic waste management            | (G) | 1,436        | 15           | –            | 1,451        |
| <b>External restrictions – other</b> |     | <b>5,262</b> | <b>1,614</b> | <b>(999)</b> | <b>5,877</b> |
| <b>Total external restrictions</b>   |     | <b>5,262</b> | <b>1,614</b> | <b>(999)</b> | <b>5,877</b> |

## Internal restrictions

|   |  |               |              |                |               |
|---|--|---------------|--------------|----------------|---------------|
| Plant and vehicle replacement             |  | 140           | 59           | (129)          | 70            |
| Infrastructure replacement                |  | 853           | –            | (853)          | –             |
| Employees leave entitlement               |  | 840           | 139          | –              | 979           |
| Deposits, retentions and bonds            |  | 2,000         | 2,500        | –              | 4,500         |
| IT reserve                                |  | 157           | –            | (157)          | –             |
| Swim centre                               |  | 416           | 163          | –              | 579           |
| Youth film festival unspent contributions |  | 18            | –            | (18)           | –             |
| Youth services IT project reserve         |  | 13            | –            | (13)           | –             |
| VPA reserve                               |  | 850           | 439          | (941)          | 348           |
| <b>Total internal restrictions</b>        |  | <b>5,287</b>  | <b>3,300</b> | <b>(2,111)</b> | <b>6,476</b>  |
| <b>TOTAL RESTRICTIONS</b>                 |  | <b>10,549</b> | <b>4,914</b> | <b>(3,110)</b> | <b>12,353</b> |

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

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

G Water, sewerage, domestic waste management (DWM) and 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 year ended 30 June 2016

## Note 7. Receivables

| \$ '000   | Notes | 2016         |             | 2015         |             |
|---|-------|--------------|-------------|--------------|-------------|
|   |       | Current      | Non-current | Current      | Non-current |
| <b>Purpose</b>                                      |       |              |             |              |             |
| Rates and annual charges                            |       | 446          | 122         | 431          | 82          |
| Interest and extra charges                          |       | 19           | –           | 17           | –           |
| User charges and fees                               |       | 1,688        | –           | 1,588        | –           |
| Accrued revenues                                    |       |              |             |              |             |
| – Interest on investments                           |       | 41           | –           | 27           | –           |
| – Other income accruals                             |       | 1,025        | –           | 1,013        | –           |
| Government grants and subsidies                     |       | 11           | –           | 467          | –           |
| Net GST receivable                                  |       | 554          | –           | 446          | –           |
| <b>Total</b>  |       | <b>3,784</b> | <b>122</b>  | <b>3,989</b> | <b>82</b>   |
| <b>Less: provision for impairment</b>               |       |              |             |              |             |
| User charges and fees                               |       | (135)        | –           | (109)        | –           |
| Other debtors                                       |       | (209)        | –           | (195)        | –           |
| <b>Total provision for impairment – receivables</b> |       | <b>(344)</b> | <b>–</b>    | <b>(304)</b> | <b>–</b>    |
| <b>TOTAL NET RECEIVABLES</b>                        |       | <b>3,440</b> | <b>122</b>  | <b>3,685</b> | <b>82</b>   |
| <b>Externally restricted receivables</b>            |       |              |             |              |             |
| <b>Domestic waste management</b>                    |       | <b>129</b>   | <b>–</b>    | <b>124</b>   | <b>–</b>    |
| <b>Total external restrictions</b>                  |       | <b>129</b>   | <b>–</b>    | <b>124</b>   | <b>–</b>    |
| <b>Internally restricted receivables</b>            |       |              |             |              |             |
| Nil   |       |              |             |              |             |
| <b>Unrestricted receivables</b>                     |       | <b>3,311</b> | <b>122</b>  | <b>3,561</b> | <b>82</b>   |
| <b>TOTAL NET RECEIVABLES</b>                        |       | <b>3,440</b> | <b>122</b>  | <b>3,685</b> | <b>82</b>   |

**Notes on debtors above:**

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

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 8. Inventories and other assets

| \$ '000   | Notes | 2016              |                 | 2015              |                 |
|---|-------|-------------------|-----------------|-------------------|-----------------|
|   |       | Current           | Non-current     | Current           | Non-current     |
| <b>(a) Inventories</b>                                |       |                   |                 |                   |                 |
| <b>(i) Inventories at cost</b>                        |       |                   |                 |                   |                 |
| Stores and materials                                  |       | 87                | –               | 78                | –               |
| Trading stock   |       | 61                | –               | 85                | –               |
| <b>Total inventories at cost</b>                      |       | <b>148</b>        | <b>–</b>        | <b>163</b>        | <b>–</b>        |
| <b>(ii) Inventories at net realisable value (NRV)</b> |       |                   |                 |                   |                 |
| Nil   |       |                   |                 |                   |                 |
| <b><u>TOTAL INVENTORIES</u></b>                       |       | <b><u>148</u></b> | <b><u>–</u></b> | <b><u>163</u></b> | <b><u>–</u></b> |
| <b>(b) Other assets</b>                               |       |                   |                 |                   |                 |
| Prepayments   |       | 227               | –               | 60                | –               |
| <b><u>TOTAL OTHER ASSETS</u></b>                      |       | <b><u>227</u></b> | <b><u>–</u></b> | <b><u>60</u></b>  | <b><u>–</u></b> |

**Externally restricted assets**

There are no restrictions applicable to the above assets.

Mosman Council

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

Note 9a. Infrastructure, property, plant and equipment

| \$ '000   | as at 30/6/2015 |                |                |            |                       | Asset movements during the reporting period |                                      |                         |                  |                                 |   |                                     |   |              | as at 30/6/2016 |                |                |            |                |
|---|-----------------|----------------|----------------|------------|-----------------------|---|--------------------------------------|-------------------------|------------------|---------------------------------|---|-------------------------------------|---|--------------|-----------------|----------------|----------------|------------|----------------|
|   | At              | At             | Accumulated    | Carrying   | Additions<br>renewals | Additions<br>new assets                     | Carrying<br>value<br>of<br>disposals | Depreciation<br>expense | WIP<br>transfers | Adjustments<br>and<br>transfers | Tfrs<br>from/(to)<br>investment<br>properties | Revaluation<br>decrements<br>to P&L | Revaluation<br>increments<br>to equity<br>(ARR) | At           | At              | Accumulated    | Carrying       |            |                |
|   | cost            | fair value     | depreciation   | impairment |                       |   |                                      |                         |                  |                                 |   |                                     |   | value        | cost            | fair value     | depreciation   | impairment | value          |
| Capital work in progress                                    | 317             | -              | -              | -          | 317                   | 194   | -                                    | -                       | -                | (106)                           | -   | -                                   | -   | 405          | -               | -              | -              | 405        |                |
| Plant and equipment   | -               | 2,018          | 1,240          | -          | 778                   | 330   | 53                                   | (17)                    | (196)            | -                               | -   | -                                   | -   | -            | 2,023           | 1,075          | -              | 948        |                |
| Office equipment  | -               | 975            | 675            | -          | 300                   | 77  | -                                    | -                       | (132)            | -                               | -   | -                                   | -   | -            | 1,032           | 787            | -              | 245        |                |
| Furniture and fittings                                      | -               | 332            | 215            | -          | 117                   | 23  | -                                    | -                       | (29)             | -                               | -   | -                                   | -   | -            | 354             | 243            | -              | 111        |                |
| Art collection  | -               | 4,621          | -              | -          | 4,621                 | -   | 293                                  | -                       | -                | -                               | -   | -                                   | 304   | -            | 5,218           | -              | -              | 5,218      |                |
| <b>Land:</b>  |                 |                |                |            |                       |   |                                      |                         |                  |                                 |   |                                     |   |              |                 |                |                |            |                |
| - Operational land  | -               | 112,190        | -              | -          | 112,190               | -   | -                                    | -                       | -                | -                               | 277   | 557                                 | -   | -            | 113,024         | -              | -              | 113,024    |                |
| - Community land  | -               | 62,159         | -              | -          | 62,159                | -   | -                                    | -                       | -                | -                               | (277)   | -                                   | (1,223)   | -            | 60,659          | -              | -              | 60,659     |                |
| Land improvements – depreciable                             | -               | 831            | 154            | -          | 677                   | 46  | -                                    | -                       | (7)              | -                               | (87)  | -                                   | -   | -            | 735             | 106            | -              | 629        |                |
| <b>Infrastructure:</b>                                      |                 |                |                |            |                       |   |                                      |                         |                  |                                 |   |                                     |   |              |                 |                |                |            |                |
| - Buildings – non-specialised                               | -               | 44,739         | 17,118         | -          | 27,621                | 422   | 32                                   | -                       | (512)            | -                               | -   | 211                                 | -   | -            | 45,404          | 17,630         | -              | 27,774     |                |
| - Buildings – specialised                                   | -               | 21,799         | 6,930          | -          | 14,869                | 183   | 53                                   | -                       | (284)            | -                               | (246)   | -                                   | -   | -            | 21,720          | 7,145          | -              | 14,575     |                |
| - Other structures  | -               | 605            | 229            | -          | 376                   | -   | -                                    | -                       | (6)              | -                               | (370)   | -                                   | -   | -            | -               | -              | -              | -          |                |
| - Roads   | -               | 207,877        | 91,554         | -          | 116,323               | 2,718                                       | 596                                  | -                       | (2,424)          | 17                              | -   | -                                   | -   | -            | 211,208         | 93,978         | -              | 117,230    |                |
| - Footpaths   | -               | 15,657         | 4,453          | -          | 11,204                | 918   | -                                    | -                       | (244)            | -                               | -   | -                                   | -   | -            | 16,574          | 4,696          | -              | 11,878     |                |
| - Stormwater drainage                                       | -               | 64,827         | 14,714         | -          | 50,113                | 528   | -                                    | -                       | (372)            | -                               | -   | -                                   | -   | -            | 65,355          | 15,086         | -              | 50,269     |                |
| - Other open space/recreational assets                      | -               | 37,996         | 17,260         | -          | 20,736                | 1,368                                       | 105                                  | (11)                    | (952)            | 89                              | 703   | -                                   | -   | 8,094        | 46,348          | 16,216         | -              | 30,132     |                |
| <b>Other assets:</b>  |                 |                |                |            |                       |   |                                      |                         |                  |                                 |   |                                     |   |              |                 |                |                |            |                |
| - Heritage collections                                      | -               | 23             | 10             | -          | 13                    | -   | -                                    | -                       | -                | -                               | -   | -                                   | -   | -            | 23              | 10             | -              | 13         |                |
| - Library books   | -               | 2,155          | 1,339          | -          | 816                   | 227   | -                                    | -                       | (237)            | -                               | -   | -                                   | -   | -            | 2,377           | 1,571          | -              | 806        |                |
| - Other   | -               | 60             | 9              | -          | 51                    | -   | -                                    | -                       | (4)              | -                               | -   | -                                   | -   | -            | 60              | 13             | -              | 47         |                |
| <b>TOTAL INFRASTRUCTURE,<br/>PROPERTY, PLANT AND EQUIP.</b> | <b>317</b>      | <b>578,864</b> | <b>155,900</b> | <b>-</b>   | <b>423,281</b>        | <b>7,034</b>                                | <b>1,132</b>                         | <b>(28)</b>             | <b>(5,399)</b>   | <b>-</b>                        | <b>-</b>                                      | <b>768</b>                          | <b>(1,223)</b>                                  | <b>8,398</b> | <b>405</b>      | <b>592,114</b> | <b>158,556</b> | <b>-</b>   | <b>433,963</b> |

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

Community Land was valued in 2010/11 using the available Valuer General rating values at the time. An average \$/sqm meter figure was applied to significant non-valued parcels. VG has subsequently issued values for most of these parcels less than these estimates

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

## Mosman Council

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

#### 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 year ended 30 June 2016

## Note 10a. Payables, borrowings and provisions

| \$ '000   | Notes | 2016          |              | 2015          |              |
|---|-------|---------------|--------------|---------------|--------------|
|   |       | Current       | Non-current  | Current       | Non-current  |
| <b>Payables</b>   |       |               |              |               |              |
| Goods and services – operating expenditure                  |       | 1,744         | –            | 1,070         | –            |
| Goods and services – capital expenditure                    |       | 2,507         | –            | 1,635         | –            |
| Payments received in advance                                |       | 598           | –            | 436           | –            |
| Accrued expenses:   |       |               |              |               |              |
| – Borrowings  |       | 36            | –            | 47            | –            |
| – Salaries and wages  |       | –             | –            | 517           | –            |
| – Other expenditure accruals                                |       | –             | –            | 20            | –            |
| Security bonds, deposits and retentions                     |       | 7,069         | –            | 6,045         | –            |
| <b>Total payables</b>                                       |       | <b>11,954</b> | <b>–</b>     | <b>9,770</b>  | <b>–</b>     |
| <b>Borrowings</b>   |       |               |              |               |              |
| Loans – secured <sup>1</sup>                                |       | 1,746         | 5,819        | 1,913         | 7,166        |
| <b>Total borrowings</b>                                     |       | <b>1,746</b>  | <b>5,819</b> | <b>1,913</b>  | <b>7,166</b> |
| <b>Provisions</b>   |       |               |              |               |              |
| <b>Employee benefits:</b>                                   |       |               |              |               |              |
| Annual leave  |       | 1,766         | –            | 1,560         | –            |
| Long service leave  |       | 2,969         | 159          | 2,335         | 286          |
| <b>Sub-total – aggregate employee benefits</b>              |       | <b>4,735</b>  | <b>159</b>   | <b>3,895</b>  | <b>286</b>   |
| <b>Total provisions</b>                                     |       | <b>4,735</b>  | <b>159</b>   | <b>3,895</b>  | <b>286</b>   |
| <b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>            |       | <b>18,435</b> | <b>5,978</b> | <b>15,578</b> | <b>7,452</b> |
| <b>(i) Liabilities relating to restricted assets</b>        |       |               |              |               |              |
|   |       | 2016          |              | 2015          |              |
|   |       | Current       | Non-current  | Current       | Non-current  |
| <b>Externally restricted assets</b>                         |       |               |              |               |              |
| Domestic waste management                                   |       | 129           | –            | 124           | –            |
| Current borrowings funded by S94                            |       | 248           | –            | 235           | –            |
| <b>Liabilities relating to externally restricted assets</b> |       | <b>377</b>    | <b>–</b>     | <b>359</b>    | <b>–</b>     |
| <b>Internally restricted assets</b>                         |       |               |              |               |              |
| Nil   |       |               |              |               |              |
| <b>Total liabilities relating to restricted assets</b>      |       | <b>377</b>    | <b>–</b>     | <b>359</b>    | <b>–</b>     |
| <b>Total liabilities relating to unrestricted assets</b>    |       | <b>18,058</b> | <b>5,978</b> | <b>15,219</b> | <b>7,452</b> |
| <b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>            |       | <b>18,435</b> | <b>5,978</b> | <b>15,578</b> | <b>7,452</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 year ended 30 June 2016

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

| \$ '000   | Actual<br>2016 | Actual<br>2015 |
|---|----------------|----------------|
| <b>(ii) Current liabilities not anticipated to be settled within the next twelve months</b>                         |                |                |
| The following liabilities, even though classified as current, are not expected to be settled in the next 12 months. |                |                |
| Provisions – employees benefits   | 2,788          | 2,254          |
| Payables – security bonds, deposits and retentions  | 5,523          | 5,350          |
|   | <b>8,311</b>   | <b>7,604</b>   |

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

| Class of provision | 2015                         |                       | 2016                     |  |                         |                               |
|--------------------|------------------------------|-----------------------|--------------------------|--|-------------------------|-------------------------------|
|                    | Opening balance as at 1/7/15 | Additional provisions | Decrease due to payments | Remeasurement effects due to discounting | Unused amounts reversed | Closing balance as at 30/6/16 |
| Annual leave       | 1,560                        | 1,282                 | (1,076)                  | –  | –                       | 1,766                         |
| Long service leave | 2,621                        | 635                   | (128)                    | –  | –                       | 3,128                         |
| <b>TOTAL</b>       | <b>4,181</b>                 | <b>1,917</b>          | <b>(1,204)</b>           | <b>–</b>                                 | <b>–</b>                | <b>4,894</b>                  |

- a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

## Mosman Council

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

## Note 11. Statement of cash flows – additional information

| \$ '000   | Notes | Actual<br>2016 | Actual<br>2015 |
|---|-------|----------------|----------------|
| <b>(a) Reconciliation of cash assets</b>  |       |                |                |
| Total cash and cash equivalent assets   | 6a    | 12,725         | 13,160         |
| Less bank overdraft   | 10    | –              | –              |
| <b>Balance as per the Statement of Cash Flows</b>   |       | <b>12,725</b>  | <b>13,160</b>  |
| <b>(b) Reconciliation of net operating result<br/>to cash provided from operating activities</b>  |       |                |                |
| <b>Net operating result from Income Statement</b>   |       | <b>(1,484)</b> | <b>5,216</b>   |
| Adjust for non-cash items:  |       |                |                |
| Depreciation and amortisation   |       | 5,415          | 5,166          |
| Net losses/(gains) on disposal of assets  |       | –              | 20             |
| Non-cash capital grants and contributions   |       | (238)          | (185)          |
| Losses/(gains) recognised on fair value re-measurements through the P&L:                          |       |                |                |
| – Investment properties   |       | 3,219          | (2,129)        |
| – Write offs relating to the fair valuation of I,PP&E   |       | 1,223          | –              |
| Share of net (profits) or losses of associates/joint ventures                                     |       | (167)          | (150)          |
| +/- Movement in operating assets and liabilities and other cash items:                            |       |                |                |
| Decrease/(increase) in receivables  |       | 165            | 341            |
| Increase/(decrease) in provision for doubtful debts   |       | 40             | 242            |
| Decrease/(increase) in inventories  |       | 15             | 1              |
| Decrease/(increase) in other assets   |       | (167)          | 126            |
| Increase/(decrease) in payables   |       | 674            | (182)          |
| Increase/(decrease) in accrued interest payable   |       | (11)           | (9)            |
| Increase/(decrease) in other accrued expenses payable   |       | (537)          | 517            |
| Increase/(decrease) in other liabilities  |       | 1,186          | 809            |
| Increase/(decrease) in employee leave entitlements  |       | 713            | 142            |
| <b>Net cash provided from/(used in)<br/>operating activities from the Statement of Cash Flows</b> |       | <b>10,046</b>  | <b>9,925</b>   |

## Mosman Council

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

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

| \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|-------|----------------|----------------|
| <b>(c) Non-cash investing and financing activities</b>   |       |                |                |
| Other dedications artworks   |       | 238            | 185            |
| <b>Total non-cash investing and financing activities</b>                                       |       | <b>238</b>     | <b>185</b>     |
| <b>(d) Financing arrangements</b>  |       |                |                |
| <b>(i) Unrestricted access was available at balance date to the following lines of credit:</b> |       |                |                |
| Bank overdraft facilities <sup>(1)</sup>   |       | 90             | 90             |
| Credit cards/purchase cards  |       | 55             | 55             |
| <b>Total financing arrangements</b>  |       | <b>145</b>     | <b>145</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 and other payables are disclosed in Note 15.

**(ii) Secured loan liabilities**

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

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 12. Commitments for expenditure

| \$ '000  | Notes | Actual<br>2016 | Actual<br>2015 |
|--|-------|----------------|----------------|
| <b>(a) Capital commitments (exclusive of GST)</b>  |       |                |                |
| Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities: |       |                |                |
| <b>Property, plant and equipment</b>   |       |                |                |
| Infrastructure   |       | –              | 116            |
| <b>Total commitments</b>   |       | <b>–</b>       | <b>116</b>     |
| <b>These expenditures are payable as follows:</b>  |       |                |                |
| Within the next year   |       | –              | 116            |
| <b>Total payable</b>   |       | <b>–</b>       | <b>116</b>     |
| <b>Sources for funding of capital commitments:</b>   |       |                |                |
| Internally restricted reserves   |       | –              | 116            |
| <b>Total sources of funding</b>  |       | <b>–</b>       | <b>116</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                                     | 384        | 190        |
| Later than one year and not later than 5 years           | 544        | 350        |
| <b>Total non-cancellable operating lease commitments</b> | <b>928</b> | <b>540</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 year ended 30 June 2016

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

| \$ '000  | Amounts<br>2016 | Indicator<br>2016 | Prior periods |          |
|--|-----------------|-------------------|---------------|----------|
|  |                 |                   | 2015          | 2014     |
| <b>Local government industry indicators – consolidated</b>   |                 |                   |               |          |
| <b>1. Operating performance ratio</b>  |                 |                   |               |          |
| Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses | <u>871</u>      | <b>1.96%</b>      | 1.70%         | 0.31%    |
| Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions                         | <u>44,425</u>   |                   |               |          |
| <b>2. Own source operating revenue ratio</b>   |                 |                   |               |          |
| Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions                             | <u>41,506</u>   | <b>89.56%</b>     | 88.82%        | 88.29%   |
| Total continuing operating revenue <sup>(1)</sup>  | <u>46,345</u>   |                   |               |          |
| <b>3. Unrestricted current ratio</b>   |                 |                   |               |          |
| Current assets less all external restrictions <sup>(2)</sup>   | <u>12,534</u>   | <b>1.29x</b>      | 1.53x         | 1.40x    |
| Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>  | <u>9,747</u>    |                   |               |          |
| <b>4. Debt service cover ratio</b>   |                 |                   |               |          |
| Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation           | <u>6,788</u>    | <b>2.81x</b>      | 2.59x         | 2.38x    |
| Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)                               | <u>2,416</u>    |                   |               |          |
| <b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>                                   |                 |                   |               |          |
| Rates, annual and extra charges outstanding  | <u>587</u>      | <b>2.26%</b>      | 2.20%         | 1.55%    |
| Rates, annual and extra charges collectible  | <u>25,936</u>   |                   |               |          |
| <b>6. Cash expense cover ratio</b>   |                 |                   |               |          |
| Current year's cash and cash equivalents plus all term deposits  | <u>14,725</u>   | <b>4.25 mths</b>  | 4.2 mths      | 3.3 mths |
| Payments from cash flow of operating and financing activities  | <u>3,469</u>    |                   |               |          |

## Notes

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

<sup>(2)</sup> Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

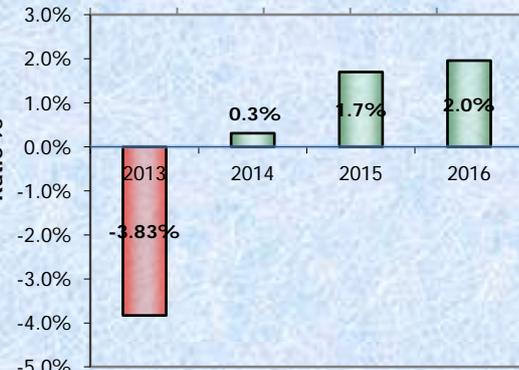
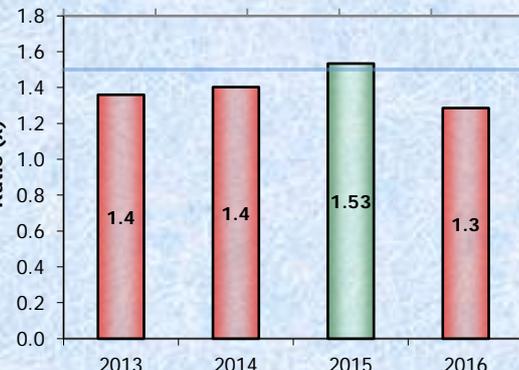
<sup>(3)</sup> Refer to Note 10(a).

<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 year ended 30 June 2016

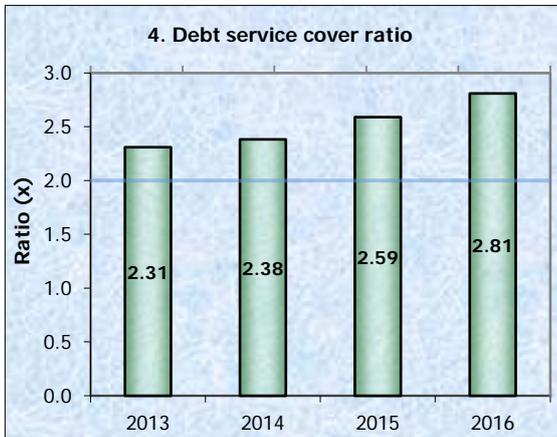
### Note 13a(ii). Local government industry indicators – graphs (consolidated)

|   |   |   |
|---|---|---|
| <p><b>1. Operating performance ratio</b></p>  <p>Benchmark: <span style="color:blue">—</span> Minimum <math>\geq 0.00\%</math><br/>Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>           | <p><b>Purpose of operating performance ratio</b></p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>   | <p><b>Commentary on 2015/16 result</b></p> <p><b>2015/16 ratio 1.96%</b></p> <p>Continued improvement demonstrates Council's ability to contain operating expenditure within operating revenue. By this measure Council is Fit for the Future despite deficit result caused by one-off asset decrements</p>   |
| <p><b>2. Own source operating revenue ratio</b></p>  <p>Benchmark: <span style="color:blue">—</span> Minimum <math>\geq 60.00\%</math><br/>Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p> | <p><b>Purpose of own source operating revenue ratio</b></p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p> | <p><b>Commentary on 2015/16 result</b></p> <p><b>2015/16 ratio 89.56%</b></p> <p>A moderate improvement is noted in Council's own source income ratio. The ratio comfortably exceeds the Office of Local Government's (OLG) benchmark.</p>  |
| <p><b>3. Unrestricted current ratio</b></p>  <p>Benchmark: <span style="color:blue">—</span> Minimum <math>\geq 1.50</math><br/>Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>            | <p><b>Purpose of unrestricted current ratio</b></p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>       | <p><b>Commentary on 2015/16 result</b></p> <p><b>2015/16 ratio 1.29x</b></p> <p>The 2015 ratio was unusually high due to one-off factors. Much of the cash held at that time was revoted for expenditure in 2016. The ratio stands at a level close to that forecast in the Long Term Financial Plan. In that Plan the ratio is forecast to meet benchmark in FY 2023</p> |

# Mosman Council

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

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



**Purpose of debt service cover ratio**

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

**Commentary on 2015/16 result**

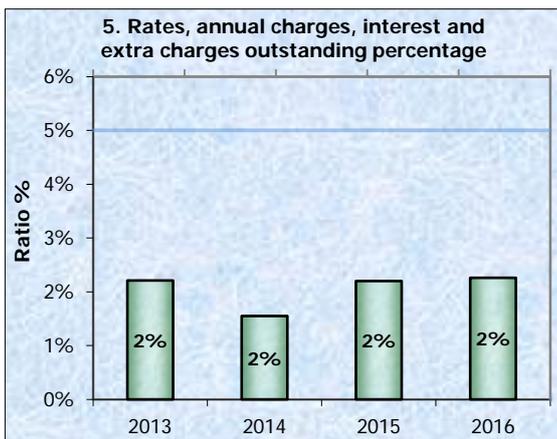
**2015/16 ratio 2.81x**

In the reporting period Council took out one new \$400k loan while greater amounts off existing loans.

Benchmark: ——— Minimum  $\geq 2.00$

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

 Ratio achieves benchmark  
 Ratio is outside benchmark



**Purpose of rates and annual charges outstanding ratio**

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

**Commentary on 2015/16 result**

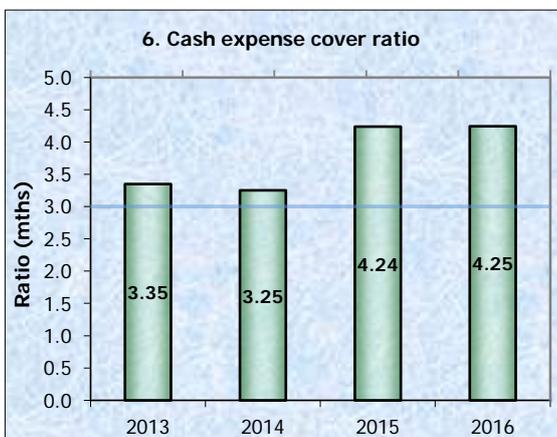
**2015/16 ratio 2.26%**

Council continues to maintain a ratio well within the OLG benchmark and is amongst the lowest in NSW

Benchmark: ——— Maximum  $< 5.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #24

 Ratio is within Benchmark  
 Ratio is outside Benchmark



**Purpose of cash expense cover ratio**

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

**Commentary on 2015/16 result**

**2015/16 ratio 4.25 mths**

No substantial change on the prior reporting year. The ratio meets the relevant benchmark.

Benchmark: ——— Minimum  $\geq 3.00$

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

 Ratio achieves benchmark  
 Ratio is outside benchmark

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 14. Investment properties

| \$ '000  | Notes | Actual<br>2016       | Actual<br>2015       |
|--|-------|----------------------|----------------------|
| <b>(a) Investment properties at fair value</b> |       |                      |                      |
| <u>Investment properties on hand</u>           |       | <u>44,963</u>        | <u>48,950</u>        |
| <b>Reconciliation of annual movement:</b>      |       |                      |                      |
| Opening balance                                |       | 48,950               | 46,821               |
| – Net gain/(loss) from fair value adjustments  |       | (3,219)              | 2,129                |
| – Transfers from/(to) owner occupied (Note 9)  |       | (768)                | –                    |
| <b>CLOSING BALANCE – INVESTMENT PROPERTIES</b> |       | <b><u>44,963</u></b> | <b><u>48,950</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 2016 revaluations were based on independent assessments made by:  
Scott Fullarton Valuations Pty Ltd Registered Valuer No. 2144

Significant decrement was due to valuer reassessing the impact of heritage listing on Bathers Pavilion and the usage of Boronia House. The decrement does not effect the rental income Council has from the sites or its policies on the use of the sites.

#### (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                                  | 1,538               | 1,744               |
| Later than 1 year but less than 5 years        | 2,214               | 3,449               |
| Later than 5 years                             | 266                 | 550                 |
| <b>Total minimum lease payments receivable</b> | <b><u>4,018</u></b> | <b><u>5,743</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 year ended 30 June 2016

#### Note 14. Investment properties (continued)

| \$ '000   | Notes | Actual<br>2016 | Actual<br>2015 |
|---|-------|----------------|----------------|
| <b>(e) Investment property income and expenditure – summary</b> |       |                |                |
| <b>Rental income from investment properties:</b>                |       |                |                |
| – Minimum lease payments  |       | 1,913          | 1,800          |
| <b>Direct operating expenses on investment properties:</b>      |       |                |                |
| – that generated rental income                                  |       | (215)          | (271)          |
| <b>Net revenue contribution from investment properties</b>      |       | <b>1,698</b>   | <b>1,529</b>   |
| plus:   |       |                |                |
| <b>Fair value movement for year</b>                             |       | <b>(3,219)</b> | <b>2,129</b>   |
| <b>Total income attributable to investment properties</b>       |       | <b>(1,521)</b> | <b>3,658</b>   |

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

#### Note 15. Financial risk management

##### Risk management

Council's activities expose it to a variety of financial risks including **(1)** price risk, **(2)** credit risk, **(3)** liquidity risk and **(4)** interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

|                                    | Carrying value |               | Fair value    |               |
|------------------------------------|----------------|---------------|---------------|---------------|
|                                    | 2016           | 2015          | 2016          | 2015          |
| <b>Financial assets</b>            |                |               |               |               |
| Cash and cash equivalents          | 12,725         | 13,160        | 12,725        | 13,160        |
| Investments                        |                |               |               |               |
| – 'Held to maturity'               | 2,000          | –             | 2,000         | –             |
| Receivables                        | 3,562          | 3,767         | 3,562         | 3,767         |
| <b>Total financial assets</b>      | <b>18,287</b>  | <b>16,927</b> | <b>18,287</b> | <b>16,927</b> |
| <b>Financial liabilities</b>       |                |               |               |               |
| Payables                           | 11,356         | 9,334         | 11,356        | 9,334         |
| Loans/advances                     | 7,565          | 9,079         | 7,565         | 9,079         |
| <b>Total financial liabilities</b> | <b>18,921</b>  | <b>18,413</b> | <b>18,921</b> | <b>18,413</b> |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 15. Financial risk management (continued)

\$ '000

Fair value (for the table on the previous page) is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity** investments – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

#### (a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "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 has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

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>2016</b>  |                          |        |                          |        |
| Possible impact of a 1% movement in interest rates | 140                      | 140    | (140)                    | (140)  |
| <b>2015</b>  |                          |        |                          |        |
| Possible impact of a 1% movement in interest rates | 132                      | 132    | (100)                    | (100)  |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 15. Financial risk management (continued)

\$ '000

##### (b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

|  | 2016<br>Rates and<br>annual<br>charges | 2016<br>Other<br>receivables | 2015<br>Rates and<br>annual<br>charges | 2015<br>Other<br>receivables |
|--|--|------------------------------|--|------------------------------|
| <b>(i) Ageing of receivables – %</b>                             |  |                              |  |                              |
| Current (not yet overdue)  | 100%                                   | 100%                         | 100%                                   | 100%                         |
|  | <b>100%</b>                            | <b>100%</b>                  | <b>100%</b>                            | <b>100%</b>                  |
| <b>(ii) Ageing of receivables – value</b>                        |  |                              |  |                              |
| <b>Rates and annual charges</b>                                  | <b>annual charges</b>                  | <b>Other receivables</b>     | <b>Rates and annual charges</b>        | <b>Other receivables</b>     |
| Current  | –                                      | 2,323                        | –                                      | 2,015                        |
| < 1 year overdue   | 568                                    | 570                          | 513                                    | 788                          |
| 2 – 5 years overdue  | –                                      | 186                          | –                                      | 313                          |
| > 5 years overdue  | –                                      | 259                          | –                                      | 442                          |
|  | <b>568</b>                             | <b>3,338</b>                 | <b>513</b>                             | <b>3,558</b>                 |
| <b>(iii) Movement in provision for impairment of receivables</b> |  |                              | <b>2016</b>                            | <b>2015</b>                  |
| Balance at the beginning of the year                             |  |                              | 304                                    | 62                           |
| + new provisions recognised during the year                      |  |                              | 45                                     | 251                          |
| – amounts already provided for and written off this year         |  |                              | (17)                                   | (8)                          |
| – amounts provided for but recovered during the year             |  |                              | 12                                     | (1)                          |
| <b>Balance at the end of the year</b>                            |  |                              | <b>344</b>                             | <b>304</b>                   |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 15. Financial risk management (continued)

\$ '000

##### (c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

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

| \$ '000                            | Subject to no maturity | payable in:  |              |              |              |              |              | Total cash outflows | Actual carrying values |
|------------------------------------|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------|------------------------|
|                                    |                        | ≤ 1 Year     | 1-2 Yrs      | 2-3 Yrs      | 3-4 Yrs      | 4-5 Yrs      | > 5 Yrs      |                     |                        |
| <b>2016</b>                        |                        |              |              |              |              |              |              |                     |                        |
| Trade/other payables               | 7,069                  | 4,287        | –            | –            | –            | –            | –            | 11,356              | <b>11,356</b>          |
| Loans and advances                 | –                      | 1,746        | 1,225        | 1,145        | 1,146        | 882          | 1,421        | 7,565               | <b>7,565</b>           |
| <b>Total financial liabilities</b> | <b>7,069</b>           | <b>6,033</b> | <b>1,225</b> | <b>1,145</b> | <b>1,146</b> | <b>882</b>   | <b>1,421</b> | <b>18,921</b>       | <b>18,921</b>          |
| <b>2015</b>                        |                        |              |              |              |              |              |              |                     |                        |
| Trade/other payables               | 6,045                  | 3,289        | –            | –            | –            | –            | –            | 9,334               | <b>9,334</b>           |
| Loans and advances                 | –                      | 1,913        | 1,713        | 1,190        | 1,109        | 1,109        | 2,045        | 9,079               | <b>9,079</b>           |
| <b>Total financial liabilities</b> | <b>6,045</b>           | <b>5,202</b> | <b>1,713</b> | <b>1,190</b> | <b>1,109</b> | <b>1,109</b> | <b>2,045</b> | <b>18,413</b>       | <b>18,413</b>          |

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities and interest rate structures.

The following interest rates were applicable to Council's borrowings at balance date:

|  | 2016           |                       | 2015           |                       |
|--|----------------|-----------------------|----------------|-----------------------|
|  | Carrying value | Average interest rate | Carrying value | Average interest rate |
| Trade/other payables                     | 11,356         | 0.00%                 | 9,334          | 0.00%                 |
| Loans and advances – fixed interest rate | 7,565          | 6.05%                 | 9,079          | 6.29%                 |
|  | <u>18,921</u>  |                       | <u>18,413</u>  |                       |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 16. Material budget variations

\$ '000

Council's original financial budget for 15/16 was adopted by the Council on 02 June 2015.

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

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

**Note that for variations\* of budget to actual :**

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

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

| \$ '000   | 2016<br>Budget | 2016<br>Actual | 2016<br>Variance* | ----- | -----    |
|---|----------------|----------------|-------------------|-------|----------|
| <b>REVENUES</b>   |                |                |                   |       |          |
| Rates and annual charges  | 25,273         | 25,354         | 81                | 0%    | <b>F</b> |
| User charges and fees   | 10,518         | 10,755         | 237               | 2%    | <b>F</b> |
| Interest and investment revenue   | 425            | 526            | 101               | 24%   | <b>F</b> |
| Late finishing works and ongoing large holdings of Bonds and Deposits contributed to larger than expected cash balances and therefore interest income.  |                |                |                   |       |          |
| Other revenues  | 4,432          | 4,871          | 439               | 10%   | <b>F</b> |
| Parking Fines income \$187k over budget due to unseasonal warm Autumn weather. Unbudgeted income from Kimbriki Investment \$106k.   |                |                |                   |       |          |
| Operating grants and contributions  | 2,119          | 2,919          | 800               | 38%   | <b>F</b> |
| Childcare Benefit Grants budgeted in User Fees but classified Grants \$168k. LIRS interest subsidy budgeted in Borrowing Costs expenses but correctly classified Operating Grants \$71k. "Windfall" off-grants for Community Services \$130k. Higher than expected RMS Operating Contributions \$20k. Roads to Recovery grant \$315k was budgeted as Capital Grant but is now correctly recognised as an Operating Grant. |                |                |                   |       |          |
| Capital grants and contributions  | 1,780          | 1,920          | 140               | 8%    | <b>F</b> |
| Joint ventures and associates - net profits   | -              | 167            | 167               | 0%    | <b>F</b> |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 16. Material budget variations (continued)

| \$ '000   | 2016<br>Budget | 2016<br>Actual | 2016<br>Variance* |       |          |
|---|----------------|----------------|-------------------|-------|----------|
| <b>EXPENSES</b>   |                |                |                   |       |          |
| <b>Employee benefits and on-costs</b>   | 17,227         | 16,874         | 353               | 2%    | <b>F</b> |
| <b>Borrowing costs</b>  | 431            | 502            | (71)              | (16%) | <b>U</b> |
| \$71k LIRS interest subsidy (Grant Income) net-budgeted as borrowing costs. This has been changed for 16/17 budget.   |                |                |                   |       |          |
| <b>Materials and contracts</b>  | 13,897         | 14,291         | (394)             | (3%)  | <b>U</b> |
| <b>Depreciation and amortisation</b>  | 5,387          | 5,415          | (28)              | (1%)  | <b>U</b> |
| <b>Other expenses</b>   | 5,728          | 10,914         | (5,186)           | (91%) | <b>U</b> |
| Unbudgeted revaluation decrements have been recognised. \$1,223k decrement to Community Land due to Valuer General reassessing values due to zoning. This physical character of the land has not changed and its use in service delivery is unchanged. \$3,217 decrement to Investment Properties due to professional valuer reassessing impact of heritage listing on Bather's Pavilion and usage of Boronia site. Rental income and use of sites not affected |                |                |                   |       |          |
| <b>Joint ventures and associates – net losses</b>   | –              | –              | –                 | 0%    | <b>F</b> |

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

|  |         |         |         |        |          |
|--|---------|---------|---------|--------|----------|
| <b>Cash flows from operating activities</b>  | 7,855   | 10,046  | 2,191   | 27.9%  | <b>F</b> |
| Unbudgeted net inflow of \$1,024k from Bonds and Deposits. Grants and Contributions exceed budget by \$1,062k for reasons outlined above at Grant Income, Income Statement positive variance   |         |         |         |        |          |
| <b>Cash flows from investing activities</b>  | (6,260) | (8,967) | (2,707) | 43.2%  | <b>U</b> |
| This is due to Council holding two \$1M dollar term deposits at 30 June which are classified as investments rather than cash equivalent. Also Council's capital budget was increased during the year by revotes and quarterly reviews. |         |         |         |        |          |
| <b>Cash flows from financing activities</b>  | (1,628) | (1,514) | 114     | (7.0%) | <b>F</b> |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are 'restricted' in their future use.

## SUMMARY OF CONTRIBUTIONS AND LEVIES

| PURPOSE                          | Opening balance | Contributions received during the year |          | Interest earned in year | Expenditure during year | Internal borrowing (to)/from | Held as restricted asset | Cumulative internal borrowings due/(payable) |
|----------------------------------|-----------------|--|----------|-------------------------|-------------------------|------------------------------|--------------------------|--|
|                                  |                 | Cash                                   | Non-cash |                         |                         |                              |                          |  |
| Open space                       | 68              | –                                      | –        | –                       | (68)                    | –                            | –                        | –  |
| S94 contributions – under a plan | 68              | –                                      | –        | –                       | (68)                    | –                            | –                        | –  |
| S94A levies – under a plan       | 3,449           | 1,409                                  | –        | 109                     | (622)                   | –                            | 4,345                    | –  |
| Total S94 revenue under plans    | 3,517           | 1,409                                  | –        | 109                     | (690)                   | –                            | 4,345                    | –  |
| <b>Total contributions</b>       | <b>3,517</b>    | <b>1,409</b>                           | <b>–</b> | <b>109</b>              | <b>(690)</b>            | <b>–</b>                     | <b>4,345</b>             | <b>–</b>                                     |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 17. Statement of developer contributions (continued)

\$ '000

**S94 CONTRIBUTIONS – UNDER A PLAN**

## CONTRIBUTION PLAN

| PURPOSE      | Opening balance | Contributions received during the year |          | Interest earned in year | Expenditure during year | Internal borrowing (to)/from | Held as restricted asset | Cumulative internal borrowings due/(payable) |
|--------------|-----------------|--|----------|-------------------------|-------------------------|------------------------------|--------------------------|--|
|              |                 | Cash                                   | Non-cash |                         |                         |                              |                          |  |
| Open space   | 68              | -                                      | -        | -                       | (68)                    | -                            | -                        | -  |
| <b>Total</b> | <b>68</b>       | <b>-</b>                               | <b>-</b> | <b>-</b>                | <b>(68)</b>             | <b>-</b>                     | <b>-</b>                 | <b>-</b>                                     |

**S94A LEVIES – UNDER A PLAN**

## CONTRIBUTION PLAN - OPEN SPACE &amp; 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 | Cumulative internal borrowings due/(payable) |
|--------------|-----------------|--|----------|-------------------------|-------------------------|------------------------------|--------------------------|--|
|              |                 | Cash                                   | Non-cash |                         |                         |                              |                          |  |
| Open space   | 3,449           | 1,409                                  | -        | 109                     | (622)                   | -                            | 4,345                    | -  |
| <b>Total</b> | <b>3,449</b>    | <b>1,409</b>                           | <b>-</b> | <b>109</b>              | <b>(622)</b>            | <b>-</b>                     | <b>4,345</b>             | <b>-</b>                                     |

## Mosman Council

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

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

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and 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 its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

##### (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 Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

##### (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 year ended 30 June 2016

#### 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 of the reporting date, but represent Council's 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 30/6/08.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

##### Controlled entities (subsidiaries)

*Note 19(a)*

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

##### Joint ventures and associates

*Note 19(b)*

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

##### Joint operations

*Note 19(c)*

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

##### Unconsolidated structured entities

*Note 19(d)*

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

##### Subsidiaries, joint arrangements and associates not recognised

*Note 19(e)*

#### Accounting recognition:

(i) Subsidiaries disclosed under Note 19(a) and joint 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) Joint ventures and associates as per Note 19(b) 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<br>2016                | Actual<br>2015 | Actual<br>2016                | Actual<br>2015 |
| Joint ventures | (15)                          | (3)            | 24                            | 39             |
| Associates     | 182                           | 153            | 874                           | 753            |
| <b>Total</b>   | <b>167</b>                    | <b>150</b>     | <b>898</b>                    | <b>792</b>     |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 19. Interests in other entities (continued)

\$ '000

##### (a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

##### (b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

##### (a) Net carrying amounts – Council's share

| Name of entity   | Nature of relationship | Measurement method | 2016       | 2015       |
|--|------------------------|--------------------|------------|------------|
| Kimbriki Environmental Enterprises P/L                                 | Associate              | Equity             | 874        | 753        |
| Shorelink Library Network  | Joint Venture          | Equity             | 24         | 39         |
| <b>Total carrying amounts – material joint ventures and associates</b> |                        |                    | <b>898</b> | <b>792</b> |

##### (b) Details

| Name of entity                         | Principal activity                | Place of business |
|--|-----------------------------------|-------------------|
| Kimbriki Environmental Enterprises P/L | Waste Management and Disposal     | Terry Hills, NSW  |
| Shorelink Library Network              | Sharing of Library Infrastructure | North Sydney, NSW |

##### (c) Relevant interests and fair values

| Name of entity                         | Interest in outputs |      | Interest in ownership |      | Proportion of voting power |      |
|--|---------------------|------|-----------------------|------|----------------------------|------|
|  | 2016                | 2015 | 2016                  | 2015 | 2016                       | 2015 |
| Kimbriki Environmental Enterprises P/L |                     | 4%   |                       | 4%   | 25%                        | 25%  |
| Shorelink Library Network              | 12%                 | 13%  | 17%                   | 17%  | 20%                        | 20%  |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 19. Interests in other entities (continued)

\$ '000

## (b) Joint ventures and associates (continued)

## (d) Summarised financial information for joint ventures and associates

| Statement of financial position                        | Kimbriki Environmental<br>Enterprises P/L |               | Shorelink Library Network |              |
|--|---|---------------|---------------------------|--------------|
|  | 2016                                      | 2015          | 2016                      | 2015         |
| <b>Current assets</b>                                  |   |               |                           |              |
| Cash and cash equivalents                              | 1,729                                     | 4,403         | 220                       | 296          |
| Other current assets                                   | 17,420                                    | 17,730        | –                         | –            |
| <b>Total current assets</b>                            | <b>19,149</b>                             | <b>22,133</b> | <b>220</b>                | <b>296</b>   |
| <b>Non-current assets</b>                              | <b>14,708</b>                             | <b>7,265</b>  | <b>6</b>                  | <b>15</b>    |
| <b>Current liabilities</b>                             |   |               |                           |              |
| Other current liabilities                              | 6,879                                     | 5,307         | 87                        | 82           |
| <b>Total current liabilities</b>                       | <b>6,879</b>                              | <b>5,307</b>  | <b>87</b>                 | <b>82</b>    |
| <b>Non-current liabilities</b>                         | <b>4,217</b>                              | <b>4,480</b>  | <b>–</b>                  | <b>–</b>     |
| <b>Net assets</b>                                      | <b>22,761</b>                             | <b>19,611</b> | <b>139</b>                | <b>229</b>   |
| <b>Reconciliation of the carrying amount</b>           |   |               |                           |              |
| Opening net assets (1 July)                            | 19,611                                    | 16,432        | 229                       | 251          |
| Profit/(loss) for the period                           | 4,743                                     | 3,983         | (90)                      | (22)         |
| Dividends paid   | (1,593)                                   | (804)         | –                         | –            |
| <b>Closing net assets</b>                              | <b>22,761</b>                             | <b>19,611</b> | <b>139</b>                | <b>229</b>   |
| <b>Council's share of net assets (%)</b>               | <b>3.8%</b>                               | <b>3.8%</b>   | <b>17.1%</b>              | <b>17.0%</b> |
| <b>Council's share of net assets (\$)</b>              | <b>874</b>                                | <b>753</b>    | <b>24</b>                 | <b>39</b>    |
| <b>Statement of comprehensive income</b>               |   |               |                           |              |
| Income   | 36,672                                    | 31,584        | 615                       | 608          |
| Interest income  | 384                                       | 406           | 5                         | –            |
| Depreciation and amortisation                          | (515)                                     | (458)         | –                         | (17)         |
| Other expenses   | (31,798)                                  | (27,549)      | (708)                     | (613)        |
| <b>Profit/(loss) for period</b>                        | <b>4,743</b>                              | <b>3,983</b>  | <b>(88)</b>               | <b>(22)</b>  |
| <b>Total comprehensive income</b>                      | <b>4,743</b>                              | <b>3,983</b>  | <b>(88)</b>               | <b>(22)</b>  |
| <b>Share of income – Council (%)</b>                   | <b>3.8%</b>                               | <b>3.8%</b>   | <b>11.9%</b>              | <b>13.0%</b> |
| <b>Profit/(loss) – Council (\$)</b>                    | <b>182</b>                                | <b>153</b>    | <b>(10)</b>               | <b>(3)</b>   |
| <b>Profit/(loss) due to change interest in outputs</b> | <b>–</b>                                  | <b>–</b>      | <b>(5)</b>                | <b>–</b>     |
| <b>Total comprehensive income – Council (\$)</b>       | <b>182</b>                                | <b>153</b>    | <b>(15)</b>               | <b>(3)</b>   |
| <b>Dividends received by Council</b>                   | <b>61</b>                                 | <b>31</b>     | <b>–</b>                  | <b>–</b>     |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 19. Interests in other entities (continued)

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\$ '000

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##### (b) Joint ventures and associates (continued)

##### **(e) The nature and extent of significant restrictions relating to joint ventures and associates**

Council has no day to day access to cash or investments of either entity. Council, as a shareholder, participates in cash dividends as declared by Kimbriki's Board. All interactions with Kimbriki P/L are regulated by the Kimbriki Shareholder Agreement

Shorelink is a committee formed under Section 355 of the *Local Government Act* NSW 1993. Interactions are governed by a deed of agreement. Shorelink does not generate positive cash flows and relies on annual cash contributions from member Councils

##### (c) Joint operations

Council has no interest in any joint operations.

##### (d) Unconsolidated structured entities

Council has no unconsolidated structured entities

##### (e) Subsidiaries, joint arrangements and associates not recognised

All subsidiaries, joint arrangements and associates have been recognised in this financial report.

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

| \$ '000   | Notes | Actual<br>2016  | Actual<br>2015 |
|---|-------|-----------------|----------------|
| <b>(a) Retained earnings</b>  |       |                 |                |
| <b>Movements in retained earnings were as follows:</b>  |       |                 |                |
| Balance at beginning of year (from previous years audited accounts)   |       | 296,019         | 290,803        |
| a. Net operating result for the year  |       | (1,484)         | 5,216          |
| <b>Balance at end of the reporting period</b>   |       | <b>254,006</b>  | <b>255,490</b> |
| <b>(b) Revaluation reserves</b>   |       |                 |                |
| <b>(i) Reserves are represented by:</b>   |       |                 |                |
| – Infrastructure, property, plant and equipment revaluation reserve   |       | 220,349         | 211,951        |
| <b>Total</b>  |       | <b>220,349</b>  | <b>211,951</b> |
| <b>(ii) Reconciliation of movements in reserves:</b>  |       |                 |                |
| <b>Infrastructure, property, plant and equipment revaluation reserve</b>  |       |                 |                |
| – Opening balance   |       | 211,951         | 211,202        |
| – Revaluations for the year   | 9(a)  | 8,398           | 749            |
| <b>– Balance at end of year</b>   |       | <b>220,349</b>  | <b>211,951</b> |
| <b>TOTAL VALUE OF RESERVES</b>  |       | <b>220,349</b>  | <b>211,951</b> |
| <b>(iii) Nature and purpose of reserves</b>   |       |                 |                |
| <b>Infrastructure, property, plant and equipment revaluation reserve</b>  |       |                 |                |
| – The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrement of non-current asset values due to their revaluation.  |       |                 |                |
| <b>(c) Correction of error/s relating to a previous reporting period</b>  |       |                 |                |
| Council made no correction of errors during the current reporting period.   |       |                 |                |
| <b>(d) Voluntary changes in accounting policies</b>   |       |                 |                |
| Council changed the valuation method for Community Land in the current reporting period. Prior valuations relied heavily on a calculated \$/sqm figure for parcels with no Valuer General rating valuation. The Valuer General subsequently issued values for most of these parcels and these have replaced \$/sqm calculations. The effect is a \$40,529k reduction in the measured values. As Council can not deal in this land (it is Crown Land) and the land's characteristics remain unchanged there is no real effect on Council's financial sustainability or service delivery. |       |                 |                |
| <b>In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the above changes in accounting policy have been recognised retrospectively.</b>  |       |                 |                |
| <b>These amounted to the following equity adjustments:</b>  |       |                 |                |
| – Adjustments to opening equity – 1/7/15  |       | (40,529)        | –              |
| (relating to adjustments for the 30/6/14 reporting year end and prior periods)  |       |                 |                |
| <b>Total prior period adjustments – accounting policy changes</b>   |       | <b>(40,529)</b> | <b>–</b>       |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### 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 (30 June 2016) 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 09/09/16.

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 2016.

##### **(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 2016 and which are only indicative of conditions that arose after 30 June 2016.

**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 year ended 30 June 2016

#### Note 25. Intangible assets

| \$ '000  | Actual<br>2016    | Actual<br>2015    |
|--|-------------------|-------------------|
| Intangible assets represent identifiable non-monetary assets without physical substance. |                   |                   |
| Intangible assets are as follows:  |                   |                   |
| <b>Opening values:</b>   |                   |                   |
| Gross book value (1/7)   | 392               | 392               |
| Accumulated amortisation (1/7)   | (94)              | (78)              |
| Accumulated impairment (1/7)   | –                 | –                 |
| <b>Net book value – opening balance</b>  | <b>298</b>        | <b>314</b>        |
| <b>Movements for the year</b>  |                   |                   |
| – Amortisation charges   | (16)              | (16)              |
| <b>Closing values:</b>   |                   |                   |
| Gross book value (30/6)  | 392               | 392               |
| Accumulated amortisation (30/6)  | (110)             | (94)              |
| Accumulated impairment (30/6)  | –                 | –                 |
| <b><u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE 1</u></b>                                 | <b><u>282</u></b> | <b><u>298</u></b> |

<sup>1</sup> The net book value of intangible assets represent:

|  |            |            |
|--|------------|------------|
| – Rights to participate in Kimbriki Environmental Enterprises Pty Ltd. | 282        | 298        |
|  | <b>282</b> | <b>298</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 year ended 30 June 2016

#### Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Investment property

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

| 2016   | Date of latest valuation | Fair value measurement hierarchy        |  |  | Total          |
|--|--------------------------|---|--|--|----------------|
|  |                          | Level 1<br>Quoted prices in active mkts | Level 2<br>Significant observable inputs | Level 3<br>Significant unobservable inputs |                |
| <b>Recurring fair value measurements</b>                   |                          |   |  |  |                |
| <b>Investment properties</b>                               |                          |   |  |  |                |
| Retail, commercial office and residential                  | 30/06/16                 | –                                       | –  | 44,963                                     | 44,963         |
| <b>Total investment properties</b>                         |                          | <b>–</b>                                | <b>–</b>                                 | <b>44,963</b>                              | <b>44,963</b>  |
| <b>Infrastructure, property, plant and equipment</b>       |                          |   |  |  |                |
| Plant and equipment  | 30/06/16                 | –                                       | –  | 948  | 948            |
| Office equipment   | 30/06/16                 | –                                       | –  | 245  | 245            |
| Furniture and fittings                                     | 30/06/16                 | –                                       | –  | 111  | 111            |
| Art collection   | 30/06/16                 | –                                       | –  | 5,218                                      | 5,218          |
| Operational land   | 30/06/13                 | –                                       | –  | 113,024                                    | 113,024        |
| Community land   | 30/06/16                 | –                                       | –  | 60,659                                     | 60,659         |
| Land improvements – depreciable                            | 30/06/16                 | –                                       | –  | 629  | 629            |
| Buildings non-specialised                                  | 30/06/13                 | –                                       | –  | 27,774                                     | 27,774         |
| Buildings specialised                                      | 30/06/13                 | –                                       | –  | 14,575                                     | 14,575         |
| Roads  | 30/06/15                 | –                                       | –  | 117,230                                    | 117,230        |
| Footpaths  | 30/06/15                 | –                                       | –  | 11,878                                     | 11,878         |
| Stormwater drainage  | 30/06/13                 | –                                       | –  | 50,269                                     | 50,269         |
| Other open space/recreational assets                       | 30/06/16                 | –                                       | –  | 30,132                                     | 30,132         |
| Heritage collections                                       | 30/06/16                 | –                                       | –  | 13   | 13             |
| Library books  | 30/06/16                 | –                                       | –  | 806  | 806            |
| Other assets   | 30/06/16                 | –                                       | –  | 47   | 47             |
| <b>Total infrastructure, property, plant and equipment</b> |                          | <b>–</b>                                | <b>–</b>                                 | <b>433,558</b>                             | <b>433,558</b> |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

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

| 2015   | Date of latest valuation | Fair value measurement hierarchy        |  |  | Total          |
|--|--------------------------|---|--|--|----------------|
|  |                          | Level 1<br>Quoted prices in active mkts | Level 2<br>Significant observable inputs | Level 3<br>Significant unobservable inputs |                |
| <b>Recurring fair value measurements</b>                   |                          |   |  |  |                |
| <b>Investment properties</b>                               |                          |   |  |  |                |
| Retail, commercial office and residential                  | 30/06/16                 | –                                       | –  | 48,950                                     | 48,950         |
| <b>Total investment properties</b>                         |                          | <b>–</b>                                | <b>–</b>                                 | <b>48,950</b>                              | <b>48,950</b>  |
| <b>Infrastructure, property, plant and equipment</b>       |                          |   |  |  |                |
| Plant and equipment  | 30/06/15                 | –                                       | –  | 778  | 778            |
| Office equipment   | 30/06/15                 | –                                       | –  | 300  | 300            |
| Furniture and fittings                                     | 30/06/15                 | –                                       | –  | 117  | 117            |
| Art collection   | 25/10/12                 | –                                       | –  | 4,621                                      | 4,621          |
| Operational land   | 30/06/13                 | –                                       | –  | 112,190                                    | 112,190        |
| Community land   | 1/07/11                  | –                                       | –  | 62,159                                     | 62,159         |
| Land improvements – depreciable                            | 30/06/14                 | –                                       | –  | 677  | 677            |
| Buildings non-specialised                                  | 30/06/13                 | –                                       | –  | 27,621                                     | 27,621         |
| Buildings specialised                                      | 30/06/13                 | –                                       | –  | 14,869                                     | 14,869         |
| Other structures   | 30/06/11                 | –                                       | –  | 376  | 376            |
| Roads  | 30/06/15                 | –                                       | –  | 116,323                                    | 116,323        |
| Footpaths  | 30/06/15                 | –                                       | –  | 11,204                                     | 11,204         |
| Stormwater drainage  | 30/06/13                 | –                                       | –  | 50,113                                     | 50,113         |
| Other open space/recreational assets                       | 30/06/11                 | –                                       | –  | 20,736                                     | 20,736         |
| Heritage collections                                       | 30/06/14                 | –                                       | –  | 13   | 13             |
| Library books  | 30/06/14                 | –                                       | –  | 816  | 816            |
| Other assets   | 30/06/14                 | –                                       | –  | 51   | 51             |
| <b>Total infrastructure, property, plant and equipment</b> |                          | <b>–</b>                                | <b>–</b>                                 | <b>422,964</b>                             | <b>422,964</b> |

## (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 year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

##### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (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 2016 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 input to the valuation is the remaining useful life. Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

the pattern of consumption and estimated remaining useful life. 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 June 2016 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 Practising 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.

When this method was first employed for the 2010/11 Financial Statements the Valuer General had not issued values on the majority of the Community Land class. The Valuer General has subsequently issued values for most of this land at amounts significantly less than the unit rate previously estimated. There has therefore been a significant decrement to this asset class.

##### *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.

There has been no change to the valuation process during the reporting period.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

##### *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 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 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, 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           |

##### *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.

Gross replacement cost for Mosman road assets were valued by Complete Urban Pty Ltd as at 30 June 2010. The condition 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.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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, condition inspections were carried out on the following road asset types to verify asset remaining useful life:

- Road Pavements
- Footpaths and Steps
- Kerb and Gutter
- Retaining Walls
- Street Furniture
- Physical Traffic Devices
- Lines and Signs

Further the unit rates where applicable for roads assets were also updated to reflect the new 2015 'SHOROC – Minor Capital Works' Contract.

This process was peer reviewed and endorsed by AMCL Pty Ltd and resulted in some of the useful life values being updated to reflect current asset performance.

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                         | 100                 | \$295/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                          | 25                  | \$141.75/ each          |
| Concrete Footpath (75 mm thick)                 | 95                  | \$73.90/m <sup>2</sup>  |
| Asphalt Footpath (25 mm thick)                  | 40                  | \$36.58/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 year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

##### *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 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

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.

In this reporting period, stormwater pipes were updated to reflect the requirements of AASB in regards to residual values.

| 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<br>\$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 and useful lives of the assets were assessed and calculated by Opus personnel based on site observations, including diving inspections. In this reporting period, condition inspections were carried on all Marine Assets and the useful lives were updated to reflect current asset performance. The gross replacement costs were increased by CPI for the period 2011 - 2016.

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

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. Unit rates were updated in 2016 to reflect the current contracts.

Gross replacement cost for Mosman parks and open space assets were valued by Complete Urban Pty Ltd as at 30 June 2011. The condition 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. In this reporting period, condition inspections were carried on all Open Space Assets. Useful lives were updated to reflect current asset performance. The gross replacement costs were increased by CPI for the period 2011 - 2016 where current contract rates were not available.

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.

In this reporting period, biodiversity, gardens, lawns, outfields and turf wickets were removed from the depreciation model to be consistent with assets of a similar nature. This change was documented in the Audit Committee report of 16 July 2015.

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                         | \$550/m <sup>2</sup>       |
| Concrete/Sandstone Seawall  | 50                         | Varies \$1,000 - \$2,500/m |
| Steel Turning Board   | 18                         | \$55,000/each              |
| Irrigation  | 30                         | \$8/m <sup>2</sup>         |
| Softfall  | 5                          | \$49.5/m <sup>2</sup>      |
| Cenotaph  | 200                        | \$88,000/each              |
| Dinghy Racks  | 20                         | \$16,500/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 and estimated remaining useful life.

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 input to the valuation is the remaining useful life. 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 and estimated remaining useful life. There has been no change to the valuation process during the reporting period.

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

|  | Plant<br>and<br>equipment | Office<br>equipment | Furniture<br>and<br>fittings | Art<br>collection | Total        |
|--|---------------------------|---------------------|------------------------------|-------------------|--------------|
| <b>Opening balance – 1/7/14</b>          | 667                       | 353                 | 95                           | 4,401             | 5,516        |
| Purchases (GBV)                          | 105                       | 77                  | 47                           | 220               | 449          |
| Depreciation and impairment              | (180)                     | (130)               | (25)                         | –                 | (335)        |
| Other movement (transfers from WIP)      | 186                       | –                   | –                            | –                 | 186          |
| <b>Closing balance – 30/6/15</b>         | <b>778</b>                | <b>300</b>          | <b>117</b>                   | <b>4,621</b>      | <b>5,816</b> |
| Purchases (GBV)                          | 383                       | 77                  | 23                           | 293               | 776          |
| Disposals (WDV)                          | (17)                      | –                   | –                            | –                 | (17)         |
| Depreciation and impairment              | (196)                     | (132)               | (29)                         | –                 | (357)        |
| FV gains – Income Statement <sup>1</sup> | –                         | –                   | –                            | 304               | 304          |
| <b>Closing balance – 30/6/16</b>         | <b>948</b>                | <b>245</b>          | <b>111</b>                   | <b>5,218</b>      | <b>6,522</b> |

|  | Operational<br>land | Community<br>land | Land<br>improve-<br>ments<br>depreciable | Buildings<br>non-<br>specialised | Total          |
|--|---------------------|-------------------|--|----------------------------------|----------------|
| <b>Opening balance – 1/7/14</b>                      | 112,190             | 62,159            | 675                                      | 27,186                           | 202,210        |
| Purchases (GBV)                                      | –                   | –                 | 15                                       | 859                              | 874            |
| Disposals (WDV)                                      | –                   | –                 | –  | (20)                             | (20)           |
| Depreciation and impairment                          | –                   | –                 | (13)                                     | (483)                            | (496)          |
| Other movement (transfers from WIP)                  | –                   | –                 | –  | 79                               | 79             |
| <b>Closing balance – 30/6/15</b>                     | <b>112,190</b>      | <b>62,159</b>     | <b>677</b>                               | <b>27,621</b>                    | <b>202,647</b> |
| Transfers from/(to) another asset class              | 834                 | (277)             | (87)                                     | 211                              | 681            |
| Purchases (GBV)                                      | –                   | –                 | 46                                       | 454                              | 500            |
| Depreciation and impairment                          | –                   | –                 | (7)                                      | (512)                            | (519)          |
| Other movement (FV Decrements to<br>Income Statment) | –                   | (1,223)           | –  | –                                | (1,223)        |
| <b>Closing balance – 30/6/16</b>                     | <b>113,024</b>      | <b>60,659</b>     | <b>629</b>                               | <b>27,774</b>                    | <b>202,086</b> |

## Mosman Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

**(4). Fair value measurements using significant unobservable inputs (level 3)** (continued)**a. The following tables present the changes in level 3 fair value asset classes.** (continued)

|   | Buildings specialised | Other structures              | Roads                | Footpaths     | Total          |
|---|-----------------------|-------------------------------|----------------------|---------------|----------------|
| <b>Opening balance – 1/7/14</b>         | 15,080                | 382                           | 112,103              | 14,597        | 142,162        |
| Purchases (GBV)                         | 70                    | –                             | 2,289                | 303           | 2,662          |
| Depreciation and impairment             | (281)                 | (6)                           | (2,336)              | (178)         | (2,801)        |
| FV gains – other comprehensive income   | –                     | –                             | 4,267                | (3,518)       | 749            |
| <b>Closing balance – 30/6/15</b>        | <b>14,869</b>         | <b>376</b>                    | <b>116,323</b>       | <b>11,204</b> | <b>142,772</b> |
| Transfers from/(to) another asset class | (246)                 | –                             | 17                   | –             | (229)          |
| Purchases (GBV)                         | 236                   | (370)                         | 3,314                | 918           | 4,098          |
| Depreciation and impairment             | (284)                 | (6)                           | (2,424)              | (244)         | (2,958)        |
| <b>Closing balance – 30/6/16</b>        | <b>14,575</b>         | <b>–</b>                      | <b>117,230</b>       | <b>11,878</b> | <b>143,683</b> |
|   | Stormwater drainage   | Other open space recreational | Heritage collections | Library books | Total          |
| <b>Opening balance – 1/7/14</b>         | 50,132                | 21,228                        | 13                   | 843           | 72,216         |
| Purchases (GBV)                         | 360                   | 404                           | –                    | 212           | 976            |
| Depreciation and impairment             | (379)                 | (896)                         | –                    | (239)         | (1,514)        |
| <b>Closing balance – 30/6/15</b>        | <b>50,113</b>         | <b>20,736</b>                 | <b>13</b>            | <b>816</b>    | <b>71,678</b>  |
| Transfers from/(to) another asset class | –                     | 792                           | –                    | –             | 792            |
| Purchases (GBV)                         | 528                   | 1,473                         | –                    | 227           | 2,228          |
| Disposals (WDV)                         | –                     | (11)                          | –                    | –             | (11)           |
| Depreciation and impairment             | (372)                 | (952)                         | –                    | (237)         | (1,561)        |
| FV gains – other comprehensive income   | –                     | 8,094                         | –                    | –             | 8,094          |
| <b>Closing balance – 30/6/16</b>        | <b>50,269</b>         | <b>30,132</b>                 | <b>13</b>            | <b>806</b>    | <b>81,220</b>  |
|   |                       |                               |                      | Other assets  | Total          |
| <b>Opening balance – 1/7/14</b>         |                       |                               |                      | 55            | 55             |
| Depreciation and impairment             |                       |                               |                      | (4)           | (4)            |
| <b>Closing balance – 30/6/15</b>        |                       |                               |                      | <b>51</b>     | <b>51</b>      |
| Depreciation and impairment             |                       |                               |                      | (4)           | (4)            |
| <b>Closing balance – 30/6/16</b>        |                       |                               |                      | <b>47</b>     | <b>47</b>      |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

##### (4). Fair value measurements using significant unobservable inputs (level 3)

##### b. 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<br>(30/6/16)<br>\$'000 | Valuation technique/s | Unobservable inputs  |
|-------------------------------|-----------------------------------|-----------------------|--|
| Plant and equipment           | 948                               | Cost approach         | <ul style="list-style-type: none"> <li>Gross replacement cost.</li> <li>Remaining useful life.</li> </ul>  |
| Office equipment              | 245                               | Cost approach         | <ul style="list-style-type: none"> <li>Gross replacement cost.</li> <li>Remaining useful life.</li> </ul>  |
| Furniture and fittings        | 111                               | Cost approach         | <ul style="list-style-type: none"> <li>Gross replacement cost.</li> <li>Remaining useful life.</li> </ul>  |
| Art collection                | 5,218                             | 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> |
| Operational land              | 113,024                           | Cost approach         | <ul style="list-style-type: none"> <li>Price per square metre</li> </ul>   |
| Community land                | 60,659                            | Cost approach         | <ul style="list-style-type: none"> <li>Unimproved capital value (price per square metre)</li> </ul>  |
| Land improvements-depreciable | 629                               | Cost approach         | <ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> </ul>  |
| Buildings non-specialised     | 27,774                            | 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>Condition</li> </ul>   |

## Mosman Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement (continued)

| <b>Class</b>                           | <b>Fair value</b><br>(30/6/16)<br>\$'000 | <b>Valuation technique/s</b> | <b>Unobservable inputs</b>   |
|--|--|------------------------------|--|
| Buildings specialised                  | 14,575                                   | 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>• Condition</li> </ul> |
| Roads and footpaths                    | 129,108                                  | Cost approach                | <ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Useful life</li> <li>• Condition</li> </ul>   |
| Stormwater drainage                    | 50,269                                   | Cost approach                | <ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Useful life</li> <li>• Condition</li> </ul>   |
| Other open space / recreational assets | 30,132                                   | Cost approach                | <ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Useful life</li> <li>• Condition</li> </ul>   |
| Library books and heritage collections | 819                                      | Cost approach                | <ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Useful life</li> </ul>   |
| Other assets                           | 47                                       | Cost approach                | <ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Remaining useful life</li> </ul>  |

#### (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 year ended 30 June 2016

#### 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.mosman.nsw.gov.au](http://www.mosman.nsw.gov.au)

**Email:** [council@mosman.nsw.gov.au](mailto:council@mosman.nsw.gov.au)

**Officers****ACTING GENERAL MANAGER**

D Johnson

**RESPONSIBLE ACCOUNTING OFFICER**

G Mills

**PUBLIC OFFICER**

M Glyde

**AUDITORS**

Hill Rogers  
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

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#### 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 2016, 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. Accordingly, no opinion is expressed on these matters.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

#### Assurance Partners

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**



**BRETT HANGER**

Partner

Dated at Sydney this 9th day of September 2016

9 September 2016

The Mayor  
Mosman Council  
PO Box 211  
**SPIT JUNCTION NSW 2088**

Mayor,

## **Audit Report - Year Ended 30 June 2016**

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2016 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;

### **1. RESULTS FOR THE YEAR**

#### **1.1 *Operating Result***

The operating result for the year was a deficit of \$1.484 million as compared with a surplus of \$5.216 million in the previous year.

### **Assurance Partners**

Practising as Hill Rogers Assurance Partners | ABN 56 435 338 966

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The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

|  | 2016           | % of Total  | 2015          | % of Total  | Increase (Decrease) |
|--|----------------|-------------|---------------|-------------|---------------------|
|  | \$000          |             | \$000         |             | \$000               |
| <b>Revenues before capital items</b>                   |                |             |               |             |                     |
| Rates & annual charges                                 | 25,354         | 57%         | 23,680        | 55%         | 1,674               |
| User charges, fees & other revenues                    | 15,793         | 35%         | 16,288        | 38%         | (495)               |
| Grants & contributions provided for operating purposes | 2,919          | 7%          | 2,545         | 6%          | 374                 |
| Interest & investment revenue                          | 526            | 1%          | 503           | 1%          | 23                  |
|  | <b>44,592</b>  | <b>100%</b> | <b>43,016</b> | <b>100%</b> | <b>1,576</b>        |
| <b>Expenses</b>  |                |             |               |             |                     |
| Employee benefits & costs                              | 16,874         | 35%         | 15,925        | 40%         | 949                 |
| Materials, contracts & other expenses                  | 25,205         | 53%         | 18,361        | 46%         | 6,844               |
| Depreciation, amortisation & impairment                | 5,415          | 11%         | 5,166         | 13%         | 249                 |
| Borrowing costs  | 502            | 1%          | 612           | 2%          | (110)               |
|  | <b>47,996</b>  | <b>100%</b> | <b>40,064</b> | <b>100%</b> | <b>7,932</b>        |
| <b>Surplus (Deficit) before capital items</b>          | <b>(3,404)</b> |             | <b>2,952</b>  |             | <b>(6,356)</b>      |
| Grants & contributions provided for capital purposes   | 1,920          |             | 2,264         |             | (344)               |
| <b>Net Surplus (Deficit) for the year</b>              | <b>(1,484)</b> |             | <b>5,216</b>  |             | <b>(6,700)</b>      |
| <b>Performance Measures</b>                            |                |             |               |             |                     |
|  | <b>2016</b>    |             | <b>2015</b>   |             |                     |
| Operating Performance                                  | 1.96%          |             | 1.70%         |             |                     |
| Own Source Operating Revenue                           | 89.56%         |             | 88.82%        |             |                     |

The above table shows an overall decrease of \$6.7 million which can be primarily attributed to the revaluation of assets. The value of investments properties was reduced by \$3.219 million; compared to an increase of \$2.129 million in the previous year. Additionally, the revaluation of community land resulted in a decrement of \$1.223 million being recognised in the operating result.

**Operating Performance** measures the ability to contain operating expenditure within operating revenue excluding capital amounts. For 2016, this indicator was 1.96% 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 2016, this indicator was 89.56% 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.

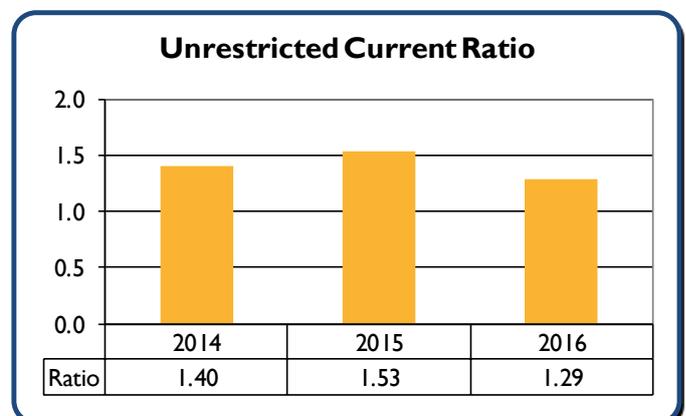
|   | 2016           | 2015         |
|---|----------------|--------------|
|   | \$000          | \$000        |
| <b>Funds were provided by:-</b>                         |                |              |
| <b>Operating Result (as above)</b>                      | <b>(1,484)</b> | <b>5,216</b> |
| Add back non funding items:-                            |                |              |
| - Depreciation, amortisation & impairment               | 5,415          | 5,166        |
| - Revaluation decrements (fair valuation of I,P,P&E)    | 1,223          | 0            |
| - Book value of non-current assets sold                 | 28             | 20           |
| - Non-cash contributions of assets acquired             | (238)          | (185)        |
| - (Gain)/Loss of fair value to investment properties    | 3,219          | (2,129)      |
| - (Surplus)/Deficit in joint ventures                   | (167)          | (150)        |
|   | 7,996          | 7,938        |
| New loan borrowings                                     | 400            | 0            |
| Transfers from internal reserves (net)                  | 1,311          | 0            |
| Distributions from joint ventures                       | 61             | 32           |
| Net Changes in current/non-current assets & liabilities | 1,697          | 819          |
|   | 11,465         | 8,789        |
| <b>Funds were applied to:-</b>                          |                |              |
| Purchase and construction of assets                     | (7,928)        | (4,914)      |
| Principal repaid on loans                               | (1,914)        | (1,887)      |
| Transfers to externally restricted assets (net)         | (602)          | (632)        |
| Transfers to internal reserves (net)                    | 0              | (925)        |
|   | (10,444)       | (8,358)      |
| <b>Increase/(Decrease) in Available Working Capital</b> | <b>1,021</b>   | <b>431</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 \$2.787 million representing a factor of 1.29 to 1.



## 2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$4.05 million as detailed below;

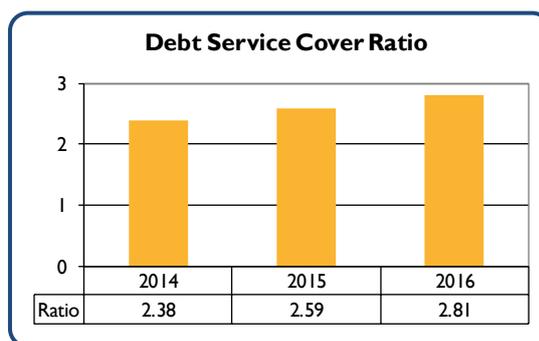
|  | 2016         | 2015         | Change         |
|--|--------------|--------------|----------------|
|  | \$000        | \$000        | \$000          |
| <b>Net Current Assets (Working Capital) as per Accounts</b>  | <b>105</b>   | <b>1,490</b> | <b>(1,385)</b> |
| <b>Add:</b> Payables & provisions not expected to be realised in the next 12 months included above | 8,311        | 7,604        | 707            |
| Adjusted Net Current Assets  | 8,416        | 9,094        | (678)          |
| <b>Add:</b> Budgeted & expected to pay in the next 12 months                                       |              |              |                |
| - Borrowings   | 1,746        | 1,913        | (167)          |
| - Employees leave entitlements   | 1,947        | 1,641        | 306            |
| - Deposits & retention moneys  | 1,546        | 695          | 851            |
| <b>Less:</b> Externally restricted assets  | (5,629)      | (5,027)      | (602)          |
| <b>Less:</b> Internally restricted assets  | (3,976)      | (5,287)      | 1,311          |
| <b>Available Working Capital as at 30 June</b>   | <b>4,050</b> | <b>3,029</b> | <b>1,021</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 satisfactory.

## 2.3 Debt

After repaying principal and interest of \$2.416 million and taking up new borrowings of \$400,000, total debt as at 30 June 2016 stood at \$7.565 million (2015 - \$9.079 million).

The debt service cover ratio measures the availability of operating cash to service debt repayments. For 2016, the ratio indicated that operating results before capital, interest and depreciation covered payments required to service debt by a factor of 2.81 to 1.



## 2.4 Summary

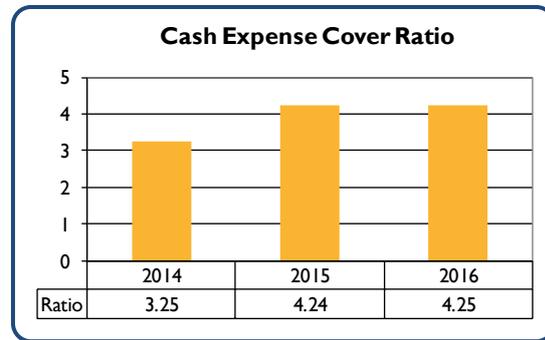
Council's overall financial position, when taking into account the above financial indicators was, in our opinion, satisfactory.

### 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.

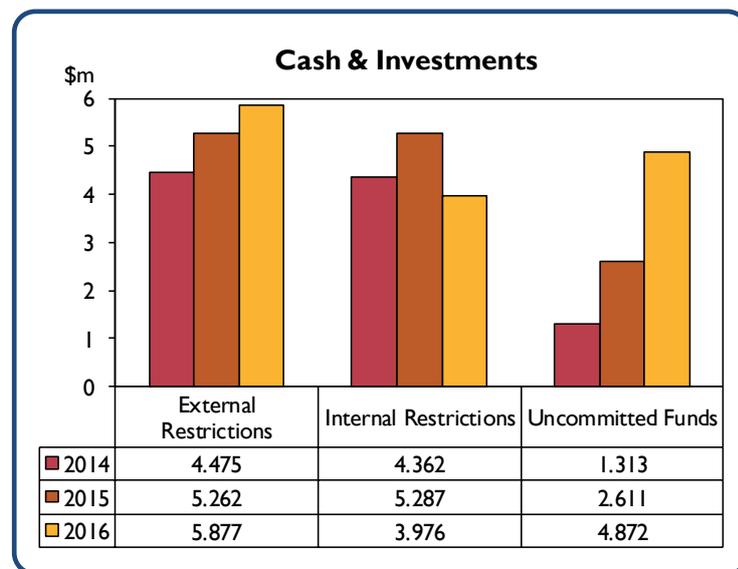
For 2016, this ratio stood at 4.25 months compared to the benchmark of 3.



#### 3.2 Cash & Investment Securities

Cash and investments amounted \$14.725 million at 30 June 2016 as compared with \$13.16 million in 2015 and \$10.15 million in 2014.

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 (\$81,000), developer contributions (\$4.345 million) and domestic waste management charges (\$1.451 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 \$3.976 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$4.872 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 decreased by \$435,000 to \$12.725 million at the close of the year.

In addition to operating activities which contributed net cash of \$10.046 million were the redemption of investments (\$31 million), distributions from associates (\$61,000), and new borrowings (\$400,000). Cash outflows other than operating activities were used to repay debt (\$1.914 million), purchase investments (\$33 million), and to purchase and construct assets (\$7.056 million).

## 4. RECEIVABLES

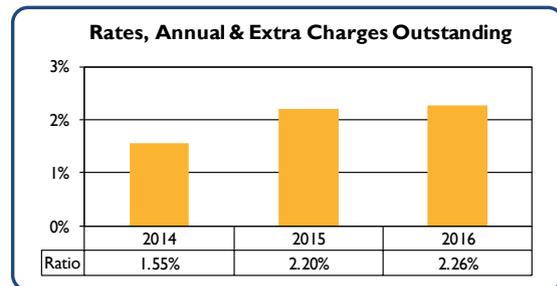
### 4.1 Rates & Annual Charges (excluding interest & extra charges)

Net rates and annual charges levied during the year totalled \$25.354 million and represented 55% of Council’s total revenues.

Including arrears, the total rates and annual charges collectible was \$25.867 million of which \$25.299 million (98%) was collected.

### 4.2 Rates, Annual & Extra Charges

Arrears of rates, annual and extra charges stood at \$587,000 at the end of the year and represented 2.26% of those receivables.



### 4.3 Other Receivables

Receivables (other than Rates & Annual Charges) totalled \$3.319 million and mainly consisted of user charges, fees and revenue accruals (\$2.754 million) and amounts due from other levels of government (\$565,000). Those considered to be uncertain of collection have been provided for as doubtful debts and this provision amounted to \$344,000.

## 5. PAYABLES

### 5.1 Employees Leave Entitlements

Council’s provision for its liability toward employees leave entitlements and associated on costs amounted to \$4.894 million. A cash reserve of \$979,000 was held at year end representing 20% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

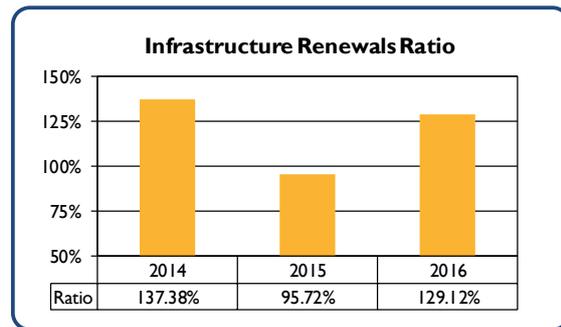
## 5.2 Deposits, Retentions & Bonds

Deposits, retentions and bonds held at year end amounted to \$7.069 million and a cash reserve was held amounting to \$2 million representing 28% of this liability and was sufficient to meet anticipated repayments in the near future.

## 6. INFRASTRUCTURE RENEWALS

The 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 2016 represented 129% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



## 7. REVALUATION OF ASSETS

Council's infrastructure, property, plant and equipment are required to be carried at fair value with revaluations of each asset class to be performed at least every five years.

During the year, community land, open space assets, and the art collection were revalued. This resulted in a direct reduction to equity of \$32.131 million. A further decrement of \$1.223 million was recognised in the operating result in respect to the revaluation of community land. Notes 1(j), 9, and 20 of the financial statements provide further details.

## 8. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 5 April 2016 and included our recommendations on possible ways to strengthen and/or improve procedures. A written response was received on 12 April 2016 detailing management's comments and proposed actions.

## 9. CONCLUSION

We wish to record our appreciation to the Acting General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,  
**HILL ROGERS**

**BRETT HANGER**  
Partner

# Mosman Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

---

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

**Mosman**  
COUNCIL

## Mosman Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

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| <b>1. Statement by Councillors and Management</b>                | 2    |
| <b>2. Special Purpose Financial Statements:</b>                  |      |
| Income Statement – Water Supply Business Activity                | n/a  |
| Income Statement – Sewerage Business Activity                    | n/a  |
| Income Statement – Other Business Activities                     | 3    |
| Statement of Financial Position – Water Supply Business Activity | n/a  |
| Statement of Financial Position – Sewerage Business Activity     | n/a  |
| Statement of Financial Position – Other Business Activities      | 4    |
| <b>3. Notes to the Special Purpose Financial Statements</b>      | 5    |
| <b>4. Auditor’s Report</b>                                       | 9    |

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#### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
  - (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
  - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.  
  
These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
  - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

## Mosman Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

### Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

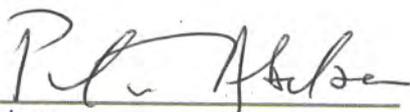
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

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

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

**Signed in accordance with a resolution of Council made on 06 September 2016.**



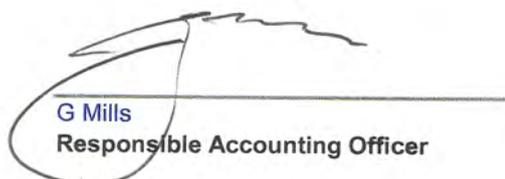
P Abelson  
Mayor



R Bendall  
Councillor



D Johnson  
Acting General Manager



G Mills  
Responsible Accounting Officer

## Mosman Council

## Income Statement of Council's Other Business Activities

for the year ended 30 June 2016

Commercial Property  
Management

Category 1

| \$ '000  | Actual<br>2016 | Actual<br>2015 |
|--|----------------|----------------|
| <b>Income from continuing operations</b>                                   |                |                |
| Access charges   | –              | –              |
| User charges   | 1,414          | 1,249          |
| Fees   | –              | –              |
| Interest   | –              | –              |
| Grants and contributions provided for non-capital purposes                 | –              | –              |
| Profit from the sale of assets   | –              | –              |
| Other income   | 1,913          | 3,930          |
| <b>Total income from continuing operations</b>                             | <b>3,327</b>   | <b>5,179</b>   |
| <b>Expenses from continuing operations</b>                                 |                |                |
| Employee benefits and on-costs   | 60             | 60             |
| Borrowing costs  | –              | –              |
| Materials and contracts  | 62             | 118            |
| Depreciation and impairment  | 93             | 93             |
| Loss on sale of assets   | –              | –              |
| Calculated taxation equivalents  | 520            | 116            |
| Debt guarantee fee (if applicable)   | –              | –              |
| Other expenses   | 3,219          | –              |
| <b>Total expenses from continuing operations</b>                           | <b>3,954</b>   | <b>387</b>     |
| <b>Surplus (deficit) from continuing operations before capital amounts</b> | <b>(627)</b>   | <b>4,792</b>   |
| Grants and contributions provided for capital purposes                     | –              | –              |
| <b>Surplus (deficit) from continuing operations after capital amounts</b>  | <b>(627)</b>   | <b>4,792</b>   |
| Surplus (deficit) from discontinued operations                             | –              | –              |
| <b>Surplus (deficit) from all operations before tax</b>                    | <b>(627)</b>   | <b>4,792</b>   |
| Less: corporate taxation equivalent (30%) [based on result before capital] | –              | (1,438)        |
| <b>SURPLUS (DEFICIT) AFTER TAX</b>   | <b>(627)</b>   | <b>3,354</b>   |
| <b>Plus opening retained profits</b>                                       | 56,635         | 54,598         |
| <b>Plus/less: prior period adjustments</b>                                 | –              | –              |
| <b>Plus/less: other adjustments</b> (Carrying Value to Operational)        | (768)          | –              |
| <b>Plus adjustments for amounts unpaid:</b>                                |                |                |
| – Taxation equivalent payments   | 520            | 116            |
| – Debt guarantee fees  | –              | –              |
| – Corporate taxation equivalent  | –              | 1,438          |
| <b>Add:</b>  |                |                |
| – Subsidy paid/contribution to operations                                  | –              | –              |
| <b>Less:</b>   |                |                |
| – TER dividend paid  | –              | –              |
| – Dividend paid  | (3,157)        | (2,871)        |
| <b>Closing retained profits</b>  | <b>52,603</b>  | <b>56,635</b>  |
| <b>Return on capital %</b>   | <b>-1.2%</b>   | <b>8.5%</b>    |
| <b>Subsidy from Council</b>  | <b>791</b>     | <b>–</b>       |

## Mosman Council

## Statement of Financial Position – Council's Other Business Activities

as at 30 June 2016

Commercial Property  
Management

Category 1

| \$ '000  | Actual<br>2016 | Actual<br>2015 |
|--|----------------|----------------|
| <b>ASSETS</b>                                  |                |                |
| <b>Current assets</b>                          |                |                |
| Cash and cash equivalents                      | –              | –              |
| Investments                                    | –              | –              |
| Receivables                                    | 411            | 295            |
| Inventories                                    | –              | –              |
| Other  | –              | –              |
| Non-current assets classified as held for sale | –              | –              |
| <b>Total Current Assets</b>                    | <b>411</b>     | <b>295</b>     |
| <b>Non-current assets</b>                      |                |                |
| Investments                                    | –              | –              |
| Receivables                                    | –              | –              |
| Inventories                                    | –              | –              |
| Infrastructure, property, plant and equipment  | 7,567          | 7,660          |
| Investments accounted for using equity method  | –              | –              |
| Investment property                            | 44,963         | 48,950         |
| Other  | –              | –              |
| <b>Total non-current assets</b>                | <b>52,530</b>  | <b>56,610</b>  |
| <b>TOTAL ASSETS</b>                            | <b>52,941</b>  | <b>56,905</b>  |
| <b>LIABILITIES</b>                             |                |                |
| <b>Current liabilities</b>                     |                |                |
| Bank overdraft                                 | –              | –              |
| Payables                                       | 329            | 270            |
| Borrowings                                     | –              | –              |
| Provisions                                     | 9              | –              |
| <b>Total current liabilities</b>               | <b>338</b>     | <b>270</b>     |
| <b>Non-current liabilities</b>                 |                |                |
| Payables                                       | –              | –              |
| Borrowings                                     | –              | –              |
| Provisions                                     | –              | –              |
| Other Liabilities                              | –              | –              |
| <b>Total non-current liabilities</b>           | <b>–</b>       | <b>–</b>       |
| <b>TOTAL LIABILITIES</b>                       | <b>338</b>     | <b>270</b>     |
| <b>NET ASSETS</b>                              | <b>52,603</b>  | <b>56,635</b>  |
| <b>EQUITY</b>                                  |                |                |
| Retained earnings                              | 52,603         | 56,635         |
| Revaluation reserves                           | –              | –              |
| Council equity interest                        | 52,603         | 56,635         |
| Non-controlling equity interest                | –              | –              |
| <b>TOTAL EQUITY</b>                            | <b>52,603</b>  | <b>56,635</b>  |

## Mosman Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

#### Contents of the notes accompanying the financial statements

| Note | Details  | Page |
|------|--|------|
| 1    | Summary of significant accounting policies                             | 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 year ended 30 June 2016

#### Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 government policy statement, *Application of National Competition Policy to Local Government*.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality*, issued by the Office of Local Government in July 1997, has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

##### a. 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 2015 resulted in an increase to the portfolio of \$2.129 M. 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 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 statements as a cost of operations just like all other costs.

## Mosman Council

### Notes to the Special Purpose Financial Statements

for the year ended 30 June 2016

#### Note 1. Significant accounting policies (continued)

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

##### Notional rate applied (%)

Corporate income tax rate – **30%**

Land tax – the first **\$482,000** of combined land values attracts **0%**. For that valued from \$482,001 to \$2,947,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

##### Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

While income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain or loss from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations, it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of

internal charges in Council's General Purpose Financial Statements.

The 30% rate applied is the equivalent company tax rate prevalent as at balance date.

##### Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

##### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

##### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

##### (iii) Return on investments (rate of return)

The policy statement requires that councils with category 1 businesses 'would be expected to generate a return on capital funds employed that is

## Mosman Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies (continued)

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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**

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**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.17% at 30/6/16.

The actual rate of return achieved by each business activity is disclosed at the foot of the 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

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##### 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 2016, 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. 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.

##### Assurance Partners

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***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Auditor's Opinion***

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

***Basis of Accounting***

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Office of Local Government. As a result, the financial statements may not be suitable for another purpose.

**HILL ROGERS**



**BRETT HANGER**

Partner

Dated at Sydney this 9th day of September 2016

# Mosman Council

SPECIAL SCHEDULES  
for the year ended 30 June 2016

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



## Mosman Council

### Special Schedules

for the year ended 30 June 2016

## Contents

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### Special Schedules<sup>1</sup>

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| <b>Special Schedule 3</b>                 | Water Supply Operations – incl. Income Statement     | n/a |
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| <b>Special Schedule 5</b>                 | Sewerage Service Operations – incl. Income Statement | n/a |
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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water (NOW), and
  - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.

## Mosman Council

Special Schedule 1 – Net Cost of Services  
for the year ended 30 June 2016

\$'000

| Function or activity                                   | Expenses from continuing operations | Income from continuing operations |          | Net cost of services |
|--|-------------------------------------|-----------------------------------|----------|----------------------|
|  |                                     | Non-capital                       | Capital  |                      |
| <b>Governance</b>                                      | <b>1,773</b>                        | <b>-</b>                          | <b>-</b> | <b>(1,773)</b>       |
| <b>Administration</b>                                  | <b>10,557</b>                       | <b>748</b>                        | <b>-</b> | <b>(9,809)</b>       |
| <b>Public order and safety</b>                         |                                     |                                   |          |                      |
| Fire service levy, fire protection, emergency services | 969                                 | -                                 | -        | (969)                |
| Beach control  | -                                   | -                                 | -        | -                    |
| Enforcement of local government regulations            | 356                                 | 50                                | -        | (306)                |
| Animal control   | 46                                  | 26                                | -        | (20)                 |
| Other  | -                                   | -                                 | -        | -                    |
| <b>Total public order and safety</b>                   | <b>1,371</b>                        | <b>76</b>                         | <b>-</b> | <b>(1,295)</b>       |
| <b>Health</b>  | <b>86</b>                           | <b>32</b>                         | <b>-</b> | <b>(54)</b>          |
| <b>Environment</b>                                     |                                     |                                   |          |                      |
| Noxious plants and insect/vermin control               | -                                   | -                                 | -        | -                    |
| Other environmental protection                         | 392                                 | 153                               | -        | (239)                |
| Solid waste management                                 | 4,420                               | 6,535                             | -        | 2,115                |
| Street cleaning  | 327                                 | -                                 | -        | (327)                |
| Drainage   | 204                                 | -                                 | -        | (204)                |
| Stormwater management                                  | 371                                 | -                                 | -        | (371)                |
| <b>Total environment</b>                               | <b>5,714</b>                        | <b>6,688</b>                      | <b>-</b> | <b>974</b>           |
| <b>Community services and education</b>                |                                     |                                   |          |                      |
| Administration and education                           | 688                                 | -                                 | -        | (688)                |
| Social protection (welfare)                            | -                                   | -                                 | -        | -                    |
| Aged persons and disabled                              | 1,038                               | 765                               | -        | (273)                |
| Children's services                                    | 1,355                               | 1,087                             | -        | (268)                |
| <b>Total community services and education</b>          | <b>3,081</b>                        | <b>1,852</b>                      | <b>-</b> | <b>(1,229)</b>       |
| <b>Housing and community amenities</b>                 |                                     |                                   |          |                      |
| Public cemeteries                                      | -                                   | -                                 | -        | -                    |
| Public conveniences                                    | 80                                  | -                                 | -        | (80)                 |
| Street lighting  | 490                                 | 99                                | -        | (391)                |
| Town planning  | 2,586                               | 987                               | -        | (1,599)              |
| Other community amenities                              | -                                   | -                                 | -        | -                    |
| <b>Total housing and community amenities</b>           | <b>3,156</b>                        | <b>1,086</b>                      | <b>-</b> | <b>(2,070)</b>       |
| <b>Water supplies</b>                                  | <b>-</b>                            | <b>-</b>                          | <b>-</b> | <b>-</b>             |
| <b>Sewerage services</b>                               | <b>-</b>                            | <b>-</b>                          | <b>-</b> | <b>-</b>             |

## Mosman Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2016

\$'000

| Function or activity  | Expenses from continuing operations | Income from continuing operations |              | Net cost of services |
|---|-------------------------------------|-----------------------------------|--------------|----------------------|
|   |                                     | Non-capital                       | Capital      |                      |
| <b>Recreation and culture</b>   |                                     |                                   |              |                      |
| Public libraries  | 2,637                               | 174                               | 3            | (2,460)              |
| Museums   | –                                   | –                                 | –            | –                    |
| Art galleries   | 1,584                               | 581                               | 238          | (765)                |
| Community centres and halls   | 472                                 | –                                 | –            | (472)                |
| Performing arts venues  | –                                   | –                                 | –            | –                    |
| Other performing arts   | –                                   | –                                 | –            | –                    |
| Other cultural services   | 290                                 | 69                                | –            | (221)                |
| Sporting grounds and venues   | 414                                 | 277                               | –            | (137)                |
| Swimming pools  | 194                                 | 328                               | –            | 134                  |
| Parks and gardens (lakes)   | 5,447                               | 137                               | –            | (5,310)              |
| Other sport and recreation  | –                                   | –                                 | –            | –                    |
| <b>Total recreation and culture</b>   | <b>11,038</b>                       | <b>1,566</b>                      | <b>241</b>   | <b>(9,231)</b>       |
| <b>Fuel and energy</b>  | <b>–</b>                            | <b>–</b>                          | <b>–</b>     | <b>–</b>             |
| <b>Agriculture</b>  | <b>–</b>                            | <b>–</b>                          | <b>–</b>     | <b>–</b>             |
| <b>Mining, manufacturing and construction</b>                                     |                                     |                                   |              |                      |
| Building control  | 711                                 | 600                               | –            | (111)                |
| Other mining, manufacturing and construction                                      | –                                   | –                                 | –            | –                    |
| <b>Total mining, manufacturing and const.</b>                                     | <b>711</b>                          | <b>600</b>                        | <b>–</b>     | <b>(111)</b>         |
| <b>Transport and communication</b>  |                                     |                                   |              |                      |
| Urban roads (UR) – local  | 4,196                               | 1,534                             | 246          | (2,416)              |
| 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   | 1,856                               | 6,312                             | –            | 4,456                |
| Footpaths   | 429                                 | 38                                | –            | (391)                |
| Aerodromes  | –                                   | –                                 | –            | –                    |
| Other transport and communication   | 207                                 | –                                 | –            | (207)                |
| <b>Total transport and communication</b>  | <b>6,688</b>                        | <b>7,884</b>                      | <b>246</b>   | <b>1,442</b>         |
| <b>Economic affairs</b>   |                                     |                                   |              |                      |
| Camping areas and caravan parks   | –                                   | –                                 | –            | –                    |
| Other economic affairs  | 3,821                               | 3,950                             | 1,429        | 1,558                |
| <b>Total economic affairs</b>   | <b>3,821</b>                        | <b>3,950</b>                      | <b>1,429</b> | <b>1,558</b>         |
| <b>Totals – functions</b>   | <b>47,996</b>                       | <b>24,482</b>                     | <b>1,916</b> | <b>(21,598)</b>      |
| <b>General purpose revenues <sup>(1)</sup></b>                                    |                                     | <b>20,008</b>                     |              | <b>20,008</b>        |
| <b>Share of interests – joint ventures and associates using the equity method</b> | <b>–</b>                            | <b>167</b>                        |              | <b>167</b>           |
| <b>NET OPERATING RESULT <sup>(2)</sup></b>  | <b>47,996</b>                       | <b>44,657</b>                     | <b>1,916</b> | <b>(1,423)</b>       |

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

## Mosman Council

## Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the year ended 30 June 2016

\$'000

| Classification of debt      | Principal outstanding at beginning of the year |              |              | New loans raised during the year | Debt redemption during the year |               | Transfers to sinking funds | Interest applicable for year | Principal outstanding at the end of the year |              |              |
|-----------------------------|--|--------------|--------------|----------------------------------|---------------------------------|---------------|----------------------------|------------------------------|--|--------------|--------------|
|                             | Current  | Non-current  | Total        |                                  | From revenue                    | Sinking funds |                            |                              | Current                                      | Non-current  | Total        |
| <b>Loans (by source)</b>    |  |              |              |                                  |                                 |               |                            |                              |  |              |              |
| Commonwealth government     | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Treasury corporation        | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Other state government      | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Public subscription         | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Financial institutions      | 1,913  | 7,166        | 9,079        | 400                              | 1,914                           | –             | –                          | 502                          | 1,746  | 5,819        | 7,565        |
| Other                       | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| <b>Total loans</b>          | <b>1,913</b>                                   | <b>7,166</b> | <b>9,079</b> | <b>400</b>                       | <b>1,914</b>                    | <b>–</b>      | <b>–</b>                   | <b>502</b>                   | <b>1,746</b>                                 | <b>5,819</b> | <b>7,565</b> |
| <b>Other long term debt</b> |  |              |              |                                  |                                 |               |                            |                              |  |              |              |
| Ratepayers advances         | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Government advances         | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Finance leases              | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| Deferred payments           | –  | –            | –            | –                                | –                               | –             | –                          | –                            | –  | –            | –            |
| <b>Total long term debt</b> | <b>–</b>                                       | <b>–</b>     | <b>–</b>     | <b>–</b>                         | <b>–</b>                        | <b>–</b>      | <b>–</b>                   | <b>–</b>                     | <b>–</b>                                     | <b>–</b>     | <b>–</b>     |
| <b>Total debt</b>           | <b>1,913</b>                                   | <b>7,166</b> | <b>9,079</b> | <b>400</b>                       | <b>1,914</b>                    | <b>–</b>      | <b>–</b>                   | <b>502</b>                   | <b>1,746</b>                                 | <b>5,819</b> | <b>7,565</b> |

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Mosman Council

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

\$'000

| Asset class      | Asset category           | Estimated cost to bring assets to satisfactory standard | Estimated cost to bring to the agreed level of service set by Council | 2015/16 Required maintenance <sup>a</sup> | 2015/16 Actual maintenance | Carrying value | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost |              |              |             |             |
|------------------|--------------------------|---|---|---|----------------------------|----------------|------------------------------|---|--------------|--------------|-------------|-------------|
|                  |                          |   |   |   |                            |                |                              | 1   | 2            | 3            | 4           | 5           |
| <b>Buildings</b> | Buildings – specialised  | –   | –   | 193                                       | 416                        | 14,821         | 21,931                       | 75%   | 22%          | 3%           | 0%          | 0%          |
|                  | Council offices          | –   | –   | 125                                       | 263                        | 7,562          | 12,447                       | 0%  | 100%         | 0%           | 0%          | 0%          |
|                  | Council works depot      | –   | –   | 18  | 3                          | 1,210          | 2,043                        | 0%  | 100%         | 0%           | 0%          | 0%          |
|                  | Library                  | –   | –   | 57  | 7                          | 3,899          | 8,442                        | 0%  | 0%           | 100%         | 0%          | 0%          |
|                  | Cultural facilities      | –   | –   | 101                                       | 196                        | 6,110          | 9,267                        | 0%  | 100%         | 0%           | 0%          | 0%          |
|                  | Other buildings          | –   | –   | 8   | 43                         | 418            | 555                          | 67%   | 25%          | 8%           | 0%          | 0%          |
|                  | Childcare centres        | –   | –   | 18  | 4                          | 1,323          | 2,110                        | 42%   | 58%          | 0%           | 0%          | 0%          |
|                  | Multistorey car park     | –   | –   | 82  | 53                         | 6,795          | 10,329                       | 0%  | 100%         | 0%           | 0%          | 0%          |
|                  | <b>Sub-total</b>         | <b>–</b>  | <b>–</b>  | <b>602</b>                                | <b>985</b>                 | <b>42,349</b>  | <b>67,124</b>                | <b>26.5%</b>  | <b>59.9%</b> | <b>13.5%</b> | <b>0.0%</b> | <b>0.0%</b> |
| <b>Roads</b>     | Sealed roads             | 138   | 138   | 277                                       | 1,188                      | 72,063         | 128,288                      | 10%   | 70%          | 20%          | 0%          | 0%          |
|                  | Footpaths                | 13  | 13  | 196                                       | 354                        | 11,877         | 16,574                       | 25%   | 56%          | 19%          | 0%          | 0%          |
|                  | Other road assets        | 289   | 289   | 56  | 39                         | 8,381          | 18,820                       | 21%   | 54%          | 22%          | 2%          | 0%          |
|                  | Kerb and Gutter          | 10  | 10  | 41  | 22                         | 15,510         | 23,557                       | 23%   | 61%          | 16%          | 0%          | 0%          |
|                  | Retaining Walls          | 1,564   | 1,564   | 49  | 13                         | 19,298         | 36,413                       | 21%   | 51%          | 26%          | 2%          | 0%          |
|                  | Physical Traffic Devices | –   | –   | 106                                       | 31                         | 1,639          | 3,043                        | 58%   | 33%          | 9%           | 0%          | 0%          |
|                  | Lines and Signs          | 44  | 44  | 32  | 12                         | 340            | 1,087                        | 47%   | 41%          | 10%          | 1%          | 0%          |
|                  | Street Furniture         | 243   | 243   | 17  | 3                          | –              | –                            | 21%   | 54%          | 22%          | 2%          | –           |
|                  | <b>Sub-total</b>         | <b>2,301</b>  | <b>2,301</b>  | <b>774</b>                                | <b>1,662</b>               | <b>129,108</b> | <b>227,782</b>               | <b>15.9%</b>  | <b>63.0%</b> | <b>20.2%</b> | <b>0.7%</b> | <b>0.3%</b> |

## Mosman Council

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

\$'000

| Asset class                    | Asset category                         | Estimated cost to bring assets to satisfactory standard | Estimated cost to bring to the agreed level of service set by Council | 2015/16 Required maintenance <sup>a</sup> | 2015/16 Actual maintenance | Carrying value | Gross replacement cost (GRC) | Assets in condition as a percentage of gross replacement cost |              |              |             |             |
|--------------------------------|--|---|---|---|----------------------------|----------------|------------------------------|---|--------------|--------------|-------------|-------------|
|                                |  |   |   |   |                            |                |                              | 1   | 2            | 3            | 4           | 5           |
| Stormwater drainage            | Stormwater quality improvement devices | 10  | 10  | 60  | 47                         | 2,723          | 3,247                        | 99%   | 0%           | 1%           | 0%          | 0%          |
|                                | Open conduits (drains)                 | 965   | 965   | 33  | 27                         | 906            | 2,401                        | 39%   | 11%          | 45%          | 3%          | 2%          |
|                                | Closed conduits (pipes)                | 266   | 266   | 59  | 49                         | 40,834         | 51,183                       | 6%  | 54%          | 40%          | 0%          | 0%          |
|                                | Nodes (pits)                           | 39  | 39  | 60  | 115                        | 4,724          | 7,275                        | 3%  | 95%          | 2%           | 0%          | 0%          |
|                                | <b>Sub-total</b>                       | <b>1,280</b>  | <b>1,280</b>  | <b>228</b>                                | <b>238</b>                 | <b>50,269</b>  | <b>65,355</b>                | <b>12.0%</b>  | <b>54.2%</b> | <b>33.3%</b> | <b>0.2%</b> | <b>0.2%</b> |
| Open space/recreational assets | Marine structures                      | 106   | 106   | 15  | 17                         | 5,957          | 12,278                       | 12%   | 0%           | 88%          | 0%          | 0%          |
|                                | Sporting fields                        | 675   | 675   | 406                                       | 343                        | 3,126          | 5,137                        | 13%   | 25%          | 49%          | 13%         | 0%          |
|                                | Parks & reserves                       | 989   | 989   | 562                                       | 651                        | 6,649          | 9,275                        | 38%   | 18%          | 39%          | 3%          | 3%          |
|                                | Other                                  | 836   | 836   | 598                                       | 612                        | 15,054         | 19,658                       | 6%  | 37%          | 48%          | 8%          | 1%          |
|                                | <b>Sub-total</b>                       | <b>2,606</b>  | <b>2,606</b>  | <b>1,581</b>                              | <b>1,623</b>               | <b>30,132</b>  | <b>46,348</b>                | <b>14.8%</b>  | <b>22.1%</b> | <b>56.8%</b> | <b>5.5%</b> | <b>0.9%</b> |
| <b>TOTAL – ALL ASSETS</b>      | <b>6,187</b>                           | <b>6,187</b>  | <b>3,185</b>  | <b>4,508</b>                              | <b>251,858</b>             | <b>406,609</b> | <b>16.9%</b>                 | <b>56.4%</b>  | <b>25.4%</b> | <b>1.0%</b>  | <b>0.3%</b> |             |

## Notes:

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

## Infrastructure asset condition assessment 'key'

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

## Mosman Council

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

| \$ '000   | Amounts        | Indicator      | Prior periods |         |
|---|----------------|----------------|---------------|---------|
|   | 2016           | 2016           | 2015          | 2014    |
| <b>Infrastructure asset performance indicators *<br/>consolidated</b> |                |                |               |         |
| <b>1. Infrastructure renewals ratio</b>                               |                |                |               |         |
| Asset renewals <sup>(1)</sup>   | <u>6,190</u>   | <b>129.12%</b> | 95.72%        | 137.38% |
| Depreciation, amortisation and impairment                             | <u>4,794</u>   |                |               |         |
| <b>2. Infrastructure backlog ratio</b>                                |                |                |               |         |
| Estimated cost to bring assets to a satisfactory standard             | <u>6,187</u>   | <b>2.45%</b>   | 2.88%         | 3.58%   |
| Carrying value of infrastructure assets                               | <u>252,487</u> |                |               |         |
| <b>3. Asset maintenance ratio</b>                                     |                |                |               |         |
| Actual asset maintenance  | <u>4,508</u>   | <b>1.42</b>    | 0.97          | 0.94    |
| Required asset maintenance  | <u>3,185</u>   |                |               |         |
| <b>4. Capital expenditure ratio</b>                                   |                |                |               |         |
| Annual capital expenditure  | <u>8,138</u>   | <b>1.50</b>    | 0.98          | 1.41    |
| Annual depreciation   | <u>5,415</u>   |                |               |         |

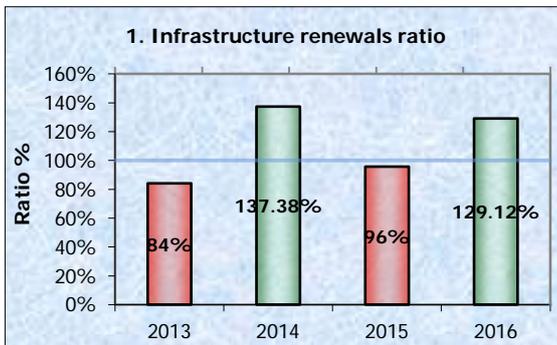
## Notes

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

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

# Mosman Council

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



**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.

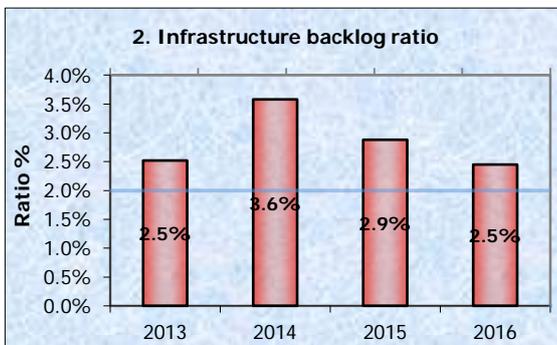
**Commentary on 2015/16 result**

**2015/16 Ratio 129.12%**

Council has exceeded the benchmark and started to address the infrastructure backlog, as planned, with new Special Rate Variation monies

Benchmark: Minimum  $\geq 100.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
Ratio is outside benchmark



**Purpose of infrastructure backlog ratio**

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

**Commentary on 2015/16 result**

**2015/16 Ratio 2.45%**

The ratio has improved with additional Special Rate Variation monies. Council forecasts that it will meet the ratio in FY 2017/18 and reduce the backlog to zero in FY 2024/25

Benchmark: Maximum  $< 2.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
Ratio is outside benchmark



**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.

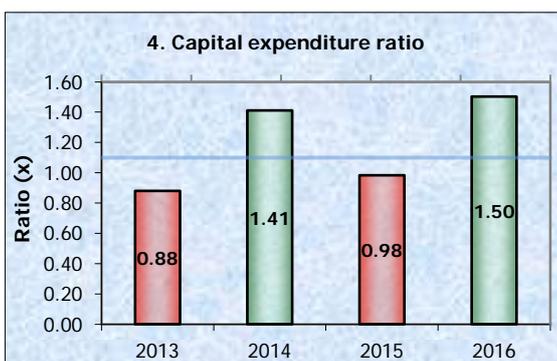
**Commentary on 2015/16 result**

**2015/16 Ratio 1.42 x**

Council has exceeded the ratio, as planned, with new Special Rate Variation monies

Benchmark: Minimum  $> 1.00$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
Ratio is outside benchmark



**Purpose of capital expenditure ratio**

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

**Commentary on 2015/16 result**

**2015/16 Ratio 1.50 x**

Council has exceeded the benchmark, as planned, with new Special Rate Variation monies. In addition to renewals Council has added \$1,132k of new assets including the new assisted parking technologies, donated art works and sports ground storage facilities

Benchmark: Minimum  $> 1.10$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
Ratio is outside benchmark

## Mosman Council

## Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

| \$'000  |                         | Calculation<br>2015/16 | Calculation<br>2016/17 |
|---|-------------------------|------------------------|------------------------|
| <b>Notional general income calculation <sup>(1)</sup></b>           |                         |                        |                        |
| Last year notional general income yield                             | a                       | 17,498                 | 18,879                 |
| Plus or minus adjustments <sup>(2)</sup>                            | b                       | 2                      | 29                     |
| <b>Notional general income</b>                                      | c = (a + b)             | <b>17,500</b>          | <b>18,908</b>          |
| <b>Permissible income calculation</b>                               |                         |                        |                        |
| Special variation percentage <sup>(3)</sup>                         | d                       | 13.00%                 | 0.00%                  |
| Or rate peg percentage  | e                       | 0.00%                  | 1.80%                  |
| Or crown land adjustment (incl. rate peg percentage)                | f                       | 0.00%                  | 0.00%                  |
| Less expiring special variation amount                              | g                       | (802)                  | –                      |
| Plus special variation amount                                       | h = d x (c – g)         | 2,171                  | –                      |
| Or plus rate peg amount   | i = c x e               | –                      | 340                    |
| Or plus Crown land adjustment and rate peg amount                   | j = c x f               | –                      | –                      |
| <b>Sub-total</b>  | k = (c + g + h + i + j) | <b>18,869</b>          | <b>19,248</b>          |
| Plus (or minus) last year's carry forward total                     | l                       | 0                      | (7)                    |
| Less valuation objections claimed in the previous year              | m                       | (1)                    | (4)                    |
| <b>Sub-total</b>  | n = (l + m)             | <b>(1)</b>             | <b>(11)</b>            |
| <b>Total permissible income</b>                                     | o = k + n               | <b>18,868</b>          | <b>19,237</b>          |
| Less notional general income yield                                  | p                       | 18,879                 | 19,225                 |
| <b>Catch-up or (excess) result</b>                                  | q = o – p               | <b>(11)</b>            | <b>12</b>              |
| Plus income lost due to valuation objections claimed <sup>(4)</sup> | r                       | 4                      | –                      |
| Less unused catch-up <sup>(5)</sup>                                 | s                       | –                      | –                      |
| <b>Carry forward to next year</b>                                   | t = q + r – s           | <b>(7)</b>             | <b>12</b>              |

### Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.

## MOSMAN COUNCIL

### SPECIAL SCHEDULE NO. 8

#### INDEPENDENT AUDITORS' REPORT

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#### REPORT ON SPECIAL SCHEDULE NO. 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Mosman Council for the year ending 30 June 2017.

#### *Responsibility of Council for Special Schedule No. 8*

The Council is responsible for the preparation and fair presentation of Special Schedule No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 24. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on Special Schedule No. 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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#### Assurance Partners

Practising as Hill Rogers Assurance Partners | ABN 56 435 338 966

Member of Morison KSI, an association of global independent accounting firms. Liability limited by a scheme approved under Professional Standards Legislation.



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. 8 of Mosman Council for 2016/17 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**



**BRETT HANGER**

Partner

Dated at Sydney this 9th day of September 2016

# SECTION FOUR

State of the Environment Summary Scorecard 2015-16

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# STATE OF THE ENVIRONMENT

## Summary Scorecard 2015 - 2016



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

The Mosman LGA is located 8km north-east of the CBD on Sydney's lower north shore. It is one of Australia's premier suburbs, with an unmatched harbourside setting. Occupying some 8.7 sq km, Mosman features stunning bays and beaches punctuated by rugged headlands, sandstone cliffs, bushland areas and foreshore parklands.

Mosman's undulating foreshore is approximately 24km in length and is emphasised by more than a dozen headlands. Mosman is home to many popular swimming and recreation beaches and bays including Chinamans and Balmoral Beach, The Spit, Cobblers Beach and Clifton Gardens. The majority of the foreshore include significant rocky areas, bushland, including many protected areas, and reserves and tourist attractions, such as Sydney Harbour National Park and Taronga Zoo.

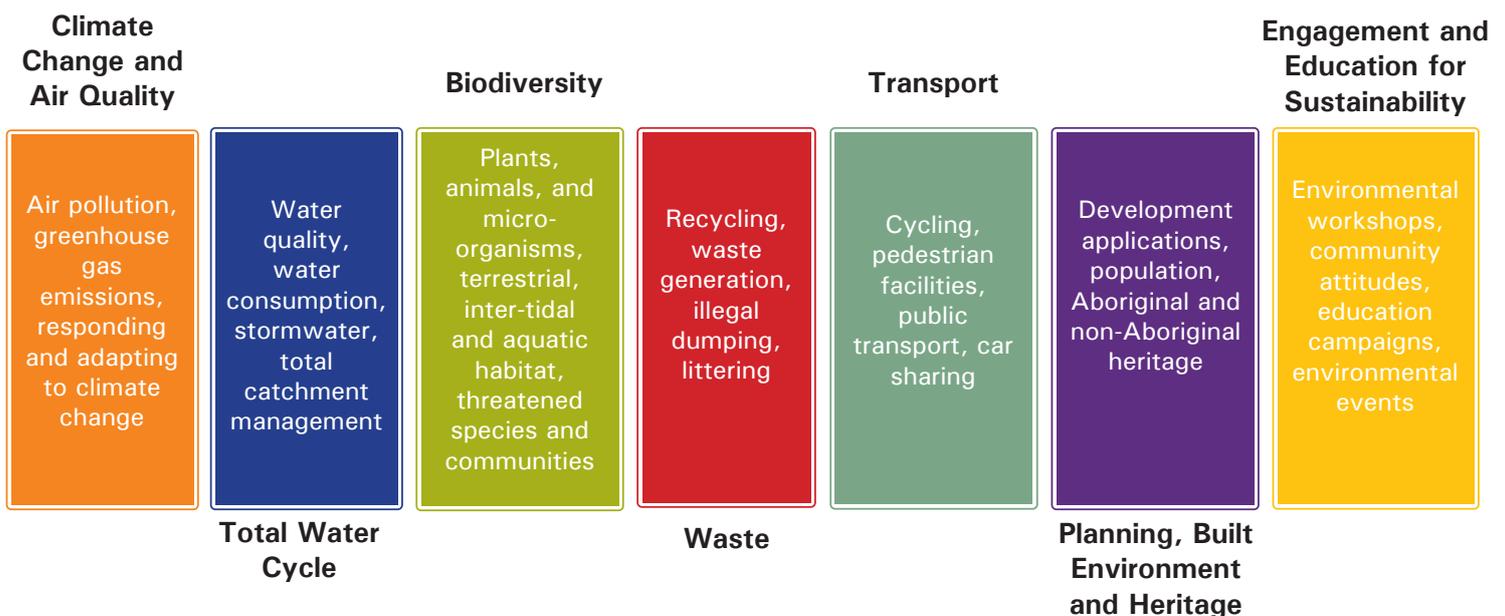
Mosman Council's vision is to preserve and enhance biodiversity, including Mosman's bushland, parks, open space, beaches and marine environment through best practice operational and maintenance programs, infrastructure, regulatory practice and education campaigns.

## STATE OF THE ENVIRONMENT REPORTING

A State of the Environment (SOE) Report provides a snapshot of the condition of the environment, impacts on the environment and the Council's response to these impacts. The 2015-2016 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 standard indicators have been chosen by the State Government 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  | 2012-13   | 2013-14   | 2014-15   | 2015-16   | Change from previous year |
|--|-----------|-----------|-----------|-----------|---------------------------|
| Number of air pollution complaints received by Council                 | 2         | 5         | 3         | 2         | ↓                         |
| <b>ENERGY</b>  |           |           |           |           |                           |
| Electricity use Council operations (kWh)                               | 1,811,017 | 1,628,913 | 1,554,759 | 1,673,099 | ↑                         |
| Council energy consumption (GJ)  | 7,731     | 7,402     | 7,184     | 7,622     | ↑                         |
| GHG emissions from Council energy use (tonnes CO2-e)                   | 1,841     | 1,660     | 1,566     | 1,673     | ↑                         |
| Total residential and non residential electricity use for Mosman (MWh) | 140,698   | 133,958   | 138,437   |           |                           |
| Solar generation exported to the grid (MWh)                            | 546       | 599       | 640       |           |                           |

### RESPONDING TO CLIMATE CHANGE AND AIR QUALITY ISSUES – CASE STUDIES

#### Automated Floodlights

Following the success of the installation of Middle Head Oval automatic floodlights, Allan Border Oval, Rawson and Balmoral Ovals floodlights were retrofitted. Council installed the existing floodlights with automated timing devices that can be updated remotely by SMS. This has allowed floodlight use to be directly matched to booking times and allows lights to be quickly changed during periods of wet weather improving energy efficiency and restricting unauthorised use of our already over used sporting fields.



#### Community Education

Council continued to engage the community about how to reduce the energy consumption through the use of workshops, advertising in the Mosman Daily and social media. An example is provided on the right.

#### Solar Lighting

Council installed a solar light at Clifton Gardens reserve as a trial initiative. If successful, more solar lighting may be installed in other Council parks and reserves in the future once cost benefit analysis work has been completed.





## 2. TOTAL WATER CYCLE

| STORMWATER  | 2012-13   | 2013-14   | 2014-15   | 2015-16   | Change from previous year |
|---|-----------|-----------|-----------|-----------|---------------------------|
| Number of gross pollutant traps (GPTs)                      | 33        | 34        | 34        | 34        | ↔                         |
| Total gross pollutants removed from GPTs (tonnes)           | 406       | 197       | 247       | 376       | ↑                         |
| <b>WATER CONSUMPTION</b>                                    |           |           |           |           |                           |
| Total LGA potable water use (kilolitres)                    | 3,089,433 | 3,237,561 | 3,128,482 | 3,062,906 | ↓                         |
| Total residential potable water use (kilolitres per capita) | 104       | 108       | 103       | 100       | ↓                         |
| Total Council potable water use (kilolitres)                | 69,583    | 82,072*   | 67,352    | 61,850    | ↓                         |

\*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

#### **Botanic Road Stormwater Harvesting project**

The Botanic Road Stormwater Harvesting project consists of a Stormwater Quality Improvement Device (SQID) in Botanic Road, an underground stormwater storage tank in Lawry Plunkett Reserve, a pump house and a network of pipes.

The SQID was designed to screen and catch rubbish within the stormwater system, enhancing Harbour water quality at Balmoral.

The underground stormwater storage tank and associated pump house was upgraded in 2015/16. Technologies within the pump house were replaced with more efficient and more reliable systems.

Balmoral south is one of Mosman’s largest stormwater catchments and this created an opportunity to capture and reuse the stormwater that would have simply dispersed into the ocean. Council uses this stormwater to replace the potable water use to irrigate Balmoral Oval and foreshore areas. To facilitate these requirements, an appropriate treatment regime was required.





### 3. BIODIVERSITY

| BIODIVERSITY CONDITION   | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Change from previous year |
|--|---------|---------|---------|---------|---------------------------|
| Noxious weed notices   | 0       | 0       | 0       | 0       | ↔                         |
| Noxious weed assessments undertaken  | 11      | 14      | 21      | 11      | ↓                         |
| Number of registered active bushcare volunteers                                    | 102     | 77      | 80      | 79      | ↓                         |
| Bushcare Program volunteer hours   | 2,511   | 1,895   | 1,800   | 1,750   | ↓                         |
| Number of active bushcare groups   | 14      | 14      | 17      | 17      | ↔                         |
| Total number of native plants supplied to volunteers, contractors and residents    | 8,430   | 8,026   | 8,455   | 8,500   | ↑                         |
| Number of native plant species recorded in LGA                                     | 454     | 454     | 454     | 490     | ↑                         |
| Number of threatened flora species   | 3       | 3       | 3       | 3       | ↔                         |
| Number of threatened fauna species   | 4       | 4       | 5       | 5       | ↑                         |
| Number of endangered ecological communities  | 0       | 0       | 0       | 2       | ↑                         |
| 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

### **Flora and Fauna Survey**

In December 2015 Council engaged Ecosure, an ecological consultant firm, to undertake a comprehensive flora and fauna survey of Council's bushland areas including selected unmade road reserves. The purpose of the survey, which replicated previous surveys, was to provide a snapshot of the current biodiversity values and condition assessment of Council's major natural assets. The study area comprised all large bushland sites and 33 Unmade Road Reserves, all of which are Zoned E2 (Environmental Conservation) and managed by Council.

### *Report Findings*

The 2016 survey has highlighted that Council's flora and fauna and ecological health of bushland sites continues to improve. This is testament to Council's consistent work program aided by dedicated Bushcare volunteers. Some of the key findings and changes from the last survey include:

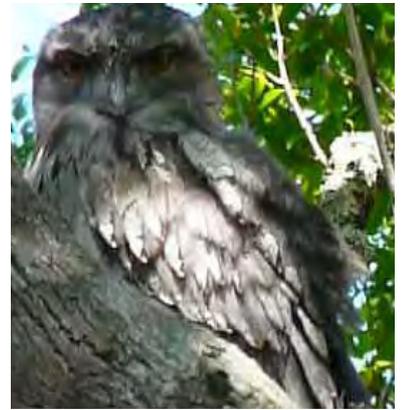
- There were 490 indigenous native plant species recorded (up from 454 in the 2007 survey).
- Two (previously unlisted) threatened plant communities were identified in five reserves.
- An additional threatened fauna species, the Large-footed Myotis, a type of fishing bat was identified. This species was initially recorded as part of a Department of Primary Industries study in the species presence in Sydney Harbour after it was discovered in 2014. It is now officially recorded in the 2016 flora and fauna survey.
- Confirmation of the presence of bandicoots.
- Updated vegetation types to include all classification types commonly used within the industry.
- An inventory of fauna habitat features for each site has also been provided. This provides an indication of which species are likely to occur and what habitat niches can be created on a site to improve biodiversity.

### **Bushland Management**

The bushland contract specifications are designed to preserve and enhance the biodiversity of bushland sites through regeneration of resilient bushland areas, revegetating non-resilient areas and retaining areas that either offer good habitat for native fauna or are undisturbed remnant vegetation. The following principles are used to achieve this:

1. Removal or control of the effects or impacts of the stressors (i.e. weed colonisation in particular vine, noxious and environmental weeds)
2. Encouraging regeneration through natural process (i.e. weed control, seed production, dispersal and germination)
3. Establishment and stabilisation of the non-resilient areas through weed suppression and revegetation

There are other specifications required for the sites and these include track and drainage line clearance works, fire hazard mitigation work, litter removal and preparation and delivery of annual work plans and reports for each site.



Over the contract period from 1 June 2013 until April 2016 biannual performance audits have been completed including regular inspection of sites. The audits have shown that the current contractors are working satisfactorily, are meeting contract specifications and work, health and safety requirements. Further, in February 2016, through the flora and fauna survey, each site managed under the contract was assessed to determine progress of works against contract specification and to compare with native vegetation cover maps from 2011.

Notably, the audit showed that from 2011 to 2016 areas of greater than 90% native vegetation cover of bushland areas have increased from 53.7% to 65.8%.

### **Native Havens Program**

In 2015 Mosman Council received grant funding from the Sydney Coastal Councils Group funded by the Australian Government as part of the Sydney's Salty Communities Grant to assist in connecting biodiverse foreshores of Mosman. Under the grant, a Native Havens program was launched in late February 2016 with guest speaker, Angus Stewart (ABC Gardening Australia Presenter, author and horticulturalist) presenting a talk on Australian Native Gardens which sparked interest and discussion on establishing native gardens for habitat resulting in a small group of residents signing up to a pilot Native Havens Program.

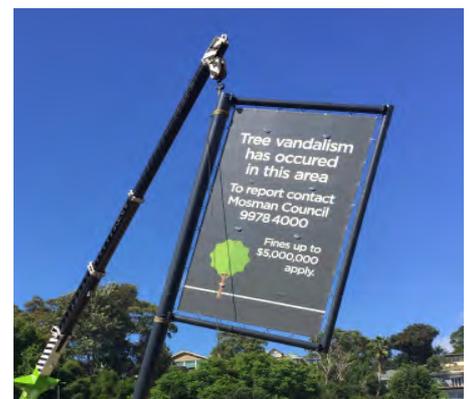
The aim of the Native Havens program is to assist residents in providing backyard habitat for wildlife and to connect green corridors. The type of support offered to participants included free advice, assistance in planning, limited free plants, onsite training, loan of some tools and an information kit.

Due to the success of Mosman's Native Havens, the program will be continuing as an extension to the Bushcare Program and will focus on targeting residential areas within Mosman identified as important wildlife corridors.

### **Joel's Reserve**

Since 2012 Council has had a number of incidences of tree vandalism on public land in Joel's Reserve. The instances of tree vandalism include tree poisoning, snapping young trees and the cutting down of semi-mature trees. In response Council staff installed temporary signage asking for the illegal works to cease and issued several letters at different times to surrounding residents asking for information.

With no information forth coming Council resolved unanimously in September 2015 to install a 3 metre by 5 metre banner on a 8 metre temporary pole as seen on the right. The banner's aim was to provide information to the community and to seek information from the community on tree vandalism. Council have now formed a community working group to improve Joel's Reserve and work to reduce vandalism in the area.





## 4. WASTE

| WASTE  | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Change from previous year |
|--|---------|---------|---------|---------|---------------------------|
| Total waste to landfill, including general cleanup (tonnes)                          | 6,455   | 6,596   | 7,102   | 7,097   | ↓                         |
| Total waste to recycling including paper, co-mingled, metal and green waste (tonnes) | 5,450   | 5,243   | 5,227   | 5,156   | ↓                         |
| Total waste to landfill, including general cleanup per capita (kg)                   | 219     | 220     | 234     | 232     | ↓                         |
| Total waste to recycling, including metal and green waste per capita (kg)            | 185     | 175     | 173     | 169     | ↓                         |
| Green waste diverted from landfill per capita (kg)                                   | 72      | 65      | 78      | 71      | ↓                         |

### RESPONDING TO WASTE GENERATION ISSUES – CASE STUDIES

#### **E-Waste Collection**

Mosman Council in partnership with MRI E-Cycle Solutions, held two community e-waste recycling events in the last financial year. A total of 1,283 community members (95% who lived in Mosman) dropped off 5,0371kg of recyclable e-waste. Computers/peripherals were the most recorded item to be collected at both events. Non-regulated material collected included batteries, fluorescent tubes, microwaves and phones. Ninety eight percent of all material collected was diverted from landfill.



#### **Musical Percussion Fences- A Waste to Music Project**

Three musical fences were installed by Drum Beats at Mosman Occasional Child Care Centre in June. The fences incorporated an old trampoline found by the side of the road using both the metal tubing and the springs from the trampoline. Children from as young as six months to six years have played the percussion styled fences offering children a fun and enduring educational tool made from both new and



discarded materials. This project is a NSW EPA Waste Less, Recycle More initiative funded from the waste levy.

### Potable Water Stations

Litter surveys conducted by Two Hands revealed plastic water bottles were the top litter item to be found within the Mosman area. The study led Council to install six water stations at popular beach locations and Mosman Square. A further five were also recently added to sport fields.

The public can now fill their reusable water bottles or stop to use the bubblers. Each water station is wheelchair accessible and in dog friendly areas dog bowls have been provided. The bubblers will play an important role in litter reduction

Over 37,000 single use water bottles were saved from landfill through the use of the six water fountains over a period of 12 months. This project is a NSW EPA Waste Less, Recycle More initiative funded from the waste levy.



### Chickens

In May 2016, Council Environment and Children's Services Teams joined up to form a new partnership. Both Council's Before and After School Care and Mosman Occasional Childcare Centre (MOCC) welcomed two chickens to their grounds.

The chickens were introduced to provide recycling of food scraps into valuable compost, as well as an interactive tool to engage the children around the topic of food production and waste reduction. Eggs by the chickens are eaten by Children in Before and After School care.



### Chalk Drawings

Another series of chalk drawings were installed over the January holidays at Balmoral. The project encouraged sports people to keep our sportsfields clean by disposing of rubbish and sports tape after use. The project was funded by the EPA Waste Less, Recycle more initiative.

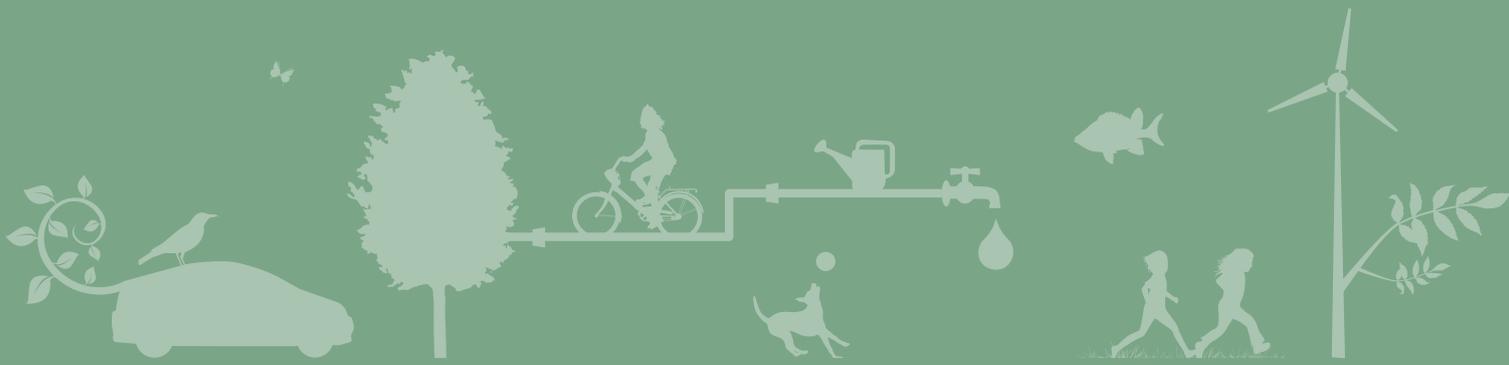


### Festival of Mosman and Waste

Mosman Before and After school kids rethink rubbish by creating amazing sounds from items of waste that would normally be placed in our bins. Plastic tubes became flutes, drink bottles containing out of date popcorn became maracas and used plastic buckets were transformed into drums.

Kimbriki Resource and Recovery Centre donated used 44 gallon drums to help give a richer sound to the band and with the help of Angela from Drum Beats and a grant from the EPA a workshop series was provided to the children with a smaller group being able to provide a concert at the opening night of the Festival of Mosman. The children were well received and gave the audience of approximately 250 people something to think about as they watched.





## 5. TRANSPORT

| TRANSPORT  | 2012-13 | 2013-14 | 2014-15 | 2015-16             | Change from previous year |
|--|---------|---------|---------|---------------------|---------------------------|
| Registered vehicles in Council LGA                       | 18,871  | 19,261  | 19,697  | 19,497              | ↓                         |
| Number of Council fleet vehicles                         | 24      | 22      | 22      | 22                  | ↔                         |
| GHG emissions from Council fleet vehicles (tonnes CO2-e) | 86      | 76      | 116     | 110                 | ↓                         |
| Number of passengers using the Mosman Rider Bus          | 46,325  | 42,172  | 46,202  | 28,097 <sup>^</sup> | ↓                         |
| Number of people using the GoGet carshare scheme         | 505     | 768     | 982     | 1102                | ↑                         |

<sup>^</sup> Change due to different counting system.

### RESPONDING TO TRANSPORT ISSUES – CASE STUDIES

#### Mosman Bicycle Plan 2014-2019

The bicycle plan 2014 -2019 is 80% complete and one year ahead of schedule, with 8km of bicycle routes installed. These included Raglan Street, The Esplanade, Upper Almora and The Crescent. Bicycle numbers have increased by approximately 75% on some of the major routes in Mosman (Middle Head and Bradleys Head Road). Designs have been completed for Rangers Avenue cycle way and a joint project with North Sydney Council regarding a cycle route from North Sydney Oval to Spit Bridge is currently being investigated.



#### Pedestrian Access Mobility Plan

Council undertook a number of activities under the Pedestrian Access Mobility Plan, including:

- Raised pedestrian crossings along Military Road at Mandalong Road, Gouldsbury Street and Upper Almora have been installed to improve pedestrian movement in Council’s major retail area
- Way finding signs installed at Clifton Gardens and Mosman Square
- 300 metres of bushland walking track from Cremorne to Mosman Bay upgraded



#### Car Share Policy

Council developed a Car Share Policy to guide the future usage of car share vehicles within the LGA. The policy along with fees and charges were exhibited to the community before Council adopted it on the 5 July 2016.



## 6. PLANNING, BUILT ENVIRONMENT AND HERITAGE

| POPULATION   | 2012-13 | 2013-14 | 2014-15 | 2015-16          | Change from previous year |
|--|---------|---------|---------|------------------|---------------------------|
| Estimated population of LGA – at 30 June                     | 29,716  | 29,983  | 30,276  | 30,489           | ↑                         |
| Residential density (persons per hectare)                    | 34.35   | 34.66   | 34.99   | 35.24            | ↑                         |
| <b>NOISE</b>   |         |         |         |                  |                           |
| General noise complaints received by Council                 | 77      | 63      | 86      | 38               | ↓                         |
| Barking dog complaints received by Council                   | 33      | 32      | 29      | 25               | ↓                         |
| <b>DEVELOPMENT APPLICATIONS</b>                              |         |         |         |                  |                           |
| Total number of development applications received by Council | 343     | 392     | 352     | 332              | ↓                         |
| Number of development applications approved                  | 363     | 371     | 325     | 301              | ↓                         |
| <b>ABORIGINAL HERITAGE</b>                                   |         |         |         |                  |                           |
| Total number of Aboriginal heritage sites                    | 105     | 105     | 105     | 105              | ↔                         |
| <b>NON ABORIGINAL HERITAGE</b>                               |         |         |         |                  |                           |
| Total number of non-Aboriginal heritage items                | 485     | 485     | 485     | 483 <sup>^</sup> | ↓                         |
| Number of built items*                                       | 444     | 444     | 444     | 444              | ↔                         |
| Number of landscape items*                                   | 34      | 34      | 34      | 34               | ↔                         |
| Number of archeological items                                | 16      | 16      | 16      | 13 <sup>^</sup>  | ↓                         |
| Heritage conservation areas                                  | 13      | 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.

<sup>^</sup> Change is a result due to review of archeological sights undertaken in 2016.

### **Review of archaeological sites**

In 2015, a review of all archaeological sites listed in Mosman Local Environmental Plan 2012 was undertaken. The sites include former tram infrastructure, wharves, quarries and other relics of early European settlement in Mosman during the 1800s and early 1900s.

The purpose of the review was to identify more specific site and property information for the 16 archaeological sites, and make recommendations regarding their heritage significance. Council has amended the listing of archaeological sites identified in the LEP based on the findings of this review with three sites being removed.

### **Protecting Mosman's foreshore slopes**

Advocacy with the State Government for the protection of Mosman's foreshore slopes from inappropriate development has continued.

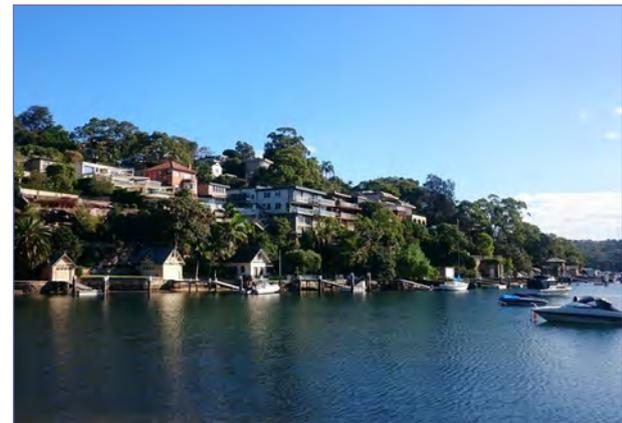
Mosman had a temporary exclusion from the provisions of the General Housing Code of State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 which was due to expire on 30 November 2015. An extension until 30 November 2018 was granted by the State as a result of Council pressure. Land on the foreshore slopes will continue to be excluded from allowing development as Complying Development, such as new two storey houses or alterations and additions.

This continuation of the status quo will ensure that detailed development assessment is undertaken and neighbours will continue to have the opportunity to make submissions on applications and their concerns considered by Council. This is particularly relevant on the slopes where views, overshadowing, privacy and appearance from the harbour are important considerations.

### **Providing feedback on major development proposals and State Government reforms**

Over the past year, there have been a number of proposals by the State Government requiring input from Council. The interests of Mosman have been presented in submissions on major proposed developments (e.g. at Taronga Zoo) as well as State Government reforms (e.g. amendments to the Codes SEPP to allow medium density housing.)

Council has also participated in planning for the preparation of a District Plan, being developed by the Greater Sydney Commission, promoting the need for it to reflect Mosman's important and unique natural and built elements.





## 7. ENGAGEMENT AND EDUCATION FOR SUSTAINABILITY

| EDUCATION   | 2012-13 | 2013-14 | 2014-15 | 2015-16 | Change from previous year |
|---|---------|---------|---------|---------|---------------------------|
| Total number of environmental programs (workshops, events, surveys) delivered to the community. | 63      | 88      | 78      | 102     | ↑                         |
| Total number of environmental programs (workshops, events, surveys) delivered to Council staff. | 25*     | 27*     | 6       | 9       | ↑                         |

\*additional inclusion of marketing campaigns, newsletters.

### RESPONDING TO ENGAGEMENT AND EDUCATION FOR SUSTAINABILITY ISSUES – CASE STUDIES

#### Fish Mosman Signage

As part of the Recreational Fishing Trust grant Mosman Council has installed an interpretative display on the toilet block at Clifton Gardens. The display uses illustrations to highlight key actions recreational fishers can take to ensure their actions are responsible. Included on the display is also a map highlighting the rules and regulations regarding fishing within Mosman.



#### Fish Mosman Kits

As part of the Recreational Fishing Trust Grant Mosman Council is providing residents with a free FishMosman kit. The kit showcases a number of materials that are on the market that reduce the impact that fishing can have on the marine environment. These include:

- Non-stainless steel circle fishing hooks
- Lead free sinkers
- Tape measure
- Fish chart
- Local fishing information and map



## Snorkel Mosman

There are some great snorkelling locations within the Mosman LGA. This year Council aimed to highlight some of the incredible marine life found within the local area. Education and engagement has been through the installation of a marine interpretative display on the toilet block at Clifton Gardens. The display showcases 10 different marine animals which can be found snorkelling at Chowder Bay, Chinamans Beach or Balmoral.



## OzHarvest

Mosman Council joined forces with seven other Councils (including SHOROC) and Oz Harvest to rescue good food that would otherwise go to landfill. Grant funding from the EPA allowed Oz Harvest to purchase a new van and Councils - Mosman, North Sydney, Willoughby, Ku-ring-gai, Warringah, Manly and Pittwater assisted with the cost of a driver. Surplus food collected from restaurants and cafes will be redistributed to charities that in turn will help those in need of a hearty meal.



Food rescue not only helps those in need but also helps businesses to save money, reduce space required for landfill and reduces excess greenhouse gasses caused from compacted food waste. As part of this program Council managed to sign up three of the biggest food retailers in Mosman.



## Nappy Collective

In October 2015, Council hosted collection points for the Nappy Collective. This was the second year Council has participated in this great initiative. Residents donated over 1,400 clean, unused disposable nappies, which through the Nappy Collective were given to families in need.

## Dog Poo Fairy Monitoring

Our annual monitoring of dog poo left in Council parks and reserves found a decrease of 22% in the amount of dog poo left behind, compared to the same time last year. This continual decrease is a result of Council's active responsible pet ownership campaign through the "there's no such thing as the dog poo fairy" education program. The campaign also shows sustained compliance and behaviour change by the community.



## Intertidal Assessment

As part of the Sydney Coastal Councils Salty Community Grant, Council has started a long term intertidal assessment of the Quakers Hat and Pearl Bay intertidal zones. The assessment was developed by external consultants and was carried out by Council sustainability staff.

The aim of the study is to gain a long term understanding of the intertidal zone and how the ecology of the ecosystem might change over time.



## 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.

### 2015-16 Successes

There are a number of successes highlighted in this report:

- 27% increase in the total number of environmental programs delivered to the community
- Decrease in the number of cars registered within the LGA
- 8% decrease in the total amount of water used by Council operations
- Increase in the percentage > 90% native vegetation cover of bushland sites from 53.7% in 2011 to 65.8% in 2016.
- 22% reduction in the amount of dog poo found in our parks and reserves, showing long term behaviour change within the community
- High presence of ghost crab burrows at Chinamans Beach due to the manual cleaning regime of the beach.
- Developed an intertidal monitoring guide and plan
- Flora and fauna survey identified two previously undescribed endangered ecological communities in Mosman
- Using data analysis to identify and fix water leaks within Council parks and reserves

### 2016-17 Planning

Going forward, Council will use the data from this report to help guide programs and actions for the coming year:

- Implement Multi-Unit Dwelling (MUD) bin audits and bin room improvement program
- Increase Mosman Council recycling rates
- Improve connectivity of natural areas through increased street tree planting and grove plantings in parks
- Improve public place recycling at Spit West and Spit East Reserves
- Continue to monitor Mosman Council water and energy use and take appropriate action when necessary
- Continue to collaborate with regional networks and forums
- Continue to manually clean Chinaman's Beach to ensure diverse marine ecology along the foreshore
- Develop HarbourCare program and encourage foreshore community engagement





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