



Mosman
COUNCIL

20182019 ANNUALREPORT



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



Message from the Mayor

Council's focus during its mid-term year continues to be on the delivery of our common vision and aspirations as an independent and self-determining community. This is being achieved through consolidation of both our current and future healthy financial position which calls on visionary strategic planning, strong leadership and sound financial management.

The 2018-2019 Annual Report is the first under the new MOSPLAN 2018-2028 which was the initial plan for Mosman's future developed during my term as Mayor and the 2017-2020 term of Mosman Council. It demonstrates Council is on track and delivering on its 2018-2028 Community Strategic Plan commitments. The seven Strategic Directions and supporting strategies focus on the health and well-being of our community, the provision of spaces and places that support this well-being and on approaching our future in a sustainable and responsible way. The 2018-2021 Delivery Program works with the Plan to provide the framework for many new initiatives, innovations and projects commenced or completed during the year.

Having regard to the emphasis on community well-being, some of the highlights of the year have been the new indoor/outdoor reading zone in Barry O'Keefe Library, extended opening hours and programming at Mosman Art Gallery, provision of a new storage facility for the much loved and valued Mosman Art Collection, working with community members to support a successful funding application for accessible toilet facilities at Mosman Junction to be constructed in 2020, wonderful new night markets in Mosman Square and on the Village Green three times a year, consistently high level of volunteering supporting Council service delivery, ongoing success of Council's youth volunteering programs, and a re-launch of an improved New Residents Guide to Mosman. Others have recognised the excellence in Council's service delivery through the many awards collected by Council during the year including Mosman Art Gallery being awarded the 2019 Winner of the Leo Kelly Arts and Culture Award for its 'New Sacred' exhibition and being named as a Finalist in the 2019 NSW Youth Week Awards for Best Local Youth Week Program.

These achievements would not be possible without Council's committed, hard-working staff, working professionally and collaboratively with myself, my fellow Councillors, our superb volunteers, our external contractors and the broader community. Together we all remain committed to our Vision by recognising and advancing aspirations that are common to many in the community. It is critical to our success that we continue to deliver under our new plan and respond to challenges and residents' aspirations through ongoing and improved community engagement, collaborative leadership, sound management, and innovation.



Councillor Carolyn Corrigan
Mayor of Mosman

Message from the General Manager

The 2018-2019 Annual Report presents for the first time the outcomes and achievements surrounding the Vision and Strategic Directions contained within the Council's 2018-2028 Community Strategic Plan. The community views captured and represented in the Plan are the result of thorough community engagement on local needs and aspirations and brought together by staff working with Councillors and other stakeholders. Commitments under the Plan and supported by the 2018-2021 Delivery Plan in association with strategic planning, sound management and community engagement continue to deliver on objectives, projects and quality customer service. It is pleasing to now present back to the community a report card on the quality outcomes achieved under the Plan.

The 2018-2019 Financial Statements contained within the Annual Report demonstrate the strong and strategic financial management framework in place that contributes to achieving these outcomes. Council's Income Statement for the year ended 30 June 2019 discloses a much improved surplus operating result before capital grants and contributions of \$2.9M. Financial performance measured by the key financial performance indicators place Council in a sound financial position. Council has largely completed an ambitious capital works program amounting to \$13.9M and continues to address the infrastructure backlog with all infrastructure asset performance indicators indicating a very satisfactory asset management position. Council's commitment to improving the infrastructure backlog through ongoing application of additional Special Rate Variation funds and the rolling borrowing program as planned in the adopted Long Term Financial Plan is yielding excellent results.

The ongoing application of innovation and investment in technology and the associated delivery of a change culture has, likewise, yielded satisfying outcomes in the standard of customer service and efficiencies. The popularity of Council's 'My Mosman' app continues to grow with close to 6,000 downloads at the end of June 2019. Further projects have been developed and delivered in-house by staff under the 2018-2021 Delivery Program including a Tree app, digital parking permits and parking innovations together with many other innovations and technologies across Council's operations. These achievements have been recognised outside the organisation with Council receiving awards including the 2019 AITPM Leadership in Traffic and Transport Excellence Awards – Finalist for Mosman Council's Parking Innovation Journey, 2019 Smart City Awards – Highly Commended, Best Environmental Outcome for Mosman Tree App, and 2019 Voice Project Best Workplace Awards – Winner – Mosman Council.

Our commitment to the above strategies and in our adopted Customer Service Charter is having success in delivering excellence in service and value adding for the community. The commitment and dedication of staff and the elected Council in working collaboratively and engaging the community promises the excellent outcomes in the past year will continue.



Dominic Johnson
General Manager



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INTRODUCTION

Mosman Council's Annual Report for the period 1 July 2018 to 30 June 2019 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 2018-2028, 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 seven Strategic Directions. These Strategic Directions 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 2019
- Present Council's State of the Environment Scorecard 2018/19
- Provide information concerning Council's Disability Inclusion Action Plan
- 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

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.

Mosman's history began with the Borogegal and Cammeraigal people and the area has since been renowned for activities as diverse as convict farms, whaling, artists camps, and military fortifications.

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

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

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 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 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 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

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.

Mosman's Vision, and the underlying values and commitments that support it are reflected in the seven Strategic Directions of MOSPLAN that direct Council operations. The seven Strategic Directions are:

Strategic Directions



STRATEGIC DIRECTION 1

A Caring and Inclusive Community



STRATEGIC DIRECTION 2

A Culturally Rich and Vibrant Community



STRATEGIC DIRECTION 3

An Attractive and Sustainable Environment



STRATEGIC DIRECTION 4

An Informed and Engaged Community



STRATEGIC DIRECTION 5

A Business-Friendly Community with Sound, Independent Civic Leadership



STRATEGIC DIRECTION 6

Well Designed, Liveable and Accessible Places

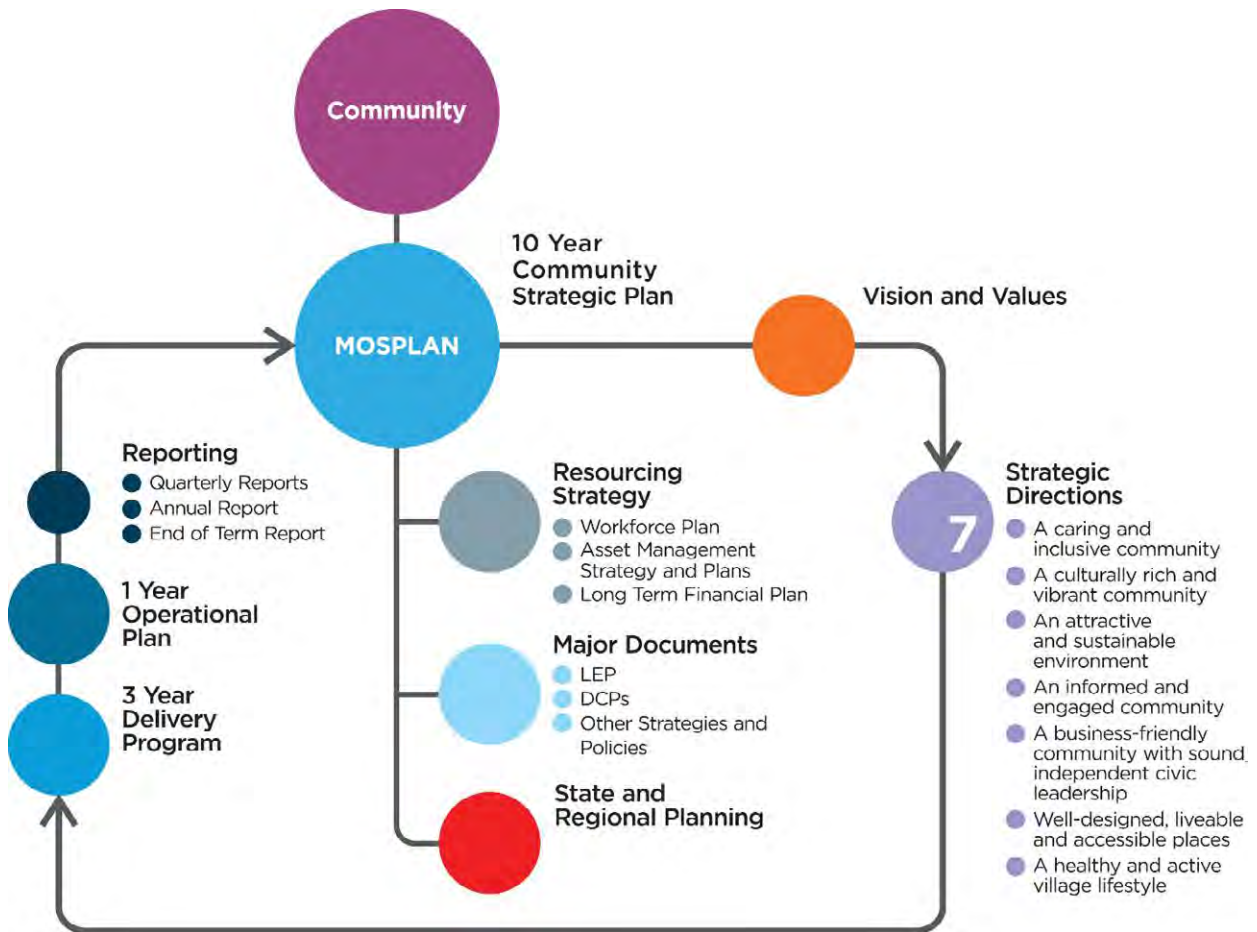


STRATEGIC DIRECTION 7

A Healthy and Active Village Lifestyle

Importantly, the seven Strategic Directions and supporting strategies identified in this plan provide the key link with the 2018-2021 Delivery Program and the Operational Plans and Budgets adopted by Council over the three year life of the Delivery Program.

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



STRATEGIC DIRECTION 1- A Caring and Inclusive Community

How will we get there?

Our Strategies

- 1 Assist residents to feel connected to their community and each other
- 2 Ensure support is available for people in need
- 3 Promote opportunities to acknowledge and embrace diversity

Related Plans

Mosman Disability Inclusion Action Plan 2017
Mosman Social Directions 2012
Mapping Mosman's Community Services and Programs 2018

Who will help us get there?

Our Partners

-  Federal government - various agencies including Department of Health, Department of Social Services, Department of Human Services and Department of Education and Training
-  NSW Government - various agencies including Department of Family and Community Services, NSW Health, and Department of Education
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Non-government and community organisations
-  Community members and volunteers

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Community Connectedness	Percentage of residents who feel connected to the Mosman community	Desired trend: Increase	Mosman Community Survey
Volunteering	Number of people registered as active Council volunteers	Desired trend: Increase	Mosman Council
Community services and facilities	Level of community satisfaction with the overall range of community services and facilities provided by Council	Desired trend: Increase	Mosman Community Survey
Cultural Diversity	Percentage of residents from culturally and linguistically diverse backgrounds	Desired trend: Increase	Australian Bureau of Statistics
Disability Inclusion	Number of measures in Council's Disability Inclusion Action Plan achieved	Desired trend: Maintain or increase	Mosman Council

STRATEGIC DIRECTION 2 - A Culturally Rich and Vibrant Community

How will we get there?

Our Strategies

- 1 Celebrate Mosman's unique identity and heritage
- 2 Nurture cultural and creative endeavours
- 3 Provide further opportunities to laugh, learn and play

Related Plans

Shoreplan - Shorelink Strategic Plan 2017
NSW Cultural Infrastructure Strategy 2016

Who will help us get there?

Our Partners

-  Federal government - various agencies including Department of Communication and the Arts and Department of Education and Training
-  NSW Government - various agencies including State Library of NSW, Department of Education, Create NSW, and NSW National Parks and Wildlife Service
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Sydney Harbour Federation Trust
-  Shorelink Library Network
-  Non-government, community and cultural organisations
-  Creative groups and individuals
-  Community members and volunteers

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Cultural Participation	Number of visitors to Mosman Art Gallery	Desired trend: Increase	Mosman Council
	Number of visitors to Barry O'Keefe Library	Desired trend: Increase	Mosman Council
	Number of people attending Council-run events and festivals	Desired trend: Increase	Mosman Council
Socialising in Mosman	Percentage of residents who mainly socialise in Mosman	Desired trend: Increase	Mosman Community Survey

STRATEGIC DIRECTION 3 - An Attractive and Sustainable Environment

How will we get there?

Our Strategies

- 1 Protect and enhance Mosman's natural areas and local biodiversity
- 2 Use and encourage sustainable practices
- 3 Effectively manage parklands for community use

Related Plans

Mosman Environmental Management Plan
 Mosman Asset Management Plans - various
 Mosman Catchment Management Plans - various
 Plans of Management - various
 Sydney Harbour Federation Trust Management Plans
 National Parks and Wildlife Plan of Management - Sydney Harbour National Park

Who will help us get there?

Our Partners

-  Federal government - various agencies including Department of Environment and Energy
-  NSW Government - various agencies including Department of Planning and Environment, Office of Environment and Heritage, NSW Rural Fire Service and NSW National Parks and Wildlife Service
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Sydney Harbour Federation Trust
-  Non-government and community organisations
-  Community members and volunteers

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Health of bushland	Percentage of bushland with greater than 90% native vegetation cover	Desired trend: Increase	Mosman Council
Community environmental footprint	Level of overall energy consumption by the Mosman community	Desired trend: Reduce	Mosman Council
	Level of overall water usage by the Mosman community	Desired trend: Reduce	Mosman Council
	Percentage of domestic waste diverted from landfill	Desired trend: Increase	Mosman Council
Air and Water Quality	Level of water quality at harbour beaches	Target: Water quality at all Mosman beaches 'Good' or above	Harbourwatch
	Number of air quality complaints received by Council	Desired trend: Reduce	Mosman Council
Public Transport Use	Percentage of Mosman residents using public transport to travel to work	Desired trend: Increase	Australian Bureau of Statistics

STRATEGIC DIRECTION 4 - An Informed and Engaged Community

How will we get there?

Our Strategies

- 1 Actively involve the community in planning and delivering Mosman's future
- 2 Deliver community information that is accurate and readily available
- 3 Ensure the community knows how and why decisions are made

Who will help us get there?

Our Partners

-  NSW Government - various agencies
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Media organisations including News Local (Mosman Daily) and other metropolitan, regional and local publications
-  Non-government and community organisations
-  Community members and volunteers

Related Plans

Mosman Community Engagement Strategy
Community Engagement Strategy - MOSPLAN 2018-2028

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Community Engagement	Level of community satisfaction with Council engagement	Desired trend: Increase	Mosman Community Survey
Informed Communities	Level of community satisfaction with Council information and support	Desired trend: Increase	Mosman Community Survey
Democratic participation	Percentage of eligible voters voting in local government elections	Desired trend: Increase	NSW Electoral Commission

STRATEGIC DIRECTION 5 - A Business-Friendly Community with Sound, Independent Civic Leadership

How will we get there?

Our Strategies

- 1 Council delivers high quality, convenient service to customers
- 2 Utilise local and regional partnerships to benefit Mosman
- 3 Provide support for business precincts and the local economy

Related Plans

Mosman Customer Service Charter 2017
 Workforce Plan 2018-2021
 Long Term Financial Plan 2018-2028
 NSROC Regional Priorities 2012

Who will help us get there?

Our Partners

-  Federal government - various agencies including Department of Industry, Innovation and Science
-  NSW Government - various agencies including Department of Premier and Cabinet (including Office of Local Government), and Department of Industry
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Mosman Chamber of Commerce and local businesses
-  Regulatory bodies including IPART and ICAC
-  Industry peak bodies
-  Non-government and community organisations
-  Community members and volunteers

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Overall Satisfaction with Council	Level of community satisfaction with overall Council service delivery	Desired trend: Increase	Mosman Community Survey
	Level of community satisfaction with performance of Councillors	Desired trend: Increase	Mosman Community Survey
	Level of community satisfaction with performance of Council staff	Desired trend: Increase	Mosman Community Survey
Budget Performance	Year-end financial result compared to budget	Target: Year-end operating result within 10% of budget	Mosman Council
Corporate Compliance	Level of compliance with statutory requirements	Target: 100% compliance with all statutory requirements	Mosman Council
Development Assessment Performance	Average time taken to assess Development Applications	Target: Equal to or below average development assessment times of Category 2 Councils	Mosman Council

STRATEGIC DIRECTION 6 - Well Designed, Liveable and Accessible Places

How will we get there?

Our Strategies

- 1 Enhance daily life by providing high quality public infrastructure and public spaces
- 2 Value and strengthen the special aesthetic qualities of Mosman
- 3 Improve access for everyone to, from and within Mosman

Related Plans

Mosman Local Environmental Plan 2012
Mosman Development Control Plans - various
Mosman Housing Strategy
Mosman Signage Strategy 2017
Mosman Pedestrian Access Mobility Plan 2012
Mosman Asset Management Strategy and Plans
A Plan for Growing Sydney 2014
Greater Sydney Region Plan - A Metropolis of Three Cities
North District Plan
State Infrastructure Strategy 2018-2036
Future Transport 2056 Strategy

Who will help us get there?

Our Partners

-  Federal government - various agencies including Department of Infrastructure and Regional Development
-  NSW Government - various agencies including Department of Planning and Environment, Roads and Maritime Services, Department of Transport and Greater Sydney Commission
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Sydney Harbour Federation Trust
-  Utility providers
-  Non-government and community organisations
-  Community members and volunteers

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Accessibility	Number of accessibility improvements delivered annually by Council	Desired trend: Maintain or Increase	Mosman Council
Infrastructure Delivery	Year-end capital works result compared to budget	Target: Year-end capital works result within 5% of works programmed	Mosman Council
	Level of community satisfaction with provision and maintenance of local infrastructure	Desired trend: Increase	Mosman Community Survey
Community Pride	Percentage of residents who are proud of their local area	Desired trend: Increase	Mosman Community Survey

STRATEGIC DIRECTION 7 - A Healthy and Active Village Lifestyle

How will we get there?

Our Strategies

- 1 Protect and enhance Mosman's village atmosphere
- 2 Support active, healthy lifestyles
- 3 Facilitate safe environments for everyday living

Related Plans

Plans of Management - various

Mosman North Sydney Willoughby Bush Fire Risk Management Plan 2017

Mosman Open Space Recreational Needs Assessment 2015

Mosman Bicycle Plan 2014-2019

Who will help us get there?

Our Partners

-  Federal government - various agencies including Department of Health
-  NSW Government - various agencies including NSW Health, the NSW Office of Sport, the NSW National Parks and Wildlife Service, Emergency NSW and the NSW Police Force
-  Northern Sydney Regional Organisation of Councils (NSROC)
-  Sydney Harbour Federation Trust
-  Non-government, community and sporting organisations
-  Community members and volunteers

How will we know we've arrived?

Community Sustainability Indicators

Indicator	Measure	Desired Trend or Target	Source
Community Health	Average life expectancy for Mosman residents	Desired trend: Increase	NSW Health
Physical Activity	Percentage of Mosman residents undertaking adequate physical activity each week	Desired trend: Increase	NSW Health
Community safety	Percentage of residents who feel safe in their local area	Desired trend: Increase	Mosman Community Survey
	Annual crime rates for major criminal incidents	Desired trend: Reduce	NSW Bureau of Crime Statistics and Research
Road safety	Number of roads accidents and casualties in Mosman per annum	Desired trend: Reduce	NSW Roads and Maritime Services

MAYOR AND COUNCILLORS

Members of Council 1 July 2018 - 30 June 2019

MAYOR	Carolyn Corrigan
DEPUTY MAYOR	Thomas Sherlock
COUNCILLORS	Roy David Bendall
	David Cook
	Peter Simon Menzies
	Elizabeth Ann Moline
	Jacqueline Willoughby

COUNCILLOR ATTENDANCE AT MEETINGS AND WORKSHOPS

Meetings / Workshops attended 1 July 2018 - 30 June 2019					
Councillor	Ordinary (11 held)	Extraordinary (0 held)	Traffic Committee * (4 held)	Audit Committee * (5 held)	Workshops (7 held) Detailed below
Cr R D Bendall	11	-	-	3	5
Cr D Cook	11	-	2	1 (Alternate)	6
Cr C A Corrigan	11	-	-	-	7
Cr P S Menzies	11	-	2	-	7
Cr E A Moline	11	-	-	-	7
Cr T Sherlock	9	-	-	5	7
Cr J Willoughby	11	-	-	-	7

** 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
1.	Balmoral Childcare, Allan Border Oval Pavilion, and MLPP	10 July 2018
2.	2018 Mosman Community Survey Results, and Raglan Street West Expression of Interest	14 August 2018
3.	Parking	16 October 2018
4.	Strategic Planning Matters	20 November 2018

Workshop		Date
5.	Strategic Planning, MOSPLAN and Budget, and The Future of Before and After School Care	12 March 2019
	Balmoral Childcare Centre site, and Parking Strategy	9 April 2019
7.	Waste, and V-permits for Foreshore Parking	21 May 2019

COUNCIL MANAGEMENT

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, 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 fulfills 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

1. REPORT ON PROGRESS AGAINST DELIVERY PROGRAM 2018-19

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
Annual Report
2018-2019

PROJECT LEGEND]

	Not commenced
	Deferred (commencement date postponed)
	On track - 0 milestones late
	On track with minor issues - 1 or more milestones missed, but project still considered on track
	Off track - 1 or more milestones missed and/or project not expected to meet completion date
	Complete



STRATEGIC DIRECTION 1

A Caring and Inclusive Community

QUARTERLY/ANNUAL PERFORMANCE INDICATORS


Indicator	Annual Result	Comments
%Project Milestones Achieved-Caring and Inclusive Community	90%	A good annualised result, up from 75% in the third quarter.
Movement in waiting list - Mosman Before and After School Care Service	16 children on the waiting list at 30 June 2019	Some movement has occurred during the period because of the changes to the provision of BASC by the Shadforth Street service.
No. of Community Transport trips per annum	5,007 trips	The Tastes of Sydney and Vivid excursions have increased the number of people using the service this year.
No. hours of social support provided per annum	5,378 hours	Hours of social support provided during the year have significantly exceeded contract requirements. This is an important and growing service.
No. meals delivered by Meals on Wheels per annum	13,979 meals	The provision of meals has been enhanced by opportunities for people to collect meals themselves. Online ordering and payment needs to be developed and implemented to improve the customer experience.
No. meals served in the Community Restaurant per annum	3,303 meals	Theme lunches continue to be a popular offering for the Restaurant. A new volunteer program has been introduced to encourage new patrons.
No. volunteers in Council services	394 volunteers averaged over the year	Volunteer numbers have been at consistently high levels throughout the year.
No. of young people attending programs at Council's Youth Centre	13,233	The Youth Service had shown strong attendances during the year.
Utilisation rate - Mosman Before and After School Care	73.2% average utilisation	Before school care attendances continue to be low. After School Care is well subscribed.
Utilisation rate - Mosman Occasional Care Centre	73.5% average utilisation	The overall utilisation rate at the MOCC remained fairly steady across the year, although usage of occasional care did experienced a downward trend of approximately 20%.
Utilisation rate - Mosman Square Senior Citizens Centre	24,252	Overall, utilisation of the Seniors' Centre and activities has been very positive during the year, highlighting the successful work undertaken by the team in improving programming, facilities, look and feel of the Centre. An error occurred in the reporting of the first three quarters of this year related in part to activities being conducted off-site during the renovations of the Civic Centre. The






Indicator	Annual Result	Comments
		annual result reflects the correct total for the year.
Utilisation rate - Mosman Vacation Care	96% average utilisation	A slightly lower than usual number in the attendance at Vacation Care was experienced during the Easter/Anzac Day school holidays.

ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Residents satisfied with access to Council information and Council support	6.88	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents satisfied with overall range and quality of community facilities and activities	7.24	
% Residents satisfied with services and facilities for children and families	7.56	
% Residents satisfied with services and facilities for older people	7.22	
% Residents satisfied with services and facilities for people from culturally and linguistically diverse backgrounds	6.04	
% Residents satisfied with services and facilities for people with a disability	6.83	
% Residents satisfied with services for young people	6.67	
% Young people satisfied with programs and events coordinated by Youth Services	80.20	Programs conducted by the Youth Service team continue to be highly regarded. Both satisfaction and attendance are excellent.

PROJECTS

Project	Annual Progress	Comments	Status
'Engage to Empower' Girls Inclusion Project	100%	Ongoing work has continued with strong participation from girls. External facilitators have been used to run workshops that combine natural skincare with an arts program designed to improve the Youth Centre aesthetic, but also providing tips for girls to use to improve their own spaces. The Youth Centre itself has been made more 'girl-friendly' with warm colours introduced into	

Project	Annual Progress	Comments	Status
		the centre including painted kitchen tiles, new rugs and girls textile-art installation. Additional workshops have been run focussing on body image and designing welcoming spaces.	
Mosman Before and After School Care Service Review	100%	The Review of the Out of School Hours Service was completed and a report submitted to Council. Ongoing developments in the area are offering continuing opportunities for engagement with the school.	
Pedestrian Safety for Children	100%	Meetings have been conducted with the principals of Middle Harbour, Queenwood Junior and Blessed Sacrament schools and the road safety education resources and enforcement (which included Council Rangers and the Police) were launched during the period February to June 2019. The scheduled "Child safety restraint checking" and "Looking out before you step seniors seminar" programs were held successfully. The Pedestrian Safety for Children project will continue to be undertaken in the next two financial years as planned.	
Balmoral Park Child Care Centre	25%	The Development Application for the Balmoral Park Child Care Centre was withdrawn in accordance with the Council resolution of May 2019.	
Young Entrepreneurs Hub	100%	This has been an exciting project, well considered and implemented. Workshops have been effective. Improved marketing of the space as a working hub will be a major focus in 2019/2020.	
Expanded Community Transport Options	100%	The service continues to be offered, however is attracting little interest from the community.	



STRATEGIC DIRECTION 2

A Culturally Rich and Vibrant Community

QUARTERLY/ANNUAL PERFORMANCE INDICATORS





Indicator	Annual Result	Comments
% Project Milestones achieved - Culturally Rich and Vibrant Community	79%	A sound annual result reflecting some milestones missed by a small margin but strong overall project completion rates. Targetted milestone completion for 2019/20 is 90%.
% Library users satisfied with Library services and resources	95.75	The Annual User Survey was conducted in July 2018.
No. Library visits per capita per annum	9.51	The Library continues to have a high visitation rate attracting an average of 5,650 visits per week.
No. Loans per capita per annum	9.81	Circulation for 2018/19 increased by 4.5% on the previous year 2017/18.
No. of attendees at community events per annum	13,480	There were 8 public community events managed by the events team in 2018/19, which collectively attracted approximately 15,500 visitors.
No. of community events per annum	8	There was a variety of 8 public community events managed by the events team in 2018/19; 2 in Q1, 5 during the peak period in Q2 and 1 in Q3.
No. of events, projects and activities undertaken with Mosman's Friendship Communities per annum	2	The most active friendship agreements are those with Otsu, Japan; Mudanjiang, China and Glen Innes.
No. of exhibitions, educational activities and special events held per annum at Mosman Art Gallery	139	Includes exhibitions, special education events, artist talks and workshops.
No. of Gallery Friends and Volunteers	494	494 made up of 454 Friends and 40 volunteers.
No. of Library programs delivered for adults	110	A total of 2,972 people attended Library programs delivered for adults during the year.


Indicator	Annual Result	Comments
		Programs included author talks, technology training, local studies workshops, book clubs and writing workshops.
No. of Library programs delivered for children and young people	254	A wide range of programs were offered for children and young people including regular storytimes, movie shows, craft sessions, coding and robotics workshops, holiday reading and performances. The total number of attendees for the year was 19,688.
No. of members of the Creative Circle philanthropy program	34	Membership of Creative Circle donors program stands at 34.
Total visitation per annum - Mosman Art Gallery	91,570	Total visitation at the Gallery has remained steady; slightly down on the total number of visits in 2017/18.
Utilisation rate - Community Centre, Mosman Art Gallery	85%	Based on average daily usage of available spaces

ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Residents satisfied with Library services	7.77	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents satisfied with local festivals and events	6.98	
% Residents satisfied with Mosman Art Gallery and Community Centre	7.47	
% Residents satisfied with overall range of facilities and activities relevant to culture and the arts	6.82	
% users satisfied - Mosman Market	92%	

PROJECTS

Project	Annual Progress	Comments	Status
Nightlife in Mosman	100%	<p>Out & About 2018 included an outdoor classical music concert at Balmoral Beach, which was a great success, attended by 3,000 people.</p> <p>The 2019 Festival of Mosman program will include a number of evening highlights including the opening concert at Balmoral, cinema under the stars on the Village Green, Dinner on the Green, and a traditional Indigenous sunset ceremony on Balmoral Beach.</p> <p>Three themed evening markets have been initiated; OctoberFeast, EasterFeast and WinterFeast. Evening markets to date have each attracted about 2,500 people.</p> <p>Extended opening hours on Wednesday evenings at the Gallery started in January after an initial trial and are proving popular with patrons. The gallery will continue to build the offering with special events and programs during the extended opening hours.</p> <p>Local businesses have been encouraged to post their evening events on Council's events site, and Council continues to work with the Chamber of Commerce to encourage evening shopping during community activations. This includes regular liaison at Chamber events and a stall for the Chamber at the markets.</p>	
Instagram Photo Competition	100%	The Instagram competition commenced in December 2018, and in the 7 months to June 2019 received a total 316 entries. The competition has gained some traction in the active social media community, and also yields a useful photo library for Council's communications team.	
Mosman Art Collection - Art Storage Facility	100%	Construction and fit out of the new storage facility was completed in May 2019, with artworks progressively relocated to the new facility.	
Mosman Art Collection Security Upgrade	75%	SmartTrak system has been purchased by Council and training of Gallery staff in the system has been completed. Around 65% of the collection has now been RFID tagged and linked to the system.	

eLibrary Project	95%	<p>A total of 22 special robotics and coding classes were conducted for children and teens over 2018/19.</p> <p>The eKiosk is operational and is located in the Mosman Room. It features Local Studies images and websites such Doing Our Bit and Mosman Memories of Your Street. It will be used in 2019/20 to display Local Studies images and resources as part of regular exhibition schedule.</p> <p>The Gizmo Hand Held devices have been delivered and will be used by Library staff in the provision of customer service in 2019/20.</p> <p>The Shorelink App was delayed due to technical issues with AIT and Solus and is scheduled to be operational in August 2019.</p>	
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STRATEGIC DIRECTION 3

An Attractive and Sustainable Environment

QUARTERLY/ANNUAL PERFORMANCE INDICATORS





Indicator	Annual Result	Comments
% Project Milestones achieved - Attractive and Sustainable Environment	75%	A sound annual result reflecting some milestones missed by a small margin but strong overall project completion rates. Targetted milestone completion for 2019/20 is 90%.

ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Residents satisfied with cleaning of streets	7.54	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents satisfied with Council keeping food premises safe	8.01	
% Residents satisfied with litter control and rubbish dumping	7.47	
% Residents satisfied with management and protection of the environment	7.56	
% Residents satisfied with overall cleanliness, appearance and management of public spaces	7.85	
% Residents satisfied with provision and maintenance of parklands including bushland, harbour foreshores, local parks and bushland trails	7.90	
% Residents satisfied with waste and recycling collection services	7.20	

PROJECTS

Project	Annual Progress	Comments	Status
SQID Upgrade Program	100%	The planned SQID upgrade program for the 2018/19 financial year has been completed.	

Project	Annual Progress	Comments	Status
Balmoral Jetty Upgrade	100%	Consultants completed the detailed designs and RMS endorsed the proposed Balmoral Jetty upgrade works. Commenced preparation of the tender documentation to call tender early in the financial year 2019/20. The schedule is to engage a contractor to complete the works by November 2019.	
Marine Works Program	100%	The Balmoral Baths Swimming Board project has been completed and is operational. Shark nets at both Balmoral and Clifton Garden baths were inspected and repaired twice during the financial year.	
Stormwater Works Program	100%	The Marsala Street stormwater upgrade works and other identified works have been completed.	
Waste and Recycling Program	100%	<p>A six page recycling and waste education spread was published in the Mosman Daily in July 2018 and a waste calendar distributed in December 2018. E-waste and mattress recycling events were completed in August 2018 and February 2019. MUD's program is complete and all bins within MUD's in Mosman have been stickered to direct resident waste types to correct bins. Education and audit project of MUD's was initiated with 20 unit blocks targeted. The project included the red tagging of bins with contamination and green tagging of bins with no contamination.</p> <p>Pop up waste avoidance activities and stalls were undertaken at Clifton Gardens, Clean-up Australia Day completed March 2019 at Spit West and Rosherville, Bye Bye Plastic program complete and Better Business Partnership program complete in regards to education of cafes on disposal cups and single use plastics.</p>	



STRATEGIC DIRECTION 4

An Informed and Engaged Community

QUARTERLY/ANNUAL PERFORMANCE INDICATORS




Indicator	Annual Result	Comments
% Project Milestones achieved - Informed and Engaged Community	73%	A sound annual result reflecting some mid-year milestones missed by a small margin but strong overall project completion rates. Targetted milestone completion for 2019/20 is 90%.
% of Council meetings webcast	82%	The 2 April 2019 Council meeting was not webcast or archived due to technical issues.
No. of people accessing Council meeting webcasts	89 live views 321 archived views	The 2 April 2019 Council meeting was not webcast or archived due to technical issues.
No. Website visits and page views per annum	390,156	Traffic to the websites is steady and continues to grow, approaching 100,000 web sessions/visits and 170,000+ page views per quarter. Total figures for 2018/19 are 390,156 web sessions/visits and 712,901 page views – up from 365,512 web sessions/visits and 678,038 page views in 2017/18.
Total no. of downloads - MyMosman app	1395	MyMosman app downloads steadily maintained over the year, with total downloads for the year of 1395 and cumulative total at 30 June 2019 of 5,913.
Total no. of downloads - Park Mosman app	669	Park Mosman app downloads steadily


Indicator	Annual Result	Comments
		maintained over the year with total downloads for the year of 669 and cumulative total at 30 June 2019 of 4,077.

ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Residents satisfied with access to Council information and support	6.88	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents satisfied with Council engaging (consulting) with the community	6.32	

PROJECTS

Project	Annual Progress	Comments	Status
Digital Application Upgrades	100%	Scout recruitment and DA booking calendars were introduced in the first half of the year. The MyMosman app underwent significant development and upgrades during 2018/19 including migration to a native platform, React, and preliminary work for further improvements to functionality in 2019/20 including notifications and in-app surveying. Mosman Council's main website has also been reviewed with a view to updating the content and migrating to a new CMS.	
Free Public Wifi	100%	Successful go live for Phase 1 of this project. Community take up rate increasing each month.	
Open Data and Digitisation Project	15%	Priority given to digitisation of microfiche and microfilm containing historic development application files. Trials have commenced in this regard. Little progress with digitisation of paper files due to lack of workspace	

Project	Annual Progress	Comments	Status
		associated with Civic Centre refurbishment. Work on sourcing and assessing a community portal to commence soon.	
Expanded Community Engagement Technology Platforms	100%	Over the course of the year Council reviewed consultations and EngagementHQ widget and tool options, and conducted regular individual and group training to improve usage. The use of EngagementHQ across Council and by the community continues to improve. Preliminary work has also been done to the MyMosman app to enable push notifications, which can be used to engage residents in consultations.	



STRATEGIC DIRECTION 5

A Business-Friendly Community with Sound, Independent Civic Leadership

QUARTERLY/ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Project Milestones achieved - Business-Friendly Community with Sound, Independent Civic Leadership	96%	An excellent annual result for this Strategic Direction.
% Project Milestones achieved overall	84%	A good result overall for the year across all Strategic Directions. Targeted milestone completion for 2019/20 is 90%.
% statutory obligations not met	0%	No items of non-compliance identified. All statutory reporting and returns completed and lodged on time.
No. of complaints received	44	The total number of complaints received during the year represented a 17% decrease on the number of complaints received in 2017/18.
No. of complaints regarding non-adherence to Council's Customer Service Charter	19 potential / 6 proven	Two complaints were received in Q4 that concern alleged non-adherence to Council's Customer Service Charter however there were no resolved complaints in Q4 that were determined to be a proven non-adherence. There was an error in reporting the Q2 data - one complaint was a proven non-adherence whilst there were six potential instances of non-

Indicator	Annual Result	Comments
		adherence, so Q2 for this indicator should have been six rather than one. Annually, there were 19 potential instances of non-adherence and six proven instances which were addressed in the response to the complainants.
No. of complaints resolved	40	Three complaints received in Q4 and one complaint received in Q2 remains outstanding.





ANNUAL PERFORMANCE INDICATORS



Indicator	Annual Result	Comments
% of budgeted capital works achieved per annum	98.6%	This is considered an excellent result, with \$13.7million in capital works completed during the year.
% Residents satisfied with Council advocacy on matters impacting on Mosman and neighbouring areas	6.70	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents satisfied with Council assisting economic development with the business community and visitors	6.27	
% Residents satisfied with Council leadership on matters important to the community	6.42	
% Residents satisfied with Councillor performance	6.70	
% Residents satisfied with overall delivery of Council services	7.10	
% Residents satisfied with staff performance	7.73	
Annual energy consumption for all Council operations per capita	65.3 kWh	Overall, electricity consumption and total greenhouse gas emissions fell marginally by the year, with a

Indicator	Annual Result	Comments
		marginal increase in gas consumption.
Annual water consumption for all Council operations per capita	2.35 kL	Council's overall water consumption for the year fell slightly on 2017/18 consumption, representing an overall reduction of approximately 2,500kL.
Budget performance - actual operating result compared to budget	Council's actual year-end (surplus) operating result before capital grants and contributions was \$2.9million compared to a projected surplus operating results before capital grants and contributions of \$609,000 at the beginning of the financial year.	The improved year-end operating result reflects a range of factors, the most significant single factor being the fair value increment for commercial properties in Mosman
Infrastructure Renewal ratio - Amount spent per annum renewing assets divided by depreciation or loss of value	184.88%	This ratio reflects well against the benchmark of 100% and highlights another year of strong performance in the delivery of capital programs. Council's Infrastructure Backlog Ratio has remained steady at 1.03%.
Level of Staff Satisfaction and Wellbeing	In Council's 2019 employee engagement survey, Council received a score of 76% for Passion and 76% for Progress	Results indicate significantly higher levels of staff satisfaction and wellbeing at Mosman Council compared with the 'All Council Average' statistics being 76% for passion and 76% for progress, compared with the all Councils result of

Indicator	Annual Result	Comments
		73% and 55% respectively.
Percentage of waste generated from Council's open space areas and street sweeping activitiesdiverted from landfill	33.30	Improvements to recyclable sorting procedures at Council's works depot in February 2019 are improving diversion rates from landfill.
Days lost per Work Health and Safety incident	The average number of days lost per WHS incident was 9.	This result reflects only three WHS incidents in total, one of which resulted in the loss of more than 4 working weeks. The average of 9 days lost compares with an average of 7 days lost in 2017/18.
Total no. days lost due to Work Health and Safety incidents	There were 27 days lost due to work health safety incidents.	This figure compares with 14 days lost in 2017/18.
Total tonnage of waste generated from Council's open space areas and street sweeping activities	602	High amount of waste due to waste generated by Council Depot and Civic Centre renovation works.

PROJECTS

Project	Annual Progress	Comments	Status
Civic Centre Refurbishment	100%	All works were completed on time and on budget by 31 December 2018.	
Digital Strategy	100%	Project completed.	
Customer Experience Improvement Project	100%	Project was completed January 2019	
Signage Digitisation Project	60%	Council has issued owner's consent and the developer has lodged an	

Project	Annual Progress	Comments	Status
		application for modification of consent (8.2009.343.4) to permit digital advertising. A draft replacement Voluntary Planning Agreement (VPA) has been prepared in consultation with Council's lawyers. Council has given notice of the proposal to enter a replacement VPA pursuant to the provisions of the Environmental Planning and Assessment Act and concurrently with the modification DA.	
VPermits	100%	Grace period for 2018/2019 foreshore permits granted until 31 July 2019 3196 - vPermits Foreshore Parking Permits issued as at midnight 30 June 2019 7901 - vPermits Foreshore Parking Permits issued as at midnight 31 July 2019	
Information Technology Upgrade Program	65%	Milestone 3 complete with 65% of projects planned completed. Remaining Milestone 4 projects not commenced and re-scheduled for the 2019/20 financial year.	



STRATEGIC DIRECTION 6

Well Designed, Liveable and Accessible Places

QUARTERLY/ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Project Milestones achieved - Well designed, liveable and accessible places	85%	A good result for the year, with several major capital works projects and programs delivered.
% overstays in Council car parks	8%	The data suggests a decline in overstays.
Average duration of stay - Council car parks	99min	The average duration of stay in Council carparks has remained relatively constant.
Mean gross time for DA determinations	102 days	The result over the year indicates a small upward trend in the mean gross determination time. This is reflective of the large volume of applications reported to the MLPP (21%) and local development pressure. Note that this is raw data only and does not account for 'stop the clock' provisions.
No. of DA related legal appeals	8	There has been an upward trend in the number of Appeals lodged. This appears to be a common theme amongst councils across Sydney.
No. of DAs determined	366	The total number of applications determined in the reporting period increased by 10% compared with previous year.

Indicator	Annual Result	Comments
No. of DAs over 90 days	54%	The percentage of applications over 90 days is unchanged from the previous year however the total volume of applications has increased by 10%. This coupled with the 21% high volume of applications reported to the Mosman Local Planning Panel has impacted the yearly result.
Total no. of unnecessary signs removed under Council's signage program	147	An average of 37 signs were removed during each quarter of 2018/19
Utilisation rates - Council car parks	82%	There were no significant differences in car parking space utilisation rates observed during the year.
Value of DAs lodged (construction)	\$364,784,247	The total value of approved development has increased by 2% in this reporting year compared with the previous.


ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% programmed road renewal works completed per annum	80%	Road renewal works on Bradleys Head Road, Athol Wharf Road, Civic Lane Shard Zone and Spit East Streetscape works were completed. Road repair works on MacPherson Street, Stanley Street, Central Avenue, and Milner Street were also undertaken. During the 2018/19 financial year significant





Indicator	Annual Result	Comments
		road related MOSPLAN projects such as the Rangers Avenue Roundabout and Mosman Junction upgrade works were also completed.
% programmed seawall renewal works completed per annum	N/A	No seawall renewal works were programmed during 2018/19
% Residents satisfied with condition of public toilets	6.66	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents satisfied with development approvals process	5.71	
% Residents satisfied with enforcement of parking restrictions	5.97	
% Residents satisfied with managing development - land use planning	6.31	
% Residents satisfied with overall cleanliness, appearance and management of public spaces	7.85	
% Residents satisfied with protection of heritage values and buildings	7.17	
% Residents satisfied with providing and maintaining bike paths	5.54	
% Residents satisfied with providing and maintaining footpaths	6.35	
% Residents satisfied with providing and maintaining local roads	6.68	
% Residents satisfied with provision of car parking	6.11	
% Residents satisfied with traffic management	5.99	
Metre of footpaths constructed or renewed	520 metres	Footpath renewal works were undertaken along Want Street, Military Road, Balmoral Promenade, Plunkett Road, Archer Street, Lenox Street, and Wolseley Road. Kerb and gutter renewal works were

Indicator	Annual Result	Comments
		undertaken along Want Street and The Esplanade.
Metres of roadway constructed or renewed	1,790 metres	During 2018/19 significant repair/renewal works were undertaken mainly on Bradleys Head Road, Athol Wharf Road, Civic Lane Shard Zone, Stanley Street, Central Avenue, and Milner Street.
No. metres of marked bike paths in Mosman	500 metres	During the 2018/19 financial year bike path works were carried out on Spit East, Awaba Road, Moruben Road, Belmont Road and Bradleys Head Road
No. metres of stormwater pipes renewed per annum	140 metres	140 metres of stormwater pipe work were undertaken including significant stormwater infrastructure improvement works at Marsala Street
No. of (off street) public car parking spaces	687 spaces	Details of all off street car parks are provided on Council's website.
No. of traffic accidents reported on local roads per annum	66	The data available from the RMS is only up to 2017. It is noted that the total number of crashes in 2017 was lower than the number of crashes in 2016 as well as the last 5-year average of 75 recorded crashes.

PROJECTS

Project	Annual Progress	Comments	Status
Raglan Street West Carpark	100%	Council at its meeting on 5 March 2019 considered a report providing	

Project	Annual Progress	Comments	Status
		an update on options for development of the Raglan Street West Carpark and resolved that no further action be taken. As Council has now determined the policy direction on this proposed development, this Project is now concluded.	
Mosman Junction Pedestrian Plaza	100%	The project completed fulfilling the scope as per the schedule	●
Expanded decorative lighting in retail/civic precincts	100%	Ausgrid power supply at Military and Belmont Road intersection was established and signed off. Works to upgrade the street tree lights at Centenary Circle and near Post Office on Military Road completed and operational. Design works for lighting of the Mandolong Road / Military Road intersection commenced and the works planned for 2019/20 financial year.	●
Public Domain Strategy	85%	Public Domain Strategy draft document is completed and being reviewed.	●
Signage Program Implementation	100%	Sign locations confirmed and priority sites identified. Sign design completed and installation of nine small and three large new signs at Balmoral, Sirius Cove, Clifton Gardens and Inkerman Street Wharf.	●
Rangers and Park Avenue Roundabout	100%	Works completed in February 2019 ahead of schedule.	●
Building Works Program	100%	The Esplanade shade structures installation was completed in May 2019. Bathers Pavilion structural, roof and window condition assessments were completed and remediation works scheduled to be undertaken during the 2019/20 financial year.	●

Project	Annual Progress	Comments	Status
Footpath Works Program	100%	Identified footpath works for the financial year 2018/19 have been completed. During the fourth quarter the footpath works on The Esplanade were completed, together with minor works on other roads and paving works near Spit Junction.	
Roadworks Program	100%	Road works scheduled for the financial year 2018/19 have been completed	
Retaining Wall Program	100%	Scheduled consultancy and minor retaining wall works completed.	
Car parking Program	15%	This matter was deferred until Council makes a determination on the use of technology for enforcement. The use of parking technology for enforcement was reported to Council in June and July 2019.	



STRATEGIC DIRECTION 7

A Healthy and Active Village Lifestyle

QUARTERLY/ANNUAL PERFORMANCE INDICATORS





Indicator	Annual Result	Comments
% Project Milestones achieved - Healthy and Active Village Lifestyle	86%	A good overall result, with all milestones achieved on time in three quarters of the year.
Average no. ovals bookings per week	62	Middle Head Oval upgrade completed and available for bookings during Q4. Rawson Oval subject to some maintenance during Q4 and unavailable so bookings were down during that period.
No. of users per annum - Marie Bashir Mosman Sports Centre	An average 22.5 organisations booked 2,718.75 hours	Usage of the centre remained consistent across the year.
No. users per annum - Mosman Swim Centre	157,457	Annual visitation to the Swim Centre was marginally up on the previous year.
Utilisation rate - Council ovals	47.4%	Overall utilisation of Council ovals improved over the course of the year.


ANNUAL PERFORMANCE INDICATORS

Indicator	Annual Result	Comments
% Residents satisfied with sport and recreational facilities	7.28	All resident satisfaction scores are derived from the 2018 Mosman Community Survey and represent a mean score out of 10. The next Community Survey will be conducted in 2020.
% Residents who feel safe in their local community	9.00	

Indicator	Annual Result	Comments
% users satisfied - Sporting fields	80%	Based on 2017-18 figure. Sporting Clubs have not responded well to request for completion of survey. New survey to be rolled out for 2019-20 period.

PROJECTS

Project	Annual Progress	Comments	Status
Allan Border Oval Pavilion and Landscape Project	100%	The development application was lodged following the design refinements.	
Middle Head Oval Turf Improvement Project	100%	Middle Head Oval turf improvement project was completed in February 2019. The oval remediation works included soil restoration, installation of a new automated irrigation system and new turf. The oval has been used since late February and playing surface quality is excellent.	
Mosman Swim Centre Refurbishment	100%	The items of works requiring refurbishment have been established and areas needing specialist consultant input have been identified. In the financial year 2019/20 consultants will be engaged to elaborate on the scope of works and prepare specifications to call tenders for the Swim Centre refurbishment works. The refurbishment works are scheduled during 2020/21 financial year.	
Open Space Works Program	100%	Balmoral outdoor fitness equipment and BBQ's at Sirius and Rosherville Reserves installed. Sportfield renovation works complete and several public gardens have been upgraded including Hampshire Park. Don Goodsir step upgrade works complete and Rawson Park additional outdoor fitness equipment installation completed, together with the 2019 Street Tree	

Project	Annual Progress	Comments	Status
		planting works where 301 advanced street trees were planted.	
Active Transport Cycle Works	100%	Scheduled bike path works completed.	

Section Two

Statutory and Other Information

1. MAYORAL AND COUNCILLOR FEES AND EXPENSES

The following fees and expenses with regard to the Mayor and Councillors were paid during 2018-19:

Details	\$
Mayoral allowance	43,150
Councillors' fees	138,530
Catering and receptions	10,342
Delegates expenses	8,359
Travelling	780
Telephony expenses	3,927
Mayoral Discretionary Fund (Cl.1.1 Expenses Policy) <ul style="list-style-type: none">▪ Lions Club of Manly (\$600)▪ Relief Donation for Drought Funding (\$236)▪ Balmoral Swim for Cancer (\$1,000)▪ Taldumande Youth Services (\$1,000)▪ Lions Need for Feed Event (\$250)	3,086
TOTAL	208,174

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 earlier under the heading Councillor Attendance at Meetings and Workshops.

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.

Councillors are provided with tablet devices (six Councillors) and multi-function printers (two Councillors) on a loan basis during the year. Consumables for printers and facsimile machines on loan are provided on request. A desk-top computer and printer are also available for Councillor's to use in the Councillors' Lounge.

The "Policy for the Payment of Expenses and Provision of Facilities to Mayor and Councillors" is available on Council's website at www.mosman.nsw.gov.au.

2. SENIOR STAFF

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

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

The total amount of money payable in respect of the employment of senior staff during 2018-19 amounted to **\$954,223**

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 (inc. salary sacrifice) (\$)	Superannuation (Council contribution) (\$)	Car allowance (\$)	Total (\$)
General Manager	270,976	25,743	8,580	305,299
Senior Staff ¹	571,182	54,213	23,529	648,924
Total	842,158	79,956	32,109	954,223

¹ Director Community Development, Director Corporate Services and Director Environment and Planning.

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

There were no overseas visits during 2018-19 by Councillors or other persons representing Council other than the Director Environment and Planning who presented at the New Zealand Parking Association conference in 2018 for which there was no cost to Council.

4. EQUAL EMPLOYMENT OPPORTUNITY MANAGEMENT

The review and update of the Equal Employment Opportunity Management Plan was completed and adopted by the General Manager in June 2018.

Council's Employment Website and Learning Management system was updated in June 2019 to support a number of initiatives around access to equal employment arising out of the Equal Employment Opportunity Management Plan and the inclusion of removing barriers to employment addressed in the 2017-2021 Disability Inclusion Action Plan.

This included:

- The provision of training to all staff in EEO and Code of Conduct to inform staff about standards of behaviour expected in relation to the management of equal employment opportunity
- Requesting applicants for positions with Council to inform us of any special requirements to assist applicants for interview
- Inclusion of a statement to form part of advertising employment opportunities 'Mosman Council is committed to the principles of Equal Employment opportunity'
- Council's commitment to the principles of Equal Employment Opportunity with respect to providing a work environment fostering fairness, equity, social and cultural diversity and inclusion

5. CONDITION OF PUBLIC WORKS

Stormwater Drainage

Council's Stormwater Asset Management Plan (SWAMP) were adopted in 2013. This involved a valuation of the stormwater network and included CCTV investigation of 15% of the network – over 9km. In 2018-19, Morrison Low completed a revaluation of stormwater assets including condition inspections of 370 stormwater pits and a review of all the closed conduit CCTV data captured since 2014. The sample accounted for 20% of all the Council's stormwater assets.

The SWAMP provides an objective method of assessing the conditions of the stormwater assets and forming a priority list of works. This plan is updated each year with capital works and ongoing inspections

In 2018-19 capital and maintenance works for stormwater included jetting to remove sediment built-up of closed conduits, remediation of open drains, various pits and lintel renewals and drainage improvement works along Awaba Street, Marsala Street and Carroll Lane.

Stormwater Pollution Control and Stormwater Reuse Scheme

In June 2000 Council adopted the Community Environmental Contract (CEC), which was a program of environmental works including retro-fitting Stormwater Quality Improvement Devices (SQID) to the existing drainage network. The 36 SQIDs installed filter stormwater from over 90% of Mosman's catchments.

Council continues to allocate funding for the maintenance of these SQIDs. During the year, work on SQIDS included cleaning and auditing for condition and performance. SQIDs at Cowles Road, Spit West and Pearl Bay were upgraded to increase the operational performance.

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 2017-18
Stormwater Drainage Assets, including SQID	\$578,000	\$242,000	\$607,724

Road Assets

The Road Asset Management Plan (RAMP) was developed in 2010 following a comprehensive condition survey and valuation of all Mosman's road assets. Road assets include roads, kerb and gutter, footpaths, street furniture, traffic control devices such as roundabouts and refuges, linemarking, signs and retaining walls. The RAMP provided Council with a 10 year capital works program and identified a list of priority maintenance works. It is updated each year with capital works and inspections. In 2017-18 a comprehensive condition survey and valuation was again undertaken by external valuers.

Works undertaken on road assets in 2018-19 included road and footpath renewal on Spit East, Rangers Avenue roundabout, Archer Road footpath, Milner Street ,Bradleys Head and Athol Wharf Road resurfacing.

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 2016-17
Road Assets	\$1,794,000	\$1,458,000	\$6,867,373

Marine Structures

A comprehensive valuation and condition inspections were undertaken on marine assets in 2017-18. Given the small number of assets in this category, full condition audits are undertaken each year and the asset management plans updated.

The significant investment over the years in marine structures through the CEC program and Infrastructure Levy has resulted in the assets being in good condition. However, given the short useful life of many of the marine assets especially shark nets, continued investment is required to ensure they are maintained.

In 2018-19 Council undertook works on the shark nets at Balmoral and Clifton Gardens, and the replacement the Balmoral Baths Turning Boards.

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 2016-17
Marine Assets	\$125,000	\$17,000	\$ 592,195

6. CONTRACTS

Details of contracts awarded during 2018-19 (other than employment contracts and contracts for less than \$150,000) follow. Prices are exclusive of GST.

Activity (Tender No.)	Contractor	Date Awarded (Item No.)	Term of Contract	Tender Price \$
Food Services Contract (Provision of pre-packed meals and prepared food). Three year extension from 21 December 2018	Master Catering Pty Limited	7 August 2018 (CD22)	3 years	\$300,000.00
Design and Construction of Childcare Centre, Balmoral Park (T-EP-18/01) ¹	FHSI Architects Pty Limited and Modscape Holdings Pty Limited	7 August 2018 (EP/41)	18 months	\$1,800,000.00
Civic Centre Refurbishment Project (T-EP-18/06)	Intermain	7 August 2018 (EP/42)	6 months	\$3,675,000.00
Middle Head Oval Playing Surface Redevelopment (T-EP-18/05)	Renworx Pty Limited	7 August 2018 (EP/43)	6 months	\$424,027.38
Street and Gutter Cleaning 2018-2028 (T-EP-18/04)	Roadworx Group (Sections 1,3, 4 and 5 works)	7 August 2018 (EP/44)	10 years	\$734,706.41 per annum
	TJ and WL Wescon (Section 2 works)			\$298,170.84 per annum
Turf Management and Associated Works Contract 2017-2022 – First Year Review. Two year extension from 1 September 2019	Edge Greenkeeping (Component 1)	7 August 2018 (EP/45)	2 years	\$150,087.00
	Citywide Service Solutions (Component 2)			\$126,604.00
Waste and Recycling Services Contract 2016-2018 – Contract Review. Renewal for a further one year from 1 October 2018	United Resource Management	4 September 2018 (EP/54)	1 year	\$1,990,030.12

Activity (Tender No.)	Contractor	Date Awarded (Item No.)	Term of Contract	Tender Price \$
Spit East Streetscape Upgrade Civil Works and Street Furniture (T-EP-18/08)	QMC Group	2 October 2018 (EP/57)	6 months	\$1,440,000.00
Park Avenue and Rangers Avenue Roundabout Construction (T-EP-18/09)	Ally Property Services Pty Limited	13 November 2018 (EP/64)	3 months	\$229,216.75
Tree Management and Associated Works Contract 2017-2022 – First Year Review. Two year extension from 18 December 2019	Australian Urban Tree Service (Street Tree Management Program)	4 December 2018 (EP/68)	2 years	\$203,979.60
	Australian Urban Tree Service (Park Tree Management Program)			\$60,164.88
Lease of the Balmoral Bathers' Pavilion 2020-2039 (T-CS-19/01)	The Bathers' Pavilion Pty Limited	7 May 2019 (CS/8)	20 years	\$10,300,000.00
Waste Disposal – Contract 2013/116 to Receive and Process and/or Dispose of Municipal Solid Waste from the SHOROC Councils. One year extension from 1 July 2019	Suez Australia	7 May 2019 (EP/12)	1 year	\$1,809,000
Bushland Restoration Contracts - Seventh Year Review. Three year extension from 1 June 2019	Waratah Eco Works (Port Jackson and Middle Harbour West catchments)	7 May 2019 (EP/13)	3 years	\$106,997 and \$100,498 respectively
	Australian Bushland Restoration (Middle Harbour East catchment)			\$117,818

1. Council resolved 7 May 2019 (GM/2) not to proceed with this project.

7. LEGAL COSTS AND EXPENSES

The costs for 2018-19 referred to in this statement are those direct third party payments in relation to legal proceedings. Costs associated with staff to progress these matters and attend court are not included as they are considered to be part of normal duties.

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

Land and Environment Matters

Property	Development Application No.	Status	Consistency with Staff Recommendation	Cost \$
7 Royalist Road	8.2007.369.4	Approved	Yes	3,577.51
9 Burran Avenue	8.2014.233.3	Approved	Yes	8,117.11
3A Avenue Road	8.2015.220.2	Approved	Yes	25,937.63
49 Moruben Road	8.2016.212.1	Approved	Yes	7,926.01
24-26 Boyle Street	8.2017.47.1	Refused	Yes	7,413.58
14 Bapaume Avenue	8.2017.131.1	Approved	Yes	25,373.25
17A Awaba Street	8.2017.142.1	Approved	Yes	44,458.58
62 Wyong Road	8.2017.144.1	Approved	Yes	15,293.91
26 Musgrave Street	8.2017.148.1	Discontinued	NA	712.51
65 Glover Street	8.2017.178.1	Approved	Yes	6,725.15
4 Parriwi Road	8.2017.232.1	Approved	Yes	20,761.13
3 Sirius Avenue	8.2017.258.1	Pending	NA	11,540.04
8 Burton Street	8.2018.15.1	Approved	Yes	5,959.01
29 Congewoi Road	8.2018.33.1	Discontinued	Yes	1,176.91
10 Erith Street	8.2018.50.1	Pending	NA	3,604.73
216 Raglan Street	8.2018.56.1	Approved	Yes	7,661.04
28 Cowles Road	8.2018.108.1	Pending	NA	4,071.01
236A Raglan Street	8.2018.200.1	Approved	Yes	9,156.67
2 Ida Avenue	8.2019.9.1	Pending	NA	8,243.42

Total Legal Costs

217,709.20

Other Legal Costs

Activity	Cost \$
Finance (rate and debtor matters cost generally recoverable)	51,773
Governance legal fees (including property management, risk management and GIPA)	86,463
Domestic Waste Management	4672
Other Environment and Planning legal fees (trees and compliance)	112,475
Total	242,731

Total Legal Costs

473,092

During 2018-19, three matters were referred for mention or were defended hearings in the Local Court.

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

8. PLANNING AGREEMENTS

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

- who has sought a change to an environmental planning instrument, or
- who has made, or proposes to make, a development application, or
- 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 developer made the appropriate payment to Council. 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 2019 to 17 June 2020 was \$484,575.77. The developer paid the contribution to Council and allocated for infrastructure expenditure in the 2018-19 financial year. Infrastructure works amounting \$371,307 funded by the contribution include:

- Mosman Junction Pedestrian Plaza
- Rangers Road and Park Avenue Roundabout and Associated Works

The balance of the contribution paid in the 2018-19 financial year is restricted as unspent contributions for future infrastructure expenditure.

9. APPROVED SPECIAL RATE VARIATION EXPENDITURE

The Independent Pricing and Regulatory Tribunal approved 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.

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

The attached Annual Financial Reports for the year ending 30 June 2019 (see Section 3) discloses the capital renewal expenditure in Note 10a to the Accounts whilst Report on Infrastructure assets as at 30 June 2019 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

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 the reductions in rates and charges for eligible pensioners. Council must write off the amount of rates and charges reduced. Clause 132 of the *Local Government (General) Regulation 2005* requires details of rates and charges to be included in the annual report.

During 2018-19 Council wrote off pensioner rates and charges of \$109,606 and \$48,707 respectively.

11. PRIVATE WORKS

There were no works carried out on private land during 2018-19.

12. DONATIONS AND SUBSIDIES

Council made no donations and subsidies under section 356 of the *Local Government Act 1993* during 2018-19.

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 2018-19 was \$70,000.

Council determined a report on allocations made in response to applications submitted by community organisations for financial assistance under Council's 2018-19 Community Grants Program on 7 August 2018.

13. EXTERNAL BODIES EXERCISING FUNCTIONS DELEGATED BY COUNCIL

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

14. COMPANIES IN WHICH COUNCIL HELD A CONTROLLING INTEREST

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

Kimbriki Environmental Enterprises Pty Limited (ACN 136 789 261) was created effective 1 July 2009 to operate the Kimbriki Recycling and Waste Disposal Centre. Mosman Council (3.84%) and Northern Beaches Council (96.16%) are shareholders in the Company.

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 now resolved amalgamation proposal for Mosman, North Sydney and Willoughby Councils.

15. PARTNERSHIPS, CO-OPERATIVES & JOINT VENTURES WHICH THE COUNCIL WAS A PARTY

Internal Audit, North Shore Councils

Mosman Council is a party to an agreement between Hunters Hill, Ku-ring-gai, Lane Cove, North Sydney and Strathfield councils to operate an internal audit function for the purpose of improving the effectiveness risk management, control and governance processes of the respective Councils. All Councils share the management and cost of the internal audit services provided under the agreement.

Northern Sydney Regional Organisation of Councils (NSROC)

Following the proclamation of Northern Beaches Council amalgamating Manly, Pittwater and Warringah council areas on 12 May 2016, the Shore Regional Organisation of Councils (SHOROC) became a two member regional organisation of councils (ROC) comprising Mosman and Northern Beaches Councils. SHOROC was effectively redundant and Council at its meeting on 8 November 2017 resolved to withdraw membership of SHOROC and to join Northern Sydney Regional Organisation of Councils (NSROC). Council joined NSROC and participated in its first Board meeting and AGM on 9 November 2017.

NSROC is comprised of eight councils in the northern part of Sydney which have voluntarily come together to address regional issues, work co-operatively for the benefit of the region, and advocate on agreed regional positions and priorities. The eight member councils are Hornsby Shire, Hunters Hill, Ku-ring-gai, Lane Cove, Mosman, North Sydney, City of Ryde and Willoughby City. The objectives of NSROC as defined in the NSROC Constitution are as follows:

1. To strengthen the role of Local Government in regional affairs, particularly where the region may be affected by Commonwealth or New South Wales Government policies.
2. To ensure that as a region we are providing leadership and participating in the development of; sound urban infrastructure; economic infrastructure and employment opportunities.
3. To facilitate the integration of transport, human and environmental infrastructure projects that support opportunities that meet community and business needs.
4. To improve the quality and access to human services infrastructure.
5. To improve the quality and efficiency of Local Government service delivery throughout the Northern Sydney Region.
6. To ensure the organisation develops as a highly credible and cost-effective organisation

The NSROC Board meets four times a year and holds an annual one day conference. NSROC was established in 1986. It is an Incorporated Association governed by a Board established under its Constitution.

Shorelink co-operative library network

Mosman Council is a member of the Shorelink Co-operative Library Network together with the Councils of Lane Cove and North Sydney.

Shorelink provides the computerisation of all library and community information services.

16. COMPANION ANIMALS ACT AND REGULATION – GUIDELINES ON THE EXERCISE OF FUNCTIONS UNDER THE COMPANION ANIMALS ACT CL 217(1) (F)

Council Rangers 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 Rangers have the authority to manage issues relating to Companion Animals. This can include investigating dog attacks 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 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, Community Safety Officers are quick to attend and they may secure and impound the dog to avoid any safety concerns for our community.

We have quite high rates of dog ownership in Mosman Council Local Government area and our Officers want to make sure everyone is following the rules to ensure 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 2017/2018 financial year.

	Total Taken to the Pound 2018/2019	Surrendered to the Pound by Other Parties	Taken to Cremorne Vet by Council	Returned to their Home by Council
Dogs	13	0	13	15
Cats	3	7	3	0

	Released to Owners		Euthanased		Sold		Re-homed with Rescue Organisations	
Dogs	0	100%	0	0%	0	100%	0	0%
Cats	0	100%	0	0%	0	0	0	0%

Education

Council's Rangers attended Council's annual Pets Day Out along with hosting an education weekend. This education weekend was held over 3 days being the June 2019 long weekend.

Rangers handed out 250 merchandise bags.

The bags contained information on pet care, responsible pet ownership, free leads to encourage the safe walking of dogs in public, pet collars to encourage identification and pet toys for fun interaction that can reduce unwanted behaviour such as dogs barking.

Rangers educated residents of the importance of maintaining current and accurate microchipping records.

As part of the reminder to register companion animals, fact sheets on how to care for your animal also accompanying reminder letters.

A procedure that details the process for the investigation of barking dog requests has been revised so the Rangers can focus strongly on customer liaison to assist both the owner of the dog and the person affected by the barking noise. Actions shall be based on the ideal to achieve the most desirable outcome for the community.

Impounding Facilities

Council has a 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 2018-19 a total of 14 dog attacks were reported to the Office of Local Government.

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

A variety of action has been instigated by Councils Rangers in response to dog attacks and nuisance dog requests for the financial year, including the following:

Nuisance Orders issued	
Habitually at large in a public place	0
Endangers Health of a person/Animal	2
Dog Noise	0
Defecating	0
Total	0
Declarations of Dangerous Dog	
Attacks on Persons	0
Attacks on Animals	0
Used for the purposes of hunting	0
Total	0
Declaration of Menacing Dog	
Attacked an animal - no serious injury or death	0
Displayed unreasonable aggression towards a person or animal	4
Total	4

Council provide six Off-leash dog areas as follows:

- Rawson Park
- Lawry Plunkett Reserve (top of Plunkett Rd)
- 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)

A total of six Penalty Infringement Notices were issued for breaches of the *Companion Animals Act, 1998* of which:

Infringement	
Companion animal not registered as required	1
Fail to comply with prevention notice	0
Fail to comply with nuisance dog order	0
Owner failed to comply with dangerous dog control requirements	0
In charge of dog which rushes at/attacks/bites/harasses/chases any person/animal - not declared dangerous/menacing/restricted dog	
Owner of dog which rushes at/attacks/bites/harasses/chases- not declared dangerous/menacing/restricted dog	5
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	0

Funding

Funding for Council's Companion Animal Management is absorbed within the general Compliance budget. All Rangers vehicles have been fitted with Dog handling equipment, dog scanners to ensure timely and accurate scanning along with managing Rangers safety.

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 at a meeting of Council, the Swimming Pool inspection Program was adopted. The program requires Council staff to inspect properties with Swimming Pools and Spas under the following circumstances:

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

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

Inspections carried out on behalf of Council will be 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 NSW Department 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 LGA has approximately 2,300 swimming pools
2. Mosman LGA has 2,278 swimming pools registered on NSW State Register
3. Swimming pool barriers are very rarely compliant on first inspection. A number of inspections are normally required to ensure that the swimming pool barrier is compliant with the Act and Regulations

The Record of inspections for the financial year 2018-19 is as follows:

Inspections completed by Council	104
Number of pools registered on the NSW Register	2,278
Number of compliance certificate applications lodged	34
Referrals to Council from Private Certifiers as a result of non-complaint barrier	16

Whilst the number of inspection and application has reduced compared to last reporting year this is due to an increase in private E1- Swimming Pool Certifiers whom are appointed by an owner to inspect and issue certificates of compliance or non-compliance, rather than Council.

Updates to Legislation:

The Swimming Pools Regulation was revised in September 2018. The legislation made the following amendments and/or updates:

- Changes to wording on Resuscitation Charts including CPR instructions and active and responsible supervision requirements
- Lockable Spa Lids can be designed to fasten to spa or any other satisfactory location adjacent to the spa
- Requirement to display a Warning Notice during construction of new pools that seeks to prevent use of the pool until approved completion
- Introduction of additional fees for Council inspections on every pool inspection in lieu of a maximum of two inspections.

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.

Leading into the summer months, Council participated in the Keep Watch Summer Partnership with Royal Life Saving Society, in which Council was provided with Promotional Resources.

In line with the Royal Life Saving Society 'Be Pool Safe' campaign, 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), facts sheets and swimming pool checklists. Information has also been forwarded to the community through the Mosman daily and local media outlets.

Resourcing

Through a review of approval records and aerial photographs, a database has been developed by Council, which currently contains over 2300 properties with swimming pools.

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. The Code of Conduct Complaints Annual Report for 2018/2019 was reported to Council at its meeting held on 3 September 2019.

Council received one Code of Conduct complaint about Councillors or the General Manager during the reporting period 1 September 2018 to 31 August 2019.

The Office of Local Government has been provided with the following statistics for the reporting period:

Number of Complaints		
1a	The total number of complaints received in the period about councillors under the code of conduct	1
1b	The total number of complaints finalised in the period about councillors under the code of conduct	1
Overview of Complaints and Cost		
2a	The number of complaints finalised at the outset by alternative means by the General Manager	1
2d	The number of code of conduct complaints finalised at preliminary assessment by conduct reviewer	1
2h	The number of finalised complaints investigated where there was found to be no breach	1
2j	The number of complaints referred by the GM or Mayor to another agency or body such as the ICAC, the NSW Ombudsman, the Office or the Police	1
2l	The total cost of dealing with code of conduct complaints within the period made about councillors including staff costs	\$4,500
Preliminary Assessment Statistics		
The number of complaints determined by the conduct reviewer at the preliminary assessment stage by each of the following actions:		
3a	To take no action	1
3b	To resolve the complaint by alternative and appropriate strategies	1
Categories of misconduct		

The number of investigated complaints resulting in a determination that there was a breach with respect to each of the following categories of conduct:		
7a	General conduct (Part 3)	1
7b	Conflict of interest (Part 4)	1

All other statistics collected by the Office in its Model Code of Conduct Complaints collection form were a nil return.

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 2018-19 was submitted to both the Minister for Local Government and Information Commissioner.

Clause 8A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Yes
Information made publicly available by the agency	Yes

Diverse range of not publicly available information has been released through informal GIPA Act application processes. Council is currently reviewing and investigating an open data access facility.

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received	1 5
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Clause 8C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

	Wholly	Partly	Total
Number of Applications Refused	0	0	0
% of total	0%	0%	

Schedule 2 Statistical information about access applications to be included in annual report

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 appln	Refuse to confirm/deny whether info is held	Appln withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	0	0	0	0	0	0	0	0	0%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (application by legal representative)	1	6	0	1	0	0	0	0	8	57%
Members of the public (other)	3	3	0	0	0	0	0	0	6	43%
Total	4	9	0	1	0	0	0	0	14	
% of Total	29%	64%	0%	7%	0%	0%	0%	0%		

* 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 appl	Refuse to confirm/deny whether info is held	Appln withdrawn	Total	% of Total
Personal information applications *	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	4	9	0	1	0	0	0	0	14	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	4	9	0	1	0	0	0	0	14	
% of Total	29%	64%	0%	7%	0%	0%	0%	0%		

*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	% of Total
Application does not comply with formal requirements (section 41 of the Act)	1	100%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	1	100%
Invalid applications that subsequently became valid applications	1	100%

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act

	Number of times consideration used*	% of Total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	0	0%
Excluded information	0	0%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Privilege generally - Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	0	0%
Total	0	0%

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

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act

	Number of times consideration used*	% of Total
Responsible and effective government	3	25%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	8	67%
Business interests of agencies and other persons	1	8%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	12	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	12	92%
Decided after 35 days (by agreement with applicant)	1	8%
Not decided within time (deemed refusal)	0	0%
Total	13	

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

	Decision varied	Decision upheld	Total	% of Total
Internal review	0	1	1	100%
Review by Information Commissioner*	0	0	0	0%
Internal review following recommendation under section 93 of Act	0	0	0	0%
Review by NCAT	0	0	0	0%
Total	0	1	1	
% of Total	0%	100%		

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

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

	Number of applications for review	% of Total
Applications by access applicants	1	100%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	1	

Table I: Applications transferred to other agencies		
	Number of applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant-Initiated Transfers	0	0%
Total	0	

In addition to the above, 377 informal applications to access Council information were received, processed and granted 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 Ombudsman received the following information from Council during 2018-19:

Details	2018-19
Number of public officials who made public interest disclosures (performing their day to day functions)	0
Number of public interest disclosures received (made by public officials performing their day to day functions)	0
Of public interest disclosures received, how many were primarily about:	
▪ Corrupt conduct	0
▪ Maladministration	0
▪ Serious and substantial waste	0
▪ Government information contravention	0
▪ Local government pecuniary interest contravention	0
Number of public interest disclosures 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 2018-19:

- Email message to all staff
- Links on intranet site
- Links on internet site
- Messages in staff newsletters
- Messages in other publications
- Messages on bulletin board
- Posters
- Staff undertaking that they have read and understood your organisation's internal reporting policy
- Statement of commitment from the head of your organisation
- Training provided to new staff during induction

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.

Council last reviewed and adopted the Privacy Management Plan on 6 March 2018 to ensure legislative compliance and that its provisions reflect current procedures and best practice. Council received one minor privacy complaint during 2018-19 that was satisfactorily resolved.

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

22. FORMAL COMPLAINTS AND ACCOLADES

Council received 44 complaints during 2018-19 as formal complaints under Council's Complaints Management Policy and reporting system - down from 53 complaints in 2017-18.

The key statistics from management of formal complaints in the 2018-19 reporting period are:

	Number	%
Formal complaints received	44	-
Formal complaints resolved	40	91
Formal complaints unresolved	4*	9
Category 1 complaints received ¹	16	36
Category 2 complaints received ¹	24	55
Category 3 complaints received ¹	4	9
Complaints resolved within 5 days	17	43
Complaints resolved within 10 days	11	27
Complaints resolved in greater than 10 days	12	30
Department Community Development complaints	4	9
Department Corporate Services complaints	13	30
Department Environment and Planning complaints	25	57
Other complaints	1	2
Requests for an Internal Review of a complaint response	1	2
Notifications of referral to an external agency	1	-

* Three of the four received late in the year

1. Complaints are categorised as minor (category 1), behavioural or systematic (category 2), and serious (category 3)

Accolades referred to the Executive

Council also received 156 accolades during 2018/19 from customers who took the time to express in writing an acknowledgement and appreciation of exceptional service from staff.

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.

A Prevention of Fraud and Corrupt Conduct Plan support this policy and Council's Code of Conduct and Public Interest Disclosures Policy support reporting of breaches. The Mayor, General Manager, all Directors, Manager Human Resources and Manager Governance can receive public interest disclosures.

Council has an Audit Committee that 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.

24. CAPITAL EXPENDITURE REVIEWS

Council submitted no Capital Expenditure Reviews pursuant to the Office of Local Government Expenditure Guidelines.

25. CARERS RECOGNITION ACT 2010

Mosman Council receives no funding for any of its programs for carers and therefore has no reporting obligations under s 8(2) of the *Carers Recognition Act 2010*.

26. DISABILITY INCLUSION ACT 2014

Council has had a productive year implementing its Disability Inclusion Action Plan (DIAP). The Plan was designed and has been implemented as a whole of Council planning tool to build on Council's capacity to become a strongly inclusive community. All targets in the DIAP for the 2018/19 period were met and work continues. A copy of the report on achievements of the targets during the year has been submitted to the Minister for Disability Services pursuant to s 13(1) of the *Disability Inclusion Act 2014*.

Refer to Section 5 for the Disability Inclusion Action Plan 2017-2021.

Section Three

**Financial Reports for the Year ended
30 June 2019
including Auditor's Report**

Mosman Municipal Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2019

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



Mosman Municipal Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

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



General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

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

Civic Centre, Mosman Square, MOSMAN, 2088

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

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

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

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

General Purpose Financial Statements

for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their council and community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Mosman Municipal Council

General Purpose Financial Statements

for the year ended 30 June 2019

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

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

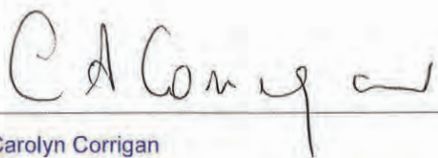
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

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

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

Signed in accordance with a resolution of Council made on 01 October 2019.



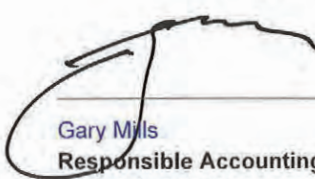
Carolyn Corrigan
Mayor
01 October 2019



Libby Moline
Councillor
01 October 2019



Dominic Johnson
General Manager
01 October 2019



Gary Mills
Responsible Accounting Officer
01 October 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Income from continuing operations				
<u>Revenue:</u>				
26,823	Rates and annual charges	3a	26,911	26,479
11,410	User charges and fees	3b	11,417	10,908
475	Interest and investment revenue	3c	424	508
5,171	Other revenues	3d	5,797	5,270
2,872	Grants and contributions provided for operating purposes	3e,3f	3,110	3,203
2,012	Grants and contributions provided for capital purposes	3e,3f	2,403	2,685
<u>Other income:</u>				
—	Fair value increment on investment properties	10	1,829	189
—	Net share of interests in joint ventures and associates using the equity method	16	132	155
48,763	Total income from continuing operations		52,023	49,397
Expenses from continuing operations				
18,882	Employee benefits and on-costs	4a	19,217	17,784
342	Borrowing costs	4b	338	402
14,949	Materials and contracts	4c	13,317	14,133
5,449	Depreciation and amortisation	4d	5,656	5,552
6,320	Other expenses	4e	7,307	6,511
200	Net losses from the disposal of assets	5	869	1,241
46,142	Total expenses from continuing operations		46,704	45,623
2,621	Operating result from continuing operations		5,319	3,774
2,621	Net operating result for the year		5,319	3,774
2,621	Net operating result attributable to council		5,319	3,774
609	Net operating result for the year before grants and contributions provided for capital purposes		2,916	1,089

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Net operating result for the year (as per Income Statement)		5,319	3,774
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9	(4,627)	34,470
Other comprehensive income – joint ventures and associates	16a	1	(5)
Total items which will not be reclassified subsequently to the operating result		(4,626)	34,465
Total other comprehensive income for the year		(4,626)	34,465
Total comprehensive income for the year		693	38,239
Total comprehensive income attributable to Council		693	38,239

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	11,861	11,993
Investments	6(b)	3,000	4,000
Receivables	7	3,130	4,575
Inventories	8a	73	134
Other	8b	38	59
Total current assets		18,102	20,761
Non-current assets			
Receivables	7	172	153
Infrastructure, property, plant and equipment	9	477,734	475,194
Investment property	10a	48,845	46,950
Intangible assets	11	235	252
Investments accounted for using the equity method	16	1,099	966
Total non-current assets		528,085	523,515
TOTAL ASSETS		546,187	544,276
LIABILITIES			
Current liabilities			
Payables	12	10,819	10,626
Income received in advance	12	653	612
Borrowings	12	1,598	1,383
Provisions	13	4,906	4,970
Total current liabilities		17,976	17,591
Non-current liabilities			
Borrowings	12	6,756	5,954
Provisions	13	308	277
Total non-current liabilities		7,064	6,231
TOTAL LIABILITIES		25,040	23,822
Net assets		521,147	520,454
EQUITY			
Accumulated surplus	14a	270,623	265,303
Revaluation reserves	14a	250,524	255,151
Council equity interest		521,147	520,454
Total equity		521,147	520,454

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2019

\$ '000	Notes	2019			2018		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		265,303	255,151	520,454	261,534	220,681	482,215
Net operating result for the year		5,319	–	5,319	3,774	–	3,774
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9	–	(4,627)	(4,627)	–	34,470	34,470
– Joint ventures and associates	16a	1	–	1	(5)	–	(5)
Other comprehensive income		1	(4,627)	(4,626)	(5)	34,470	34,465
Total comprehensive income		5,320	(4,627)	693	3,769	34,470	38,239
Equity – balance at end of the reporting period		270,623	250,524	521,147	265,303	255,151	520,454

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
<u>Receipts</u>				
26,813	Rates and annual charges		26,665	26,437
11,389	User charges and fees		12,751	10,885
487	Investment and interest revenue received		477	489
4,834	Grants and contributions		6,152	5,292
–	Bonds, deposits and retention amounts received		2,868	2,161
5,137	Other		8,302	7,936
<u>Payments</u>				
(18,365)	Employee benefits and on-costs		(19,279)	(17,614)
(14,916)	Materials and contracts		(15,784)	(17,034)
(346)	Borrowing costs		(349)	(391)
–	Bonds, deposits and retention amounts refunded		(2,147)	(2,330)
(6,320)	Other		(7,652)	(6,788)
8,713	Net cash provided (or used in) operating activities	15b	12,004	9,043
Cash flows from investing activities				
<u>Receipts</u>				
–	Sale of investment securities		23,000	36,000
–	Sale of infrastructure, property, plant and equipment		169	26
<u>Payments</u>				
–	Purchase of investment securities		(22,000)	(30,000)
–	Purchase of investment property		(66)	(66)
(11,458)	Purchase of infrastructure, property, plant and equipment		(14,256)	(9,768)
(11,458)	Net cash provided (or used in) investing activities		(13,153)	(3,808)
Cash flows from financing activities				
<u>Receipts</u>				
400	Proceeds from borrowings and advances		2,400	400
<u>Payments</u>				
(1,385)	Repayment of borrowings and advances		(1,383)	(1,282)
(985)	Net cash flow provided (used in) financing activities		1,017	(882)
(3,730)	Net increase/(decrease) in cash and cash equivalents		(132)	4,353
14,003	Plus: cash and cash equivalents – beginning of year	15a	11,993	7,640
10,273	Cash and cash equivalents – end of the year	15a	11,861	11,993
Additional Information:				
–	plus: Investments on hand – end of year	6(b)	3,000	4,000
10,273	Total cash, cash equivalents and investments		14,861	15,993

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 01 October 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

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

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 14.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of investment properties – refer Note 10
- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- (iii) employee benefit provisions – refer Note 13

Significant judgements in applying the council's accounting policies

- (iv) Impairment of receivables

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

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

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and 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 has been included in Council's financial statements.

(b) The Trust Fund

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

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

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

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$379,000 - refer Note 17.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Of these commitments, approximately \$307,000 relate to low value leases.

Both these lease types and amounts will continue to be accounted for as they currently are (being expensed on a straight-line basis within the Income Statement).

For the remaining operating lease commitments of \$72,000 Council anticipates it will recognise lease liabilities (on its balance sheet) of \$93,000 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) totaling \$72,000 on 1 July 2019. In addition Council will recognise a right of use asset in relation to street sweepers, used exclusively to deliver its Street and Gutter Cleaning contract, of \$519,000. A complimentary lease liability of \$528,000 will also be recognised.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will be approximately \$31,000 lower while net current assets will be \$226,000 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result not materially change for the 19/20 financial year as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$136,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

Council's activities as a lessor are not material and hence Council does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue 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.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

Council does not recognise rates received in advance as income. Council receives several operating grants that are acquitted in the grant year. Council these for does not expect AASB 15 to have a material impact.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

(e) a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

Council currently recognizes capital grants as income as they are granted with unspent grants disclosed as externally restricted cash. The specific impacts of AASB1058 for Council are impossible to quantify as it is not known in advance which grants will be unspent in future years

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

Notes to the Financial Statements

for the year ended 30 June 2019

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

Income, expenses and assets have been directly attributed to the following functions or activities.
Details of those functions or activities are provided in Note 2(b).

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
A Caring and Inclusive Community	2,030	2,042	3,071	3,122	(1,041)	(1,080)	1,028	1,037	14,782	11,149
A Culturally Rich and Vibrant Community	1,039	821	4,352	3,939	(3,313)	(3,118)	171	402	19,627	18,918
An Attractive and Sustainable Environment	7,320	6,889	8,458	7,657	(1,138)	(768)	72	–	96,100	94,416
An Informed and Engaged Community	262	5	946	783	(684)	(778)	–	–	7	9
A Business Friendly Community with Sound, Independent Civic Leadership	23,493	21,968	11,828	11,013	11,665	10,955	735	769	24,985	20,938
Well Designed, Liveable and Accessible Places	17,466	17,293	11,416	12,135	6,050	5,158	976	1,737	331,564	335,915
A Healthy Village Lifestyle	413	379	6,633	6,974	(6,220)	(6,595)	–	–	59,122	62,931
Total functions and activities	52,023	49,397	46,704	45,623	5,319	3,774	2,982	3,945	546,187	544,276

Notes to the Financial Statements

for the year ended 30 June 2019

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:

A Caring and Inclusive Community

- Assist residents to feel connected to their community and each other
- Ensure support is available for people in need
- Promote opportunities to acknowledge and embrace diversity

A Culturally Rich and Vibrant Community

- Celebrate Mosman's unique identity and heritage
- Nurture cultural and creative endeavours
- Provide further opportunities to laugh, learn and play

An Attractive and Sustainable Environment

- Protect and enhance Mosman's natural areas and local biodiversity
- Use and encourage sustainable practices
- Effectively manage parklands for community use

An Informed and Engaged Community

- Actively involve the community in planning and delivering Mosman's future
- Deliver community information that is accurate and readily available
- Ensure the community knows how and why decisions are made

A Business-Friendly Community with Sound, Independent Civic Leadership

- Council delivers high quality, convenient service to customers
- Utilise local and regional partnerships to benefit Mosman
- Provide support for business precincts and the local economy

Well Designed, Livable and Accessible Places

- Enhance daily life by providing high quality public infrastructure and public spaces
- Value and strengthen the special aesthetic qualities of Mosman
- Improve access for everyone to, from and within Mosman

A Healthy and Active Village Lifestyle

- Protect and enhance Mosman's village atmosphere
- Support active, healthy lifestyle
- Facilitate safe environments for everyday living

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	18,135	17,729
Business	1,846	1,812
Less: pensioner rebates (mandatory)	(110)	(102)
Rates levied to ratepayers	19,871	19,439
Pensioner rate subsidies received	63	48
Total ordinary rates	19,934	19,487
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	6,729	6,751
Stormwater management services	239	238
Section 611 charges	29	30
Less: pensioner rebates (mandatory)	(41)	(42)
Less: pensioner rebates (Council policy)	(7)	(12)
Annual charges levied	6,949	6,965
Pensioner subsidies received:		
– Domestic waste management	28	27
Total annual charges	6,977	6,992
TOTAL RATES AND ANNUAL CHARGES	26,911	26,479

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

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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.

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
(per s.502 - specific 'actual use' charges)		
Domestic waste management services	99	88
Total specific user charges	99	88
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Planning and building regulation	879	918
Regulatory fees	166	169
Section 10.7 certificates (EP&A Act)	95	130

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
Section 603 certificates	36	54
Total fees and charges – statutory/regulatory	1,176	1,271
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Leaseback fees – Council vehicles	3	7
Restoration charges	763	362
Aged and disability services	95	63
Art prize fees	36	41
Children's leisure and learning	5	9
Community restaurant	34	37
Cultural centre	128	158
Dinghy storage racks	40	49
Filming permits	7	7
Footpath occupation	244	269
Hoarding fees	74	39
Kidzone – vacation	110	101
Lease rentals (property)	2,161	1,948
Market days (stall holders)	109	110
Meals on wheels	77	81
Merchant fee recovery	73	76
Mini skips	32	32
Mosman occasional child care	312	273
Out of school care	361	392
Oval rents	423	385
Other	111	180
Parking fees – foreshore	1,534	1,545
Parking fees – foreshore (stickers)	277	291
Parking fees – on street	2,405	2,323
Parking fees – resident parking scheme permits	57	68
Reserve rents	120	82
Section 153 land leases	35	15
Stand plant permits	117	132
Trading rights – foreshore	13	13
Vacation care	6	11
Vehicular crossing	120	137
Vehicular crossing – inspection fees	36	31
Work zone fees	224	282
Total fees and charges – other	10,142	9,549
TOTAL USER CHARGES AND FEES	11,417	10,908

Accounting policy for user charges and fees

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

(c) Interest and investment revenue (including losses)

Interest on financial assets measured at amortised cost

– Overdue rates and annual charges (incl. special purpose rates)	46	58
– Cash and investments	378	450
TOTAL INTEREST AND INVESTMENT REVENUE	424	508

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Accounting policy for interest and investment revenue

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

\$ '000	Notes	2019	2018
(d) Other revenues			
Rental income – investment property	10	1,944	1,861
Fines		3,251	2,912
Legal fees recovery – other		262	–
Commissions and agency fees		9	20
Insurance claims recoveries		–	22
Other		54	82
Art gallery sponsorship and donations		57	36
FESL implementation		–	2
Legal recoupment		40	44
Workers compensation insurance incentives		180	191
SHOROC Distribution		–	100
<u>TOTAL OTHER REVENUE</u>		<u>5,797</u>	<u>5,270</u>

Accounting policy for other revenue

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

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

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

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

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	668	634	–	–
Financial assistance – local roads component	247	235	–	–
Total general purpose	915	869	–	–
Specific purpose				
Aged care	563	609	–	–
Child care	445	428	–	–
Economic development	–	5	–	–
Environmental programs	72	29	8	–
Heritage and cultural	–	–	–	20
Library – per capita	56	57	–	–

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
Library – special projects	22	27	–	185
LIRS subsidy	47	82	–	–
Recreation and culture	113	142	113	–
Street lighting	105	103	–	–
Transport (roads to recovery)	–	205	–	–
Transport (other roads and bridges funding)	84	6	439	1,178
Total specific purpose	1,507	1,693	560	1,383
Total grants	2,422	2,562	560	1,383
Grant revenue is attributable to:				
– Commonwealth funding	642	996	–	–
– State funding	1,780	1,566	560	1,383
	2,422	2,562	560	1,383

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.4 – contributions using planning agreements		485	466	–	–
S 7.12 – fixed development consent levies		–	–	1,491	1,093
Total developer contributions – cash		485	466	1,491	1,093
Total developer contributions	24	485	466	1,491	1,093
Other contributions:					
Cash contributions					
Community services		21	–	–	–
Recreation and culture		6	–	12	18
Roads and bridges		–	–	–	132
RMS contributions (regional roads, block grant)		176	175	–	–
Total other contributions – cash		203	175	12	150
Non-cash contributions					
Recreation and culture		–	–	340	59
Total other contributions – non-cash		–	–	340	59
Total other contributions		203	175	352	209
Total contributions		688	641	1,843	1,302
TOTAL GRANTS AND CONTRIBUTIONS		3,110	3,203	2,403	2,685

Accounting policy for grants and contributions

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed below.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon 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 liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at reporting date.

\$ '000	2019	2018
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(g) Unspent grants and contributions

Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:

Operating grants

Unexpended at the close of the previous reporting period	–	–
Add: operating grants recognised in the current period but not yet spent	37	–
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent	–	–
Unexpended and held as restricted assets (operating grants)	37	–

Unspent Aged and Disability contribution and Art Exhibition funding.

Capital grants

Unexpended at the close of the previous reporting period	1,704	679
Add: capital grants recognised in the current period but not yet spent	–	–
Add: capital grants received for the provision of goods and services in a future period	358	1,411
Less: capital grants recognised in a previous reporting period now spent	(1,664)	(386)
Unexpended and held as restricted assets (capital grants)	398	1,704

Unspent capital grants.

Contributions

Unexpended at the close of the previous reporting period	3,654	5,782
Add: contributions recognised in the current period but not yet spent	1,552	1,680
Add: contributions received for the provision of goods and services in a future period	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–
Less: contributions recognised in a previous reporting period now spent	(2,657)	(3,808)
Unexpended and held as restricted assets (contributions)	2,549	3,654

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	14,379	13,419
Employee termination costs (where material – other than vested leave paid)	207	–
Travel expenses	431	350
Employee leave entitlements (ELE)	2,068	1,977
Superannuation – defined contribution plans	1,383	1,252
Superannuation – defined benefit plans	283	315
Workers' compensation insurance	214	226
Fringe benefit tax (FBT)	109	71
Training costs (other than salaries and wages)	131	162
Other	12	12
<u>TOTAL EMPLOYEE COSTS EXPENSED</u>	<u>19,217</u>	<u>17,784</u>
Number of 'full-time equivalent' employees (FTE) at year end	169	164
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	175	175

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

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

Council participates in 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 Local Government Superannuation Scheme is a defined benefit plan that has been deemed to be a "multi-employer fund" for the purposes of AASB 119 Employee Benefits 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.

Member councils are treated as Pooled Employers for the purposes of AASB119. Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

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

Division B	1.9 times employee contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times employee contributions

*For 180 Point Members, Employers are required to contribute 7% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million per annum from 1 July 2018 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities

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

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

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

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

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

The plan is a defined benefit plan. However, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2019 was \$272,027.15. The last valuation of the Fund was by the Actuary, Mr Richard Boyfield, FIAA on 31 December 2018, relating to the period ended 30 June 2018.

The expected contributions to the Fund for the next annual reporting period are \$276,349.96

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only*	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

excluding member accounts and reserves in both assets and liabilities.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation	3.50% per annum
Increase in CPI	2.50% per annum

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the 2018 triennial review will be completed around December 2019.

Council's additional lump sum contribution is around 0.33% of the total additional lump sum contributions for all Pooled Employers (of \$40m each year from 1 July 2017 to 30 June 2021) provides an indication of the level of participation of Council compared with other employers in the Pooled Employer sub-group.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on loans	338	402
Total interest bearing liability costs expensed	338	402
Fair value adjustments on recognition of advances and deferred debtors		
<u>TOTAL BORROWING COSTS EXPENSED</u>	<u>338</u>	<u>402</u>

Accounting policy for borrowing costs

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

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	161	103
– Aged services	150	127
– Art Gallery and Community Centre	280	235
– Bushcare	375	366
– Childrens Services	139	151
– Cleansing	116	69
– Companion Animal Control	28	29
– Communications and Events	124	158
– Development assessment and urban planning	127	234
– Finance Contractors	35	47
– HR Contractors	–	1
– Infrastructure	2,563	2,327
– Internal audit	82	77
– Library	290	213
– Mosman Rider	1	221
– Parks, gardens and civic spaces	1,945	1,848
– Plant running	72	80
– Recreational facilities	753	679
– Structures	1,334	1,503
– Swim Centre Management	172	169
– Temp Staff and Agency Casuals	306	511
– Waste management	2,965	3,672
– Youth Services	28	23
– Other contractor and consultancy costs	96	86
Auditors remuneration ²	52	56
Infringement notice contract costs (SEINS)	394	350
Legal expenses:		
– Legal expenses: planning and development	224	257
– Legal expenses: Save Mosman campaign	30	55
– Legal expenses: other	219	168
Operating leases:		
– Operating lease rentals: minimum lease payments ¹	142	159
Printing	114	159
<u>TOTAL MATERIALS AND CONTRACTS</u>	<u>13,317</u>	<u>14,133</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
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Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Computers	142	159
	142	159

2. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	52	55
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Remuneration for audit and other assurance services

	52	55
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Total Auditor-General remuneration

	52	55
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Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Other audit and assurance services	–	1
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Remuneration for audit and other assurance services

	–	1
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Total remuneration of non NSW Auditor-General audit firms

	–	1
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Total Auditor remuneration

	52	56
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\$ '000	Notes	2019	2018
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(d) Depreciation, amortisation and impairment of intangible assets and IPP&E**Depreciation and amortisation**

Plant and equipment	192	186
Office equipment	40	70
Furniture and fittings	14	17
Land improvements (depreciable)	9	8

Infrastructure:

– Buildings – non-specialised	729	592
– Buildings – specialised	502	668
– Roads	2,355	2,342
– Footpaths	248	246
– Stormwater drainage	491	413
– Other open space/recreational assets	820	754

Other assets:

– Library books	236	236
– Other	4	4
Intangible assets	16	16

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E			
		5,656	5,552

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

\$ '000	2019	2018
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(e) Other expenses

Advertising	222	217
Bad and doubtful debts parking fines	323	147
Bank charges	146	148
Catering	112	104
Computer software charges	1,301	1,071
Contributions/levies to other levels of government		
– Department of planning levy	222	210
– Local Government NSW	40	36
– NSW fire brigade levy	853	921
– Waste levy	963	224
Councillor expenses – mayoral fee	44	39
Councillor expenses – councillors' fees	139	139
Councillors' expenses (incl. mayor) – other (excluding fees above)	14	11
Donations, contributions and assistance to other organisations (Section 356)	200	248
Electricity and heating	403	533
Equipment maintenance	35	15
Insurance	613	806
Leases – photocopiers	122	137
Leases – property	53	52
Postage	87	98

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
Street lighting	173	120
Subscriptions and publications	132	118
Telephone and communications	83	95
Waste disposal and recycling centre	651	550
Water	193	187
Other	183	285
TOTAL OTHER EXPENSES	7,307	6,511

Accounting policy for other expenses

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

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		150	–
Less: carrying amount of property assets sold/written off		(116)	–
Net gain/(loss) on disposal		34	–
Plant and equipment			
	9		
Proceeds from disposal – plant and equipment		19	26
Less: carrying amount of plant and equipment assets sold/written off		(5)	(32)
Net gain/(loss) on disposal		14	(6)
Infrastructure			
	9		
Less: carrying amount of infrastructure assets sold/written off		(917)	(1,235)
Net gain/(loss) on disposal		(917)	(1,235)
Investments			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		23,000	36,000
Less: carrying amount of investments sold/redeemed/matured		(23,000)	(36,000)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(869)	(1,241)

Accounting policy for disposal of assets

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	861	993
Cash-equivalent assets		
– Deposits at call	1,000	2,000
– Short-term deposits	10,000	9,000
Total cash and cash equivalents	11,861	11,993

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	3,000	–	4,000	–
Total Investments	3,000	–	4,000	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	14,861	–	15,993	–
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	3,000	–	4,000	–
Total	3,000	–	4,000	–

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

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

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

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

(b) Held to maturity investments

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

(c) 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 are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 7) and receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

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

Recognition and de-recognition

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

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Impairment of financial assets

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

Impairment of available for sale investments

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

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

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	14,861	–	15,993	–
attributable to:				
External restrictions	5,260	–	5,935	–
Internal restrictions	8,344	–	8,936	–
Unrestricted	1,257	–	1,122	–
	14,861	–	15,993	–

\$ '000	2019	2018
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Details of restrictions

External restrictions – other

Developer contributions – general	2,663	3,654
Specific purpose unexpended grants	435	684
Domestic waste management	2,162	1,597
External restrictions – other	5,260	5,935

Total external restrictions

5,260	5,935
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Internal restrictions

Deposits, retentions and bonds	3,430	3,200
Unspent Loan	2,400	–
Employees leave entitlement	1,049	1,049
Swim centre	870	722
Capital works reserve	500	2,500
Plant and vehicle replacement	95	90
Balmoral promenade works	–	950
Spit East erosion works	–	350
Other (Balmoral Shade Structure)	–	75

Total internal restrictions

8,344	8,936
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TOTAL RESTRICTIONS

13,604	14,871
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	698	163	471	144
Interest and extra charges	60	–	59	–
User charges and fees	1,428	–	1,999	–
Accrued revenues				
– Interest on investments	20	–	74	–
– Other income accruals	552	–	764	–
Government grants and subsidies	355	–	1,266	–
Loans to non-profit organisations	–	9	–	9
Net GST receivable	291	–	336	–
Total	3,404	172	4,969	153
Less: provision of impairment				
User charges and fees	(93)	–	(108)	–
Other debtors	(181)	–	(286)	–
Total provision for impairment – receivables	(274)	–	(394)	–
TOTAL NET RECEIVABLES	3,130	172	4,575	153
Unrestricted receivables	2,917	172	3,400	153

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	394	403
+ new provisions recognised during the year	–	28
– amounts already provided for and written off this year	–	(37)
Balance at the end of the period	394	394

Accounting policy for receivables

Recognition and measurement

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

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

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

Accounting policy under AASB 139 – applicable for 2018 comparatives only

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

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	29	—	95	—
Trading stock	44	—	39	—
Total inventories at cost	73	—	134	—
<u>TOTAL INVENTORIES</u>	<u>73</u>	<u>—</u>	<u>134</u>	<u>—</u>

(b) Other assets

Prepayments	38	—	59	—
<u>TOTAL OTHER ASSETS</u>	<u>38</u>	<u>—</u>	<u>59</u>	<u>—</u>

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total internally restricted assets	—	—	—	—
Total unrestricted assets	111	—	193	—
TOTAL INVENTORIES AND OTHER ASSETS	111	—	193	—

(i) Other disclosures

(Valued at the lower of cost and net realisable value)

(b) Current assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

—	—
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Accounting policy for inventories and other assets**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

after deducting rebates and discounts. 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.

Inventory held for distribution

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation decrements to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	2,270	–	2,270	508	145	(33)	–	(1,887)	–	1,003	–	1,003
Plant and equipment	1,385	(635)	750	191	24	(5)	(192)	–	–	1,483	(715)	768
Office equipment	89	–	89	117	109	–	(40)	–	–	632	(357)	275
Furniture and fittings	337	(255)	82	2	–	(21)	(14)	–	–	228	(179)	49
Art collection	5,420	–	5,420	–	392	–	–	–	–	5,812	–	5,812
Land:												
– Operational land	152,156	–	152,156	–	–	(116)	–	–	–	152,040	–	152,040
– Community land	26,721	–	26,721	–	–	–	–	–	–	26,721	–	26,721
– Crown land	35,769	–	35,769	–	–	–	–	–	–	35,769	–	35,769
Land improvements – depreciable	820	(124)	696	105	–	–	(9)	–	–	926	(134)	792
Infrastructure:												
– Buildings – non-specialised	53,500	(22,369)	31,131	4,537	394	(513)	(729)	426	–	53,894	(18,648)	35,246
– Buildings – specialised	24,781	(8,844)	15,937	62	–	(7)	(502)	–	–	24,781	(9,291)	15,490
– Roads	190,984	(85,374)	105,610	1,443	2,577	(103)	(2,355)	798	–	194,359	(86,389)	107,970
– Footpaths	20,577	(5,927)	14,650	524	–	(27)	(248)	–	–	20,577	(5,678)	14,899
– Stormwater drainage	66,136	(15,763)	50,373	292	–	(8)	(491)	314	(1,118)	69,021	(19,659)	49,362
– Other open space/recreational assets	50,822	(18,122)	32,700	2,042	29	(85)	(820)	349	(3,507)	46,145	(15,437)	30,708
Other assets:												
– Heritage collections	13	–	13	–	–	–	–	–	–	13	–	13
– Library books	1,913	(1,125)	788	230	–	–	(236)	–	–	1,652	(870)	782
– Other	49	(10)	39	–	–	–	(4)	–	–	62	(27)	35
Total Infrastructure, property, plant and equipment	633,742	(158,548)	475,194	10,053	3,670	(918)	(5,640)	–	(4,625)	635,118	(157,384)	477,734

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

\$ '000	as at 30/6/2017			Asset movements during the reporting period								as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	993	–	993	1,782	33	(16)	–	(522)	–	–	–	2,270	–	2,270
Plant and equipment	2,135	(1,183)	952	146	33	(31)	(186)	–	(164)	–	–	1,385	(635)	750
Office equipment	1,030	(888)	142	23	–	–	(70)	–	(6)	–	–	89	–	89
Furniture and fittings	354	(272)	82	17	–	–	(17)	–	–	–	–	337	(255)	82
Art collection	5,311	–	5,311	–	109	–	–	–	–	–	–	5,420	–	5,420
Land:														
– Operational land	113,024	–	113,024	–	–	–	–	–	(276)	–	39,408	152,156	–	152,156
– Community land	26,445	–	26,445	–	–	–	–	–	276	–	–	26,721	–	26,721
Land improvements – depreciable	772	(116)	656	48	–	–	(8)	–	–	–	–	820	(124)	696
– Crown land	35,769	–	35,769	–	–	–	–	–	–	–	–	35,769	–	35,769
Infrastructure:														
– Buildings – non-specialised	45,934	(18,174)	27,760	147	–	(509)	(592)	31	–	–	4,294	53,500	(22,369)	31,131
– Buildings – specialised	21,824	(7,452)	14,372	450	–	(23)	(668)	–	156	–	1,650	24,781	(8,844)	15,937
– Roads	214,182	(96,673)	117,509	1,436	81	(293)	(2,342)	80	164	(11,025)	–	190,984	(85,374)	105,610
– Footpaths	18,441	(5,102)	13,339	1,160	179	(146)	(246)	–	–	–	364	20,577	(5,927)	14,650
– Stormwater drainage	65,860	(15,510)	50,350	504	–	(68)	(413)	–	–	–	–	66,136	(15,763)	50,373
– Other open space/recreational assets	47,194	(17,250)	29,944	2,646	1,005	(181)	(754)	411	(150)	(221)	–	50,822	(18,122)	32,700
Other assets:														
– Heritage collections	23	(10)	13	–	–	–	–	–	–	–	–	13	–	13
– Library books	2,598	(1,826)	772	252	–	–	(236)	–	–	–	–	1,913	(1,125)	788
– Other	60	(17)	43	–	–	–	(4)	–	–	–	–	49	(10)	39
Total Infrastructure, property, plant and equipment	601,949	(164,473)	437,476	8,611	1,440	(1,267)	(5,536)	–	–	(11,246)	45,716	633,742	(158,548)	475,194

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
		Stormwater assets	
		Drains	80 to 100
		Culverts	50 to 80
		Flood control structures	80 to 100
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	60		
Kerb, gutter and footpaths	40		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Land under roads

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Infrastructure, property, plant and equipment (continued)

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.

Note 10. Investment property

\$ '000	2019	2018
(a) Investment property at fair value		
Investment property on hand	48,845	46,950
Reconciliation of annual movement:		
Opening balance	46,950	46,695
– Capitalised expenditure – this year	66	66
– Net gain/(loss) from fair value adjustments	1,829	189
CLOSING BALANCE – INVESTMENT PROPERTY	48,845	46,950

(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 2019 revaluations were based on independent assessments made by:
Scott Fullarton Valuations Pty Ltd Valuer Scott Fullarton - Certified Practising Valuer - API Membership No. 67557

(c) Contractual obligations at reporting date

Refer to Note 18 for disclosures relating to any capital and service obligations that have been contracted.

(d) Leasing arrangements – Council as lessor

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Future minimum lease payments receivable under non-cancellable investment property operating leases not recognised in the financial statements are receivable as follows:

Within 1 year	1,740	1,895
Later than 1 year but less than 5 years	1,618	3,295
Later than 5 years	251	330
Total minimum lease payments receivable	3,609	5,520

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Investment property (continued)

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.

(e) Investment property income and expenditure – summary

Rental income from investment property:

– Minimum lease payments	1,944	1,861
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Direct operating expenses on investment property:

– that generated rental income	(69)	(23)
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Net revenue contribution from investment property	1,875	1,838
--	--------------	--------------

plus:

Fair value movement for year	1,829	189
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Total income attributable to investment property	3,704	2,027
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Accounting policy for investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council. Changes in fair values are recorded in the Income Statement as a separate line item.

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

Note 11. Intangible assets

\$ '000	2019	2018
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Intangible assets are as follows:

Opening values at 1 July

Gross book value	392	392
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Accumulated amortisation	(140)	(125)
--------------------------	-------	-------

Net book value – opening balance	252	267
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Movements for the year

– Amortisation charges	(16)	(16)
------------------------	------	------

Closing values at 30 June

Gross book value	392	392
------------------	-----	-----

Accumulated amortisation	(157)	(140)
--------------------------	-------	-------

TOTAL INTANGIBLE ASSETS – NET BOOK VALUE	235	252
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The net book value of intangible assets represents:

– rights to participate in Kimbriki Environmental Enterprises Pty Ltd	235	251
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	235	251
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Intangible assets (continued)

Accounting policy for intangible assets

Council's interest in access to the Kimbriki waste and recycling centre is recognised as an intangible asset and will be amortised over time.

Note 12. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	1,311	–	1,075	–
Goods and services – capital expenditure	788	–	1,540	–
Accrued expenses:				
– Borrowings	37	–	48	–
– Salaries and wages	63	–	56	–
– Other expenditure accruals	41	–	49	–
Security bonds, deposits and retentions	8,579	–	7,858	–
Total payables	10,819	–	10,626	–
Income received in advance				
Payments received in advance	653	–	612	–
Total income received in advance	653	–	612	–
Borrowings				
Loans – secured ¹	1,598	6,756	1,383	5,954
Total borrowings	1,598	6,756	1,383	5,954
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>13,070</u>	<u>6,756</u>	<u>12,621</u>	<u>5,954</u>

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Externally restricted assets				
Domestic waste management	288	–	288	–
Current borrowings funded by S94	440	–	277	–
Payables and borrowings relating to externally restricted assets	728	–	565	–
Total payables and borrowings relating to restricted assets	728	–	565	–
Total payables and borrowings relating to unrestricted assets	12,342	6,756	12,056	5,954
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>13,070</u>	<u>6,756</u>	<u>12,621</u>	<u>5,954</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

\$ '000	2019	2018
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(a) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Payables – security bonds, deposits and retentions	6,330	6,330
Total payables and borrowings	6,330	6,330

(b) Changes in liabilities arising from financing activities

	as at 30/6/2018					as at 30/6/2019
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	7,337	1,017	–	–	–	8,354
TOTAL	7,337	1,017	–	–	–	8,354

	as at 30/6/2017					as at 30/6/2018
\$ '000	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance
Loans – secured	8,219	(882)	–	–	–	7,337
TOTAL	8,219	(882)	–	–	–	7,337

\$ '000	2019	2018
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(c) Financing arrangements**(i) Unrestricted access was available at balance date to the following lines of credit:**

Bank overdraft facilities ¹	90	90
Credit cards/purchase cards	55	55
Total financing arrangements	145	145

Undrawn facilities as at balance date:

– Bank overdraft facilities	90	90
– Credit cards/purchase cards	36	55
Total undrawn financing arrangements	126	145

Additional financing arrangements information**Breaches and defaults**

During the current and prior year, there were no defaults or breaches on any of the loans.

Security over loans

Loans are secured against rates income

Bank overdrafts

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

The bank overdraft is secured by a mortgage over rates revenue

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

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans.

Payables

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

Borrowings

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

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

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

Note 13. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	1,778	–	1,673	–
Long service leave	3,128	308	3,297	277
Sub-total – aggregate employee benefits	4,906	308	4,970	277
TOTAL PROVISIONS	4,906	308	4,970	277

\$ '000	2019	2018
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Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	3,252	3,249
	3,252	3,249

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

Accounting policy for provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

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

Notes to the Financial Statements

for the year ended 30 June 2019

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

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

(b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Transition adjustments

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at 1 July 2018.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	11,861	11,993
Balance as per the Statement of Cash Flows		11,861	11,993

(b) Reconciliation of net operating result to cash provided from operating activities

Net operating result from Income Statement	5,319	3,774
Adjust for non-cash items:		
Depreciation and amortisation	5,656	5,552
Net losses/(gains) on disposal of assets	869	1,241
Non-cash capital grants and contributions	(340)	(59)
Losses/(gains) recognised on fair value re-measurements through the P&L:		
– investment property	(1,829)	(189)
Share of net (profits)/losses of associates/joint ventures using the equity method	(132)	(155)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	1,546	(810)
Increase/(decrease) in provision for impairment of receivables	(120)	(9)
Decrease/(increase) in inventories	61	(5)
Decrease/(increase) in other current assets	21	139
Increase/(decrease) in payables	236	(562)
Increase/(decrease) in accrued interest payable	(11)	11
Increase/(decrease) in other accrued expenses payable	(1)	52
Increase/(decrease) in other liabilities	762	(153)
Increase/(decrease) in provision for employee benefits	(33)	216
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	12,004	9,043

(c) Non-cash investing and financing activities

Other dedications artworks	340	59
Total non-cash investing and financing activities	340	59

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2019	2018	2019	2018
Joint ventures	–	(9)	10	10
Associates	132	164	1,089	956
Total	132	155	1,099	966

(a) Joint arrangements

(i) Joint ventures

The following information is provided for joint ventures that are individually material to the Council. Included are the total amounts as per the joint venture financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts – Council's share

\$ '000	Nature of relationship	Measurement method	2019	2018
Shorelink Library Network	Joint Venture	Equity	10	10
Total carrying amounts – material joint ventures			10	10

(b) Details

	Principal activity	Place of business
Shorelink Library Network	Sharing of Library Infrastructure	North Sydney, NSW

(c) Relevant interests and fair values

\$ '000	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2019	2018	2019	2018	2019	2018	2019	2018
Shorelink Library Network	10	10	25.8%	17.0%	33.3%	23.0%	33.3%	25.0%

(d) Summarised financial information for joint ventures

\$ '000	Shorelink Library Network	
	2019	2018
Statement of financial position		
Current assets		
Cash and cash equivalents	80	141
Other current assets	2	10
Non-current assets	–	2
Current liabilities		
Other current liabilities	52	111
Net assets	30	42

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities (continued)

\$ '000	Shorelink Library Network	
	2019	2018
Reconciliation of the carrying amount		
Opening net assets (1 July)	42	137
Profit/(loss) for the period	–	(55)
Other (distribution to Willoughby Council, former member)	(10)	(40)
Closing net assets	32	42
Council's share of net assets (%)	33.3%	22.6%
Council's share of net assets (\$)	10	10
Statement of comprehensive income		
Income	372	577
Depreciation and amortisation	(2)	(3)
Other expenses	(370)	(628)
Profit/(loss) from continuing operations	–	(54)
Profit/(loss) for the period	–	(54)
Total comprehensive income	–	(54)
Share of income – Council (%)	25.8%	17.2%
Profit/(loss) – Council (\$)	–	(9)
Total comprehensive income – Council (\$)	–	(9)
Summarised Statement of cash flows		
Cash flows from operating activities	(50)	(42)
Cash flows from investing activities	–	(40)
Cash flows from financing activities	(10)	–
Net increase (decrease) in cash and cash equivalents	(60)	(82)

Accounting policy for joint arrangements

The council has determined that it has only joint ventures

Joint ventures:

Interests in joint ventures are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

(b) Associates

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities (continued)

The following information is provided for associates that are individually material to the Council. Included are the amounts as per the individual associates' financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts – Council's share

\$ '000	Nature of relationship	Measurement method	2019	2018
Kimbriki Environmental Enterprises P/L	Associate	Equity	1,088	956
Total carrying amounts – material associates			1,088	956

(b) Details

	Principal activity	Place of business
Kimbriki Environmental Enterprises P/L	Waste Management and Disposal	Terrey Hills, NSW

(c) Relevant interests and fair values

\$ '000	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2019	2018	2019	2018	2019	2018	2019	2018
Kimbriki Environmental Enterprises P/L	1,088	–	4%	4%	4%	4%	50%	50%

(d) Summarised financial information for associates

\$ '000	Kimbriki Environmental Enterprises P/L	
	2019	2018
Statement of financial position		
Current assets		
Cash and cash equivalents	2,246	2,633
Other current assets	20,024	16,631
Non-current assets	20,663	17,726
Current liabilities		
Other current liabilities	5,863	5,430
Non-current liabilities		
Non-current financial liabilities (excluding trade and other payables and provisions)	8,725	6,657
Net assets	28,345	24,903
Reconciliation of the carrying amount		
Opening net assets (1 July)	24,903	20,641
Profit/(loss) for the period	3,442	4,262
Closing net assets	28,345	24,903
Council's share of net assets (%)	4%	4%
Council's share of net assets (\$)	1,088	956

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities (continued)

\$ '000	Kimbriki Environmental Enterprises P/L	
	2019	2018
Statement of comprehensive income		
Income	34,995	35,254
Interest income	415	146
Depreciation and amortisation	(14,358)	(1,268)
Other expenses	(17,610)	(29,870)
Profit/(loss) from continuing operations	3,442	4,262
Profit/(loss) for period	3,442	4,262
Total comprehensive income	3,442	4,262
Share of income – Council (%)	4%	4%
Profit/(loss) – Council (\$)	132	164
Total comprehensive income – Council (\$)	132	164

(f) The nature and extent of significant restrictions relating to associates

Council has no day to day access to cash or investments of Kimbriki. 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.

Accounting policy for associates

Interests in associates are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses.

The Council's share in the associates gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associates accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Commitments

\$ '000	2019	2018
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(a) Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Unspent Specific Purpose Capital Grants	398	1,704
Other (Capital Works)	–	836
Total commitments	398	2,540

These expenditures are payable as follows:

Within the next year	398	2,540
Total payable	398	2,540

Details of capital commitments

Council is obliged to perform certain capital works because it is holding unspent grants:

\$185,000 Balmoral Jetty works
 \$162,000 Drill Hall netball courts lighting
 \$51,000 BLINE tree replacement grant

(b) 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	191	199
Later than one year and not later than 5 years	188	254
Total non-cancellable operating lease commitments	379	453

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 finance and operating leases:

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Contingencies and other assets/liabilities not recognised

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

(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.

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.

ASSETS NOT RECOGNISED

(ii) Infringement notices/fines

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

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. 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.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	11,861	11,993	11,861	11,993
Receivables	3,302	4,728	3,289	4,427
Investments				
– 'Financial assets at amortised cost' / 'held to maturity'	3,000	4,000	3,000	4,000
Total financial assets	18,163	20,721	18,150	20,420
Financial liabilities				
Payables	10,819	10,626	10,742	10,403
Loans/advances	8,354	7,337	8,354	7,337
Total financial liabilities	19,173	17,963	19,096	17,740

Fair value is determined as follows:

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

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. 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 as required by Local Government regulations.

The risks associated with the instruments 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Financial risk management (continued)

- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

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

(a) Market risk – price risk and interest rate risk

The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 1% movement in interest rates	140	140	(140)	140
2018				
Possible impact of a 1% movement in interest rates	175	175	(175)	(175)

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

Credit risk profile

Receivables – rates and annual charges

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.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	–	861	–	–	–	861
2018						
Gross carrying amount	–	615	–	–	–	615

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Financial risk management (continued)

Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	2,076	89	42	108	400	2,715
Expected loss rate (%)	4.91%	9.52%	11.07%	12.72%	14.65%	6.90%
ECL provision	102	8	5	14	59	188
2018						
Gross carrying amount	3,135	633	111	16	612	4,507
Expected loss rate (%)	4.91%	9.52%	11.07%	12.72%	14.06%	6.98%
ECL provision	154	60	12	2	86	314

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019							
Trade/other payables	0.00%	8,579	2,163	–	–	10,742	10,819
Loans and advances	4.37%	–	1,939	5,216	2,422	9,577	8,354
Total financial liabilities		8,579	4,102	5,216	2,422	20,319	19,173
2018							
Trade/other payables	0.00%	7,858	2,768	–	–	10,626	10,626
Loans and advances	5.25%	–	1,722	5,234	1,558	8,514	7,337
Total financial liabilities		7,858	4,490	5,234	1,558	19,140	17,963

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 05/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements 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.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	26,823	26,911	88	0% F
Interest and investment revenue Interest rates on deposits continue to fall and were significantly lower than expected.	475	424	(51)	(11)% U
Other revenues Other income exceeded budget because of: recovery of Save Mosman legal fees (\$262k), higher than expected parking enforcement due to dry, hot, summer period (\$220k) and Worker's Compensation performance incentives (\$180k).	5,171	5,797	626	12% F
Operating grants and contributions Operating Grants income exceeded budget because of: increased childcare subsidies driven by increased patronage (\$174k) and increased RMS roads operating contributions (\$83k)	2,872	3,110	238	8% F
Capital grants and contributions Capital Grants income exceeded budget because of: higher than expected developer contributions (\$190k) and and unbudgeted art donations (\$351k)	2,012	2,403	391	19% F
Fair value increment on investment property Council does not budget for revaluation increments or decrements	–	1,829	1,829	∞ F
Joint ventures and associates – net profits Council does not budget for income relating to its interest in Kimbirki Environmental Enterprises Pty Ltd	–	132	132	∞ F
EXPENSES				
Employee benefits and on-costs	18,882	19,217	(335)	(2)% U
Borrowing costs	342	338	4	1% F
Depreciation and amortisation	5,449	5,656	(207)	(4)% U

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Material budget variations (continued)

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
Other expenses	6,320	7,307	(987)	(16)% U
Contractor budget includes a gross contract amount for domestic waste disposal. These contracts include a state government waste disposal levy component (\$950k) that is costed to Other Expenses				
Net losses from disposal of assets	200	869	(669)	(335)% U
Actual disposals calculated at conclusion of projects were higher than budget estimations				

STATEMENT OF CASH FLOWS

Net cash provided from (used in) operating activities	8,713	12,004	3,291	38% F
Additional income has been noted above. A net inflow due relating to Bonds and Deposits (\$721k) also contributed				
Net cash provided from (used in) investing activities	(11,458)	(13,153)	(1,695)	15% U
A apparent inflow (\$1,000k) is noted due to a reduction in investments held. In reality no additional funds are available				
Net cash provided from (used in) financing activities	(985)	1,017	2,002	(203)% F
\$2,000,000 borrowing was expressly authorised in MOSLPAN but not included in budget figures				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement

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) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Investment property	10					
Retail, commercial office and residential		30/06/19	–	48,845	–	48,845
Total investment property			–	48,845	–	48,845
Infrastructure, property, plant and equipment	9					
Plant and equipment		30/06/19	–	–	768	768
Office equipment		30/06/19	–	–	275	275
Furniture and fittings		30/06/19	–	–	49	49
Art collection		30/06/17	–	–	5,812	5,812
Operational land		30/06/18	–	–	152,040	152,040
Community land		30/06/17	–	–	62,490	62,490
Land improvements – depreciable		30/06/19	–	–	792	792
Buildings non-specialised		30/06/18	–	–	35,246	35,246
Buildings specialised		30/06/18	–	–	15,490	15,490
Roads		30/06/18	–	–	107,970	107,970
Footpaths		30/06/18	–	–	14,899	14,899
Stormwater drainage		30/06/19	–	–	49,362	49,362
Other open space/recreational assets		30/06/19	–	–	30,708	30,708
Heritage collections		30/06/19	–	–	13	13
Library books		30/06/19	–	–	782	782
Other assets		30/06/19	–	–	35	35
Total infrastructure, property, plant and equipment			–	–	476,731	476,731

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

2018	Notes	Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Investment property	10					
Retail, commercial office and residential		30/06/18	–	46,950	–	46,950
Total investment property			–	46,950	–	46,950
Infrastructure, property, plant and equipment	9					
Plant and equipment		30/06/18	–	–	750	750
Office equipment		30/06/18	–	–	89	89
Furniture and fittings		30/06/18	–	–	82	82
Art collection		30/06/17	–	–	5,420	5,420
Operational land		30/06/18	–	–	152,156	152,156
Community land		30/06/17	–	–	62,490	62,490
Land improvements – depreciable		30/06/18	–	–	696	696
Buildings non-specialised		30/06/18	–	–	31,131	31,131
Buildings specialised		30/06/18	–	–	15,937	15,937
Roads		30/06/18	–	–	105,610	105,610
Footpaths		30/06/18	–	–	14,650	14,650
Stormwater drainage		30/06/13	–	–	50,373	50,373
Other open space/recreational assets		30/06/16	–	–	32,700	32,700
Heritage collections		30/06/18	–	–	13	13
Library books		30/06/18	–	–	788	788
Other assets		30/06/18	–	–	39	39
Total infrastructure, property, plant and equipment			–	–	472,924	472,924

Note that capital WIP is not included above since it is carried at cost.

(2) Transfers between level 1 and level 2 fair value hierarchies

The following transfers occurred between level 1 and level 2 fair value hierarchies during the year:

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

(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 property

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,

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

- Zoning,
- Location,
- Land area and configuration, and
- Planning controls.

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 2019 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 and equipment (IPP&E)

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 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 2018 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

During the reporting year Valuer-General has issued new values with a base-date of 1 July 2016 to all Councils in New South Wales. Community land has therefore been revalued this class for year ending 30 June 2017.

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.

Buildings: Non-Specialised and Specialised

Buildings were valued by professionally qualified Registered Valuers from Scott Fullarton Valuations Pty Ltd in July 2017. The approach estimated the replacement cost of each building, componentised significant parts with different useful lives and took into account a range of factors. The unit rates were supported by market evidence (Level 2 inputs) and other inputs (such as estimates of residual value, useful life and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets have been valued using Level 3 inputs.

Non-specialised buildings used the market approach and specialised building used the cost approach.

Inputs include:

- Gross replacement cost
- A breakdown of building component costs (such as structure, equipment, fittings and finishes)
- Useful lives
- Conditions

Typical useful lives and unit rates (includes overheads):

Buildings Asset Component	Average Useful Life (Years)	Average Unit Rate
Amenities/Public Toilets – Structure	78	\$127,467/each
Council Offices – Structure	95	\$6,330,480/each
Amenities/Public Toilets – Roof	50	\$46,731/each
Parks and Recreation – Roof	48	\$168,365/each
Multistorey Carparks – Services	20	\$1,190,200/each
Community and Cultural Centres – Fixtures and Fittings	20	\$287,943/each

Public Roads, Footpaths and Carparks

Includes: Road pavements and surfaces, steps, footpaths, pram ramps, retaining walls and kerb and gutter, physical traffic devices, lines and signs and street furniture and road related carparks.

Gross replacement cost for road assets were valued by professionally qualified Registered Valuers from AssetVal Pty Ltd in June 2018. Due to the specialised nature of roads assets, valuations were undertaken predominately using the cost approach. Unit rates include all materials, labour and overheads and were estimated from inputs including similar projects costs, direct quotations, unit rate databases and published cost guides. The unit rates have been tailored to suit Mosman. The cost approach is deemed a level 3 input.

The condition and useful lives of the assets were assessed and calculated based on site inspections, observed asset performance and professional engineering judgment.

In this reporting period, condition inspections were carried out on the following road asset types:

- Road Pavements
- Footpaths, Pram Ramps and Steps
- Kerb and Gutter
- Retaining Walls

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

- Fences/Handrails
- Physical Traffic Devices
- Lines and Signs
- Car Parks

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	\$242/m2
Asphalt Road Pavement (50AC)	50	\$52/m2
Sandstone Kerb & Gutter	90	\$495/m
Concrete Roundabout	40	\$305/m2
Gabion Retaining Wall	150	\$608/m2
Double Barrier Line	5	\$2/m
'Warning' Traffic Sign	15	\$396/each
Concrete Footpath (75 mm thick)	90	\$95/m2
Asphalt Footpath (25 mm thick)	40	\$68/m2

Carpark Asset Component	Useful Life (Years)	Unit Rate
Lane and Parking Space Line Marking	5	\$2/m
Pay and Display Machine	20	\$12,100/each
Kerb Wheelstops (Timber)	15	\$176/m

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 Morrison Low as at 30 April 2019. Fair value has been generated this financial year based on the cost (fair value) approach. Unit rates include the costs of materials, labour and overheads. Inputs used to calculate the unit rate included costs from similar projects, direct quotations, panel contractor rates, published cost guides and reference rates. 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. The 2019 construction index was applied to the existing unit rates to update their replacement value.

Drains unit rates are based on similar projects, published cost guides and the 2019 construction index. Drains of the same dimensions have been given the same unit rate. The condition and useful lives of the assets were also assessed and calculated by Morrison Low based on site observations, including CCTV surveys, and Morrison Low's experience in valuation projects for other Council's stormwater assets.

Stormwater Drainage Asset Component	Useful Life (Years)	Unit Rate FY18/19	Unit Rate FY17/18
Stormwater Quality Improvement Devices (Model Type: Rocla Cleansall 1200)	80	\$234,192/each	\$208,641.03/each
Concrete Pipe (375mm diameter, 0-1m depth) based on trenching method	150	\$409.83/m	\$439.92/m
Box Culvert (1800 width x 1200 height)	150	\$4762.05/m	\$2,591.31/m
Converter (600mm length)	150	\$824/each	\$734/each
Surface Inlet Pit (450mmx450mm, 1 m depth)	150	\$1,735/each	
Rainwater Re-use Tank	80	Average \$624,739.00/each	Average \$624,739.00/each

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

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 APV Valuer and Asset Management Pty Ltd as at 1 July 2017 in accordance with accepted Australian Accounting Standards. Unit rates for marine assets were estimated using construction costs from recent projects, APV databases, Rawlinson's Construction Guide, bench marking and costs from first principals. They were then adjusted for condition and comparability.

The condition, useful lives and remaining useful lives of the assets were assessed and calculated by APV Valuer and Asset Management Pty Ltd based on site observations.

Gross replacement cost for Mosman parks and open space assets were valued by APV Valuer and Asset Management Pty Ltd as at 1 July 2018.

Unit rates for parks and open space assets were estimated based on APV Valuers and Asset Management industry experience. Inputs include recent costings from parks and open space works, quoted prices, cost guides and unit rate databases.

The gross replacement costs were increased by indexing unit rates when there was limited information. Regular inventory and condition audits have been undertaken by experienced Council Officers.

The condition and useful lives of the assets were assessed and calculated by a suitably qualified employee of APV Valuers and Asset Management based on site observations, professional knowledge and comparison to similar assets from other Council areas. Useful lives were updated to reflect current asset performance.

Fair values for Open Space assets have been generated on the cost approach.

Typical useful lives and unit rates (includes overheads):

Open Space/Recreational and Other Structures Asset Component	Useful Life (Years)	Unit Rate FY 18/19	Unit Rate FY 17/18
Timber Deck	46	\$450/m2	\$450/m2
Concrete Deck	65	\$800/m2	\$800/m2
Concrete Seawall	59	\$2,230/m	\$2,230/m
Steel Turning Board	19	\$60,000/each	\$60,000/each
Oval Lights	25	\$45,716/each	\$45,716/each
Park ID Signs	30	\$6,640/each	\$6,640/each
Shade Sail	10	\$178/m2	\$178/m2
Dinghy Racks Steel	25	\$17,143/each	\$17,143/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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

(4) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Plant and equipment	Office equipment	Furniture and fittings	Art collection	Operational Land
2018					
Opening balance	952	142	83	5,311	113,024
Transfers from/(to) another asset class	(164)	–	–	–	(276)
Purchases (GBV)	179	23	16	109	–
Disposals (WDV)	(31)	(6)	–	–	–
Depreciation and impairment	(186)	(70)	(17)	–	–
FV gains – other comprehensive income	–	–	–	–	39,408
Closing balance	750	89	82	5,420	152,156
2019					
Opening balance	750	89	82	5,420	152,156
Purchases (GBV)	215	226	2	392	–
Disposals (WDV)	(5)	–	–	–	(116)
Depreciation and impairment	(192)	(40)	(14)	–	–
Closing balance	768	275	70	5,812	152,040

\$ '000	Community Land	Land improvements depreciable	Buildings non-specialised	Buildings specialised	Roads
2018					
Opening balance	62,214	656	27,760	14,372	117,509
Transfers from/(to) another asset class	276	–	31	156	244
Purchases (GBV)	–	48	147	450	1,517
Disposals (WDV)	–	–	(509)	(23)	(293)
Depreciation and impairment	–	(8)	(592)	(668)	(2,342)
FV gains – other comprehensive income	–	–	4,294	1,650	(11,025)
Closing balance	62,490	696	31,131	15,937	105,610
2019					
Opening balance	62,490	696	31,131	15,937	105,610
Transfers from/(to) another asset class	–	–	–	–	798
Purchases (GBV)	–	105	4,931	62	4,020
Disposals (WDV)	–	–	(513)	(7)	(103)
Depreciation and impairment	–	(9)	(729)	(502)	(2,355)
Closing balance	62,490	792	34,820	15,490	107,970

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

\$ '000	Footpaths	Stormwater drainage	Other open space recreational	Heritage collections	Library books
2018					
Opening balance	13,339	50,350	29,944	13	772
Transfers from/(to) another asset class	—	—	261	—	—
Purchases (GBV)	1,339	504	3,651	—	252
Disposals (WDV)	(146)	(68)	(181)	—	—
Depreciation and impairment	(246)	(413)	(754)	—	(236)
FV gains – other comprehensive income	364	—	(221)	—	—
Closing balance	14,650	50,373	32,700	13	788
2019					
Opening balance	14,650	50,373	32,700	13	788
Transfers from/(to) another asset class	—	314	349	—	—
Purchases (GBV)	524	292	2,071	—	230
Disposals (WDV)	(27)	(8)	(85)	—	—
Depreciation and impairment	(248)	(491)	(820)	—	(236)
FV gains – other comprehensive income	—	(1,118)	(3,507)	—	—
Closing balance	14,899	49,362	30,708	13	782

\$ '000	Other assets	Total
2018		
Opening balance	43	436,484
Transfers from/(to) another asset class	—	528
Purchases (GBV)	—	8,235
Disposals (WDV)	—	(1,257)
Depreciation and impairment	(4)	(5,536)
FV gains – other comprehensive income	—	34,470
Closing balance	39	472,924
2019		
Opening balance	39	472,924
Transfers from/(to) another asset class	—	1,461
Purchases (GBV)	—	13,070
Disposals (WDV)	—	(864)
Depreciation and impairment	(4)	(5,640)
FV gains – other comprehensive income	—	(4,625)
Closing balance	35	476,326

(5) Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Related Party Transactions

Key management personnel

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

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

\$ '000	2019	2018
Compensation:		
Short-term benefits	1,481	1,352
Other long-term benefits	28	39
Total	1,509	1,391

Note 23. Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Note 24. Statement of developer contributions

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Statement of developer contributions (continued)

Summary of contributions and levies

\$ '000	as at 30/6/2018	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/6/2019	
	Opening Balance	Cash	Non-cash				Held as restricted asset	Cumulative internal borrowings due/(payable)
S7.12 levies – under a plan	3,654	1,490	–	61	(2,656)	–	2,549	–
Total S7.11 and S7.12 revenue under plans	3,654	1,490	–	61	(2,656)	–	2,549	–
S7.4 planning agreements	–	485	–	–	(371)	–	114	–
Total contributions	3,654	1,975	–	61	(3,027)	–	2,663	–

S7.12 Levies – under a plan

CONTRIBUTION PLAN – OPEN SPACE & CAR PARKING

Open space	3,654	1,490	–	61	(2,656)	–	2,549	–
Total	3,654	1,490	–	61	(2,656)	–	2,549	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods 2018 2017		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,824	3.83%	4.28%	6.22%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	47,659				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	44,458	88.81%	87.84%	87.69%	>60.00%
Total continuing operating revenue ¹	50,062				
3. Unrestricted current ratio					
Current assets less all external restrictions	12,629	1.68x	1.87x	1.79x	>1.50x
Current liabilities less specific purpose liabilities	7,511				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7,818	4.54x	4.71x	4.09x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,721				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	921	3.34%	2.48%	2.59%	<5.00%
Rates, annual and extra charges collectible	27,540				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	14,861	3.83 mths	4.22 mths	4.70 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	3,883				

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

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(b). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2018/19 result

2018/19 ratio 3.83%

A result that exceeds the benchmark for several years running. In line with projected result at March Quarter Review

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2018/19 result

2018/19 ratio 88.81%

Comfortably exceeds the benchmark and is consistent with trend of previous years

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2018/19 result

2018/19 ratio 1.68x

Comfortably exceeds the benchmark.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(b). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



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 2018/19 result

2018/19 ratio 4.54x

Ratio exceeds benchmark. Slight increase due to new \$2.4m load to fund works.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2018/19 result

2018/19 ratio 3.34%

An increase in outstanding percentage but still comfortably within the benchmark. Debts are being followed up after August 2019 installment and this ratio will reduce

Benchmark: — < 5.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



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 2018/19 result

2018/19 ratio 3.83 mths

A slight reduction in ratio reflecting expenditure on a vigorous capital works program

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26. Council information and contact details

Principal place of business:

Civic Centre

Mosman Square, MOSMAN, 2088

Contact details

Enquiries on the Financial Statement to Council's Accountant Finance and Strategy, Christian Menday on 02 9978 4072.

Mailing Address:

PO Box 211 Monday to Friday 8.30 am to 5pm
SPIT JUNCTION NSW 2088

Opening hours:

8:30am - 5:00pm
Monday to Friday

Telephone: 02 9978 4000

Facsimile: 02 9978 4132

Internet: www.mosman.nsw.gov.au

Email: council@mosman.nsw.gov.au

Officers

General Manager

Dominic Johnson

Responsible Accounting Officer

Gary Mills - Chief Financial Officer

Public Officer

Ben Wicks - Director Corporate Services

Auditors

Auditor General of New South Wales

Elected members

Mayor

Carolyn Corrigan

Councillors

Roy Bendall

David Cook

Simon Menzies

Libby Moline (Deputy Mayor)

Tom Sherlock

Jacqui Willoughby

Other information

ABN: 94 414 022 939



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Mosman Council

To the Councillors of the Mosman Council

Opinion

I have audited the accompanying financial statements of the Mosman Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

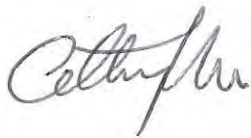
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

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

A handwritten signature in dark ink, appearing to read 'Cathy Wu', with a stylized, cursive script.

Cathy Wu

Delegate of the Auditor-General for New South Wales

3 October 2019
SYDNEY



Cr Carolyn Corrigan
Mayor
Mosman Council
PO Box 211
SPIT JUNCTION NSW 2088

Contact: Cathy Wu
Phone no: 02 9275 7212
Our ref: D1921227/1762

3 October 2019

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Mosman Council**

I have audited the general purpose financial statements (GPFS) of Mosman Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	26.9	26.4	↑ 1.9
Grants and contributions revenue	5.5	5.8	↓ 5.2
Operating result for the year	5.3	3.8	↑ 39.5
Net operating result before capital grants and contributions	2.9	1.1	↑ 164

Council's operating result of \$5.3 million (including the effect of depreciation and amortisation expense of \$5.7 million) was \$1.5 million higher than the 2017–18 result.

The increase was primarily attributable to a \$1.8 million fair value increment on the Council's investment properties in 2018-19 compared to a \$0.2 million increment in 2017-18.

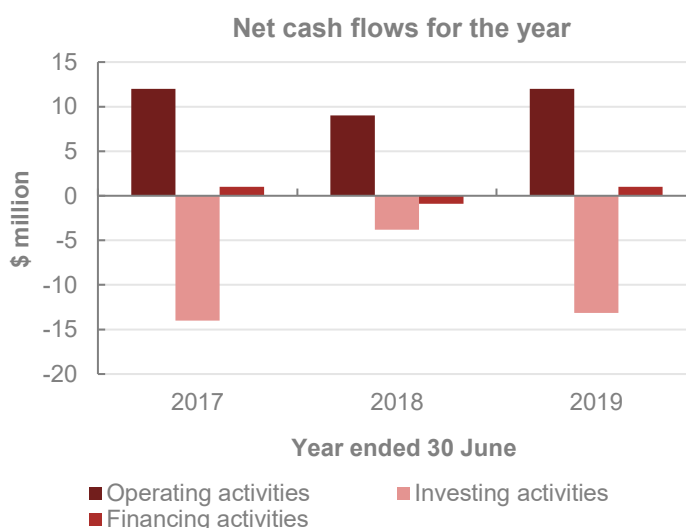
The net operating result before capital grants and contributions (\$2.9 million) was \$1.8 million higher than the 2017–18 result. This movement was similarly due to changes in the operating result as noted above.

Rates and annual charges revenue (\$26.9 million) increased by \$0.5 million (1.9 per cent) in 2018–2019. This increase was largely consistent with the approved rate peg of 2.3 per cent, partially offset by a slight reduction in domestic waste management charges.

Grants and contributions revenue (\$5.5 million) decreased by \$0.3 million (5.2 per cent) in 2018–2019, primarily due to a reduction in state government funding related to transport projects.

STATEMENT OF CASH FLOWS

- The Council's cash balance remained fairly stable at \$11.9 million at 30 June 2019 (\$12.0 million at 30 June 2018).
- Cash inflows from operating activities increased from last year as a result of greater receipts from user charges and fees.
- Cash outflows from investing activities increased primarily due to a decrease in proceeds from sale of investment securities.
- The cash flows from financing activities increased slightly from borrowing proceeds.



FINANCIAL POSITION

Cash and investments

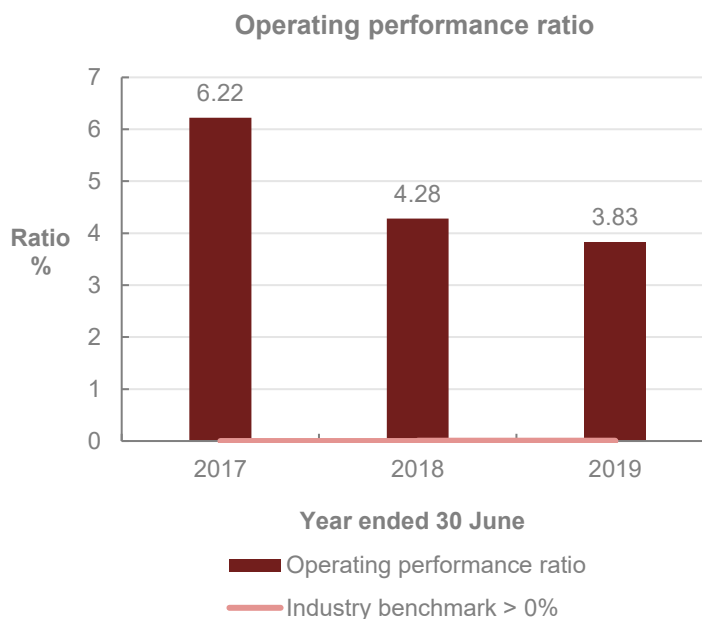
Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	5.3	5.9	<ul style="list-style-type: none"> • External restrictions include unspent specific purpose grants, developer contributions, and domestic waste management charges. • Internal restrictions are due to Council policy or decisions for forward plans including the works program. The movement in 2019 included an increase of \$2.4 million for unspent loan related to the Allan Border Oval project, offset by a \$2.0 million decrease in the capital works reserve. • Unrestricted balances provide liquidity for day-to-day operations and are consistent with last year.
Internal restrictions	8.3	9.0	
Unrestricted	1.3	1.1	
Cash and investments	14.9	16.0	

PERFORMANCE

Operating performance ratio

- Council's operating performance ratio is above the industry benchmark for 2018-19.
- This ratio has trended downwards in the last three years as the Council's employee benefits expenses have increased, reducing operating performance.

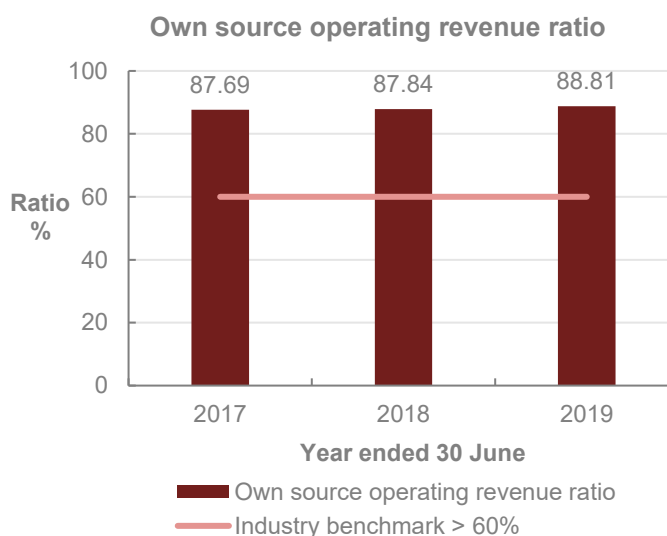
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater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



Own source operating revenue ratio

- Council's own source operating revenue ratio exceeded the industry benchmark for the past three years.
- This result reflects the significance of rates and user charges as funding sources for Council.
- This ratio has remained steady for the past three years.

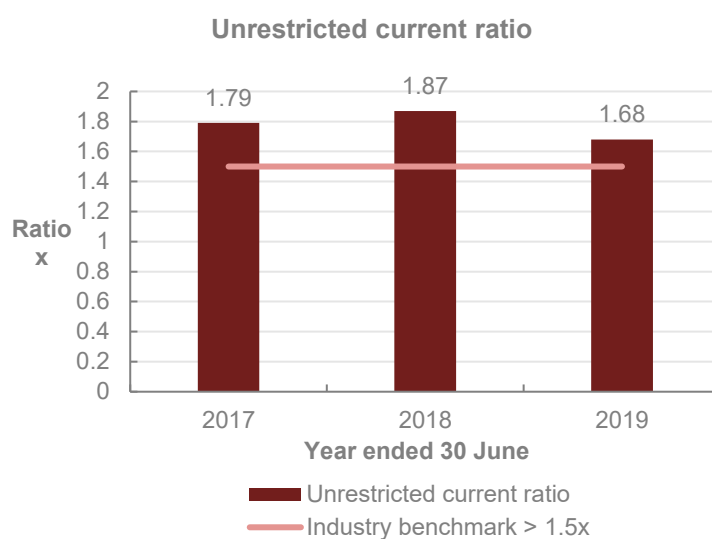
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



Unrestricted current ratio

- Council's unrestricted current ratio met the industry benchmark for the past three years.
- This ratio indicates that Council currently has \$1.68 of unrestricted current assets available to service every \$1.00 of its unrestricted current liabilities.

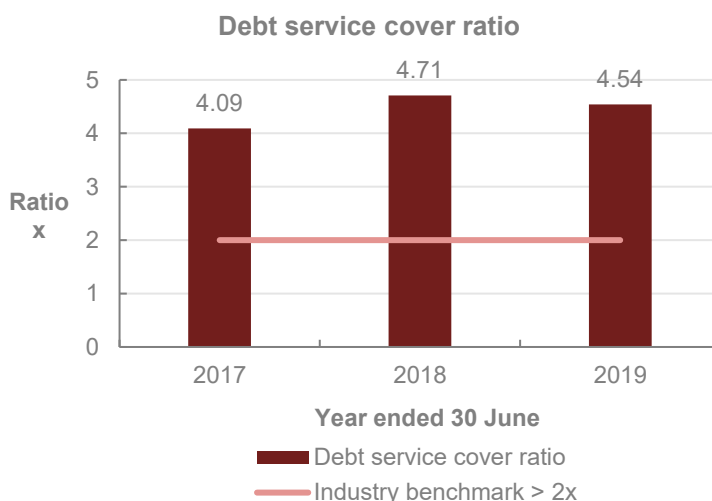
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



Debt service cover ratio

- Council's debt service cover ratio exceeded the industry benchmark for the past three years.
- Council appears to be effectively monitoring its liquidity levels to ensure it can meet its current liabilities when they fall due.

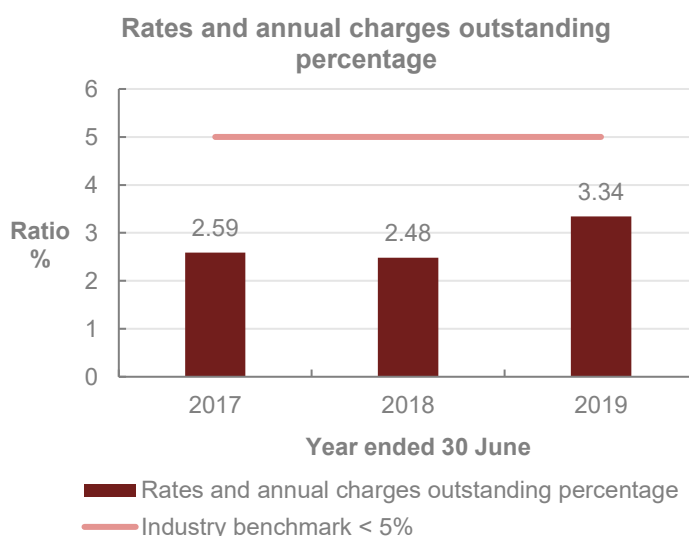
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



Rates and annual charges outstanding percentage

- Council's rates and annual charges outstanding percentage met the industry benchmark for the past three years.
- The collection procedures of the Council have operated effectively to collect rates and annual charges revenue within the receivable dates.

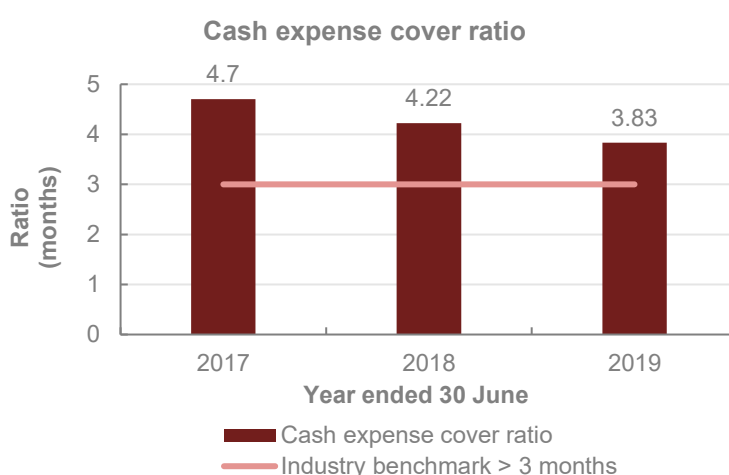
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 5 per cent for metro councils.



Cash expense cover ratio

- Council's cash expense cover ratio exceeded the industry benchmark for the past three years.
- This indicates that Council had the capacity to cover 3.8 months of cash expenditure without additional cash inflows at 30 June 2019.
- The ratio has decreased over the last three years due to lower cash and investments balances.

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



Infrastructure, property, plant and equipment renewals

Council spent \$10.1 million on asset renewals in 2018-19 compared to \$8.6 million in 2017-18. Asset renewals are defined as the replacement of existing assets as opposed to the acquisition of new assets.

A short-term benchmark of Council's strategic asset management is to assess the rate at which Council's assets are being renewed against the rate at which they are depreciating. In 2018-19, asset renewals of \$10.1 million represented 178 per cent of Council's \$5.7 million depreciation expense. This result was higher than the 2017-18 result of 156 per cent.

Asset renewals in 2018-19 were carried out in accordance with Council's capital works program and were primarily related to non-specialised buildings, open space assets and road assets.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none">• a simplified model for classifying and measuring financial assets• a new method for calculating impairment• a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is in Note 14(b).</p>

Legislative compliance

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

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



Cathy Wu

Delegate of the Auditor-General for New South Wales

cc: Dominic Johnson, General Manager
Louise Scambler, Chair of the Audit Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Mosman Municipal Council

SPECIAL SCHEDULES
for the year ended 30 June 2019

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



Special Schedules
for the year ended 30 June 2019

Contents	Page
Special Schedules	
Permissible income for general rates	3
Report on Infrastructure Assets - Values	7

Permissible income for general rates

for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	a	20,037	19,592
Plus or minus adjustments ²	b	4	—
Notional general income	c = a + b	20,041	19,592
Permissible income calculation			
Or rate peg percentage	e	2.70%	2.30%
Or plus rate peg amount	i = e x (c + g)	541	451
Sub-total	k = (c + g + h + i + j)	20,582	20,043
Plus (or minus) last year's carry forward total	l	18	(1)
Sub-total	n = (l + m)	18	(1)
Total permissible income	o = k + n	20,600	20,042
Less notional general income yield	p	20,587	20,037
Catch-up or (excess) result	q = o - p	14	5
Carry forward to next year ⁶	t = q + r + s	14	5

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.
- (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 Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule - Permissible income for general rates

Mosman Council

To the Councillors of the Mosman Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of the Mosman Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'Cathy Wu', with a stylized flourish at the end.

Cathy Wu

Delegate of the Auditor-General for New South Wales

3 October 2019
SYDNEY

Report on Infrastructure Assets

as at 30 June 2019

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	2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – specialised	61	61	204	352	15,489	24,780	6.0%	27.0%	67.0%	0.0%	0.0%
	Council offices	–	–	90	148	13,960	17,342	15.0%	46.0%	39.0%	0.0%	0.0%
	Council works depot	–	–	20	20	1,734	2,570	11.0%	7.0%	82.0%	0.0%	0.0%
	Library	–	–	60	–	3,497	7,794	0.0%	17.0%	83.0%	0.0%	0.0%
	Cultural facilities	–	–	107	76	6,961	10,578	0.0%	48.0%	52.0%	0.0%	0.0%
	Other buildings	–	–	70	114	990	1,888	0.0%	10.0%	90.0%	0.0%	0.0%
	Childcare centres	–	–	20	6	1,170	1,820	2.0%	55.0%	43.0%	0.0%	0.0%
	Multistorey car park	–	–	–	24	6,935	11,902	0.0%	63.0%	37.0%	0.0%	0.0%
	Sub-total	61	61	571	740	50,736	78,674	5.6%	38.1%	56.3%	0.0%	0.0%
Roads	Sealed roads	935	935	1,000	1,115	51,471	90,854	26.0%	52.0%	21.0%	1.0%	0.0%
	Footpaths	35	35	150	150	14,896	20,574	35.0%	52.0%	13.0%	0.0%	0.0%
	Other road assets	308	308	60	20	18,418	23,140	35.0%	38.0%	25.0%	2.0%	0.0%
	Other	–	–	–	–	1,195	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and Gutter	–	–	44	23	13,474	30,618	10.0%	55.0%	35.0%	0.0%	0.0%
	Retaining Walls	267	267	40	21	19,147	38,551	17.0%	44.0%	37.0%	2.0%	0.0%
	Physical Traffic Devices	86	86	112	86	3,882	5,425	45.0%	39.0%	12.0%	4.0%	0.0%
	Lines and Signs	–	–	34	4	333	2,168	33.0%	42.0%	25.0%	0.0%	0.0%
	Street Furniture	162	162	18	–	53	3,600	21.0%	15.0%	60.0%	4.0%	0.0%
	Sub-total	1,793	1,793	1,458	1,419	122,869	214,930	24.4%	48.4%	26.0%	1.2%	0.0%
Stormwater drainage	Stormwater quality improvement devices	–	–	63	164	3,057	3,833	16.0%	31.0%	53.0%	0.0%	0.0%
	Rainwater re-use tank	–	–	19	–	1,230	1,402	41.0%	59.0%	0.0%	0.0%	0.0%
	Open conduits (drains)	4	4	34	–	2,091	3,370	19.0%	43.0%	38.0%	0.0%	0.0%
	Closed conduits (pipes)	527	527	62	48	35,496	50,921	5.0%	51.0%	43.0%	1.0%	0.0%
	Nodes (pits)	48	48	63	44	7,488	9,495	3.0%	88.0%	8.0%	1.0%	0.0%
	Sub-total	579	579	241	256	49,362	69,021	6.8%	54.8%	37.6%	0.9%	(0.1%)

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

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	2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Open space / recreational assets	Marine structures	125	125	17	33	6,725	13,408	18.0%	4.0%	77.0%	1.0%	0.0%
	Sporting fields	7	7	430	395	4,209	6,073	29.0%	43.0%	28.0%	0.0%	0.0%
	Parks & reserves	51	51	595	1,100	8,974	13,612	20.0%	16.0%	63.0%	1.0%	0.0%
	Other	2	2	633	274	10,800	13,053	0.0%	41.0%	59.0%	0.0%	0.0%
	Sub-total	185	185	1,675	1,802	30,708	46,146	14.9%	23.1%	61.3%	0.6%	0.1%
TOTAL - ALL ASSETS		2,618	2,618	3,945	4,217	253,675	408,771	16.7%	44.6%	37.8%	0.8%	0.1%

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

Infrastructure asset condition assessment 'key'

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

Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	9,512	184.88%	198.48%	137.95%	>=100.00%
Depreciation, amortisation and impairment	5,145				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	2,618	1.03%	1.03%	1.14%	<2.00%
Net carrying amount of infrastructure assets	253,675				
Asset maintenance ratio					
Actual asset maintenance	4,217	106.89%	124.85%	115.73%	>100.00%
Required asset maintenance	3,945				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	2,618	0.64%	0.63%	0.70%	
Gross replacement cost	408,771				

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

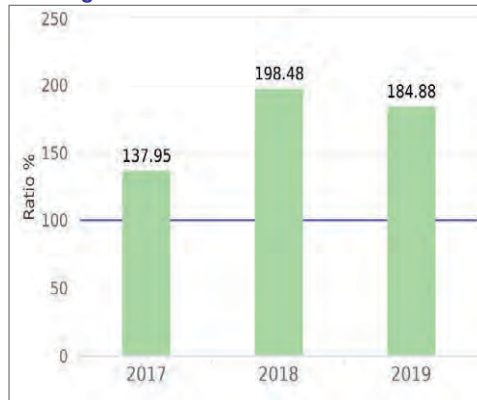
(1) Excludes Work In Progress (WIP)

(2) 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.

Report on Infrastructure Assets (continued)

as at 30 June 2019

Buildings and infrastructure renewals ratio ¹



Infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result

18/19 ratio 184.88%

A very high ratio reflecting Council's active capital works program. This year's result includes renewal work on building such as the Civic Centre, Library and Depot. Also included is the concluding stages of Balmoral Esplanade renewal and the Centenary Circle works.

Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

Asset maintenance ratio



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 result

18/19 ratio 106.89%

Council continues its commitment to the community to maintain its infrastructure assets

Benchmark: — $> 100.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

Infrastructure backlog ratio ¹



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result

18/19 ratio 1.03%

Council's active capital works program ensures this ratio is well within the benchmark

Benchmark: — $< 2.00\%$

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result

18/19 ratio 0.64%

Council's active capital works program ensures this ratio is well within the benchmark.

(1) Excludes Work In Progress (WIP)

Section Four

State of the Environment Report 2018-2019



Mosman STATE OF THE ENVIRONMENT

Scorecard 2018-19



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, Balmoral The Spit, Cobblers and Clifton Gardens. The majority of the foreshore include significant rocky areas, bushland, including many protected areas, parks and tourist attractions, such as Sydney Harbour National Park and Taronga Zoo.

The 2018 data showed 30,877 people lived in Mosman, with the median age of residents 42 years old. Children aged 0-14 years account for 17.6% of Mosman's population and people aged 65 years and over equate to 19.1% of the population.

Mosman Council's vision is to preserve and enhance biodiversity, including Mosman's bushland, parks, tree canopy, beaches and marine environment through best practice operational and maintenance programs, infrastructure upgrades, regulatory practice and education campaigns. Council's aim is to also reduce its carbon footprint and minimise its waste to landfill.

STATE OF THE ENVIRONMENT REPORT

This report aims to show that Council is sustainable and is actively managing the use of our local environment whilst conserving and protecting it for the enjoyment of future generations.

The State of the Environment (SOE) Report provides an annual snapshot of the condition of the environment, current impacts on the environment and the Council's response to these impacts.

The 2018-2019 SOE Scorecard summarises key areas of operation and projects undertaken by Council to improve the local environment for residents and visitors alike.

KEY AREAS

This SOE focuses on seven key areas chosen by the State Government, these include:

- Climate Change and Air Quality
- Total Water Cycle
- Biodiversity
- Waste
- Transport
- Planning, Built Environment and Heritage
- Engagement and Education for Sustainability

Within these areas are a number of standard indicators used to measure change. These indicators align with the goals and objectives of Council's MOSPLAN and allow for change in environmental management to be measured over time.





CONTENT

- CLIMATE CHANGE AND AIR QUALITY
- TOTAL WATER CYCLE
- BIODIVERSITY
- WASTE
- TRANSPORT
- PLANNING, BUILT ENVIRONMENT AND HERITAGE
- ENGAGEMENT AND EDUCATION FOR SUSTAINABILITY

CLIMATE CHANGE AND AIR QUALITY

AIR QUALITY	2015-16	2016-17	2017-18	2018-19	Change from previous year
Number of air pollution complaints received by Council	2	2	12	12	↔
ENERGY					
Electricity use Council operations (kWh)	1,666,642	1,588,203	1,598,413	1,523,945	↓
Council energy and consumption (GJ)	7,087	6,648	6,880	7,254	↑
GHG emissions from Council energy and gas use (tonnes CO ₂ -e)	1,588	1,511	1,493	1,414	↓
Total residential and non residential electricity use for Mosman (MWh)*	137,569	136,916	134,219	Awaiting Data	
Solar generation exported to the grid (MWh)*	640	757	767	Awaiting Data	

*Data provided by Ausgrid.

SOLAR SCOPING AND FEASIBILITY ASSESSMENT FOR THE CIVIC CENTRE AND LIBRARY

Council's Civic Centre and Library consume 45% of Council's electricity use, excluding street lighting. In April 2019 a solar scoping and feasibility report was undertaken for the Civic Centre and Library. The feasibility study included an onsite inspection for solar PV suitability of roof areas and electrical infrastructure required.

The roof of the Civic Centre had good orientation with good access. These factors resulted in the building rated as excellent for solar PV installation. Panels can be installed on the newly refurbished flat metal roof however there are issues with the tiled roof area. At this location some of the timber roof frames require replacement due to water damage and in many areas the tiles are approaching the end of their useful life. This was identified during the recent refurbishment works where minor maintenance was undertaken on this area as the works did not require immediate attention. These works have been scheduled to occur in the 2020/2021 financial year. Once this has been completed Council will look to install solar panels

COUNCIL ENERGY SAVING INITIATIVES THROUGH CIVIC CENTRE UPGRADE WORKS

Lighting upgrade of the Civic Centre and Library was part of the renovation work. This included:

- Upgrades of old fluorescent lights and fittings with LEDs'
- Installation of motion sensors and lights
- Automated light control units throughout Civic Centre to match lighting with usage requirements
- Upgrade of the Council Civic Centre air conditioning units to provide energy efficiency

Other initiatives include becoming an active member of Resilient Sydney Strategy which is focusing on Action 13: 'Measuring metropolitan environmental footprints' and continued use of Azility who provide quarterly audits of Council's energy and water use.



SOLAR MY SCHOOL PROGRAM

In order to reduce energy costs and reduce air pollution an exciting new partnership was formed earlier this year between Mosman Council and Solar My School to bring solar panels onto the roofs of public schools. Mosman Public School was the first school to be part of the Solar My School Project in Mosman. A great deal of background work was executed by different stakeholders including Councillors, teachers, parents and other community members who generously donated their time.

Support funding was raised through a Go Fund Me campaign launched at the screening of 2040 the film. The environmental documentary film had a positive message, exploring ideas based on how an expansion of existing sustainable technologies could create a healthier Earth by 2040. Over 500 people saw the film at the Orpheum. Ticket sales also contributed to the funding. Producer Damon Gameau and local Federal MP Zali Steggall answered questions from eager students at the end of the film.

Mosman Public now have all the funding required to proceed with the installation of a 50 kWp solar powered system for their school.

TOTAL WATER CYCLE

STORMWATER	2015-16	2016-17	2017-18	2018-19	Change from previous year
Number of gross pollutant traps (GPTs)	35	35	35	35	↔
Total gross pollutants removed from GPTs (tonnes)	376	368	N/A	305	↓
WATER CONSUMPTION					
Total LGA potable water use (kilolitres)#	3,062,906	3,201,659	3,429,718	Awaiting Data	
Total residential potable water use (kilolitres per capita#)	100	89	113	Awaiting Data	
Total Council potable water use (kilolitres)	61,850	71,329	63,313	60,739	↓

Data provided by Sydney Water

SQID IMPROVEMENT WORKS

To ensure Council Gross Pollutant Traps (GPT's) are functioning well Council is constantly monitoring performance and completing upgrade works. In 2016 Council assessed all of its GPT's to determine functionality and if improvements or increased cleaning was necessary. The result was the development of a GPT priority improvement program. In 2018/19 four GPT's were improved. These were at Pearl Bay, Spit Hill, Sirius Cove and Cowles Road. The majority of the works involved repair to baskets, extensive cleaning, removal of foreign materials from sump areas and improvements to entry points to limit size of material able to enter the chambers. In total the GPT's collected 305 tonnes of solid waste namely litter and organics.

SUPPLY OF WATER STATION FOR MINI MOS

Council supported the Mosman Public School Mini Mos fun run and fair in 2019 by donating a 20 bubbler water station to be used at the end of the race instead of handing out single use plastic water bottles to race participants. This helped the school in their efforts to embrace sustainability across the event and raise awareness for reduction of single use plastics.

WATERWISE GARDENING

Council hosted a waterwise gardening workshop for residents to help them reduce the amount of water they are using on their gardens whilst still meeting the aesthetic and functional outcomes that many residents value in their yards and gardens. Residents were provided with handy hints and tips about the orientation, plant selection, mulches, irrigation and soil improvement.

MAINTAINING URBAN CREEKLINES

Local creeks are continually maintained by Council each year. To preserve the condition of these natural areas, our bushland contractors conduct weeding, slashing and sediment control as required. From time to time more significant events such as felled trees do occur in these areas and are removed by Council to keep our waterways running efficiently.



BIODIVERSITY

BIODIVERSITY CONDITION	2015-16	2016-17	2017-18	2018-19	Change from previous year
Noxious weed notices	0	0	0	0	↔
Noxious weed assessments undertaken	11	15	14	22	↑
Number of registered active bushcare volunteers	79	86	86	95	↑
Bushcare Program volunteer hours	1,750	1,860	1,700	2,200	↑
Number of active bushcare groups	17	21	22	20	↓
Total number of native plants supplied to volunteers, contractors and residents	8,500	13,000	10,000	9,000	↓
Number of native plant species recorded in LGA	490	490	490	490	↔
Number of threatened flora species	3	3	3	3	↔
Number of threatened fauna species	5	5	5	5	↔
Number of endangered ecological communities	2	2	2	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	↔

BUSHLAND VEGETATION MAPPING 2019

Throughout March, this year, Council conducted in depth mapping of native vegetation through managed bushland sites, including studies on weed density and comparisons to the 2011 and 2016 studies. Findings were positive and reflected the quality work conducted across managed bushland in Mosman.

The survey recorded 74% of Mosman's Bushland reserves at the top tier for native resilience, meaning an overall 10% increase from the previous survey conducted in 2016. The survey also reaffirmed 490 indigenous flora species (including two threatened species) and two significant ecological communities within our LGA.

As a result of the survey, Council resolved in May 2019 to extend the bushland restoration contracts for a further and final 3 years until the end of May 2020.

STREET AND PARKS TREE PLANTING PROGRAM 2019

Through March/April 2019 Council conducted the Street and Park Tree planting contract. Over 300 advanced trees and shrubs were planted throughout Mosman's Streets and Parks. The plantings follow Council's adopted Street Tree Masterplan 2017. There was a 95% success rate which is an excellent outcome given the prolonged dry weather conditions presented during the planting period.

WEED ACTION PROGRAM GRANT

Mosman Council initiated and assisted in a grant for Taronga Zoo to eradicate Boneseed, a Sydney region priority weed. The funding is for three years and will allow Taronga Zoo to eradicate Boneseed on its foreshore bushland areas.



WASTE

WASTE	2015-16	2016-17	2017-18	2018-19	Change from previous year
Total waste to landfill, including general cleanup (tonnes)	7,097	6,701	7,050	6,695	↓
Total waste to recycling including paper, co-mingled, metal and green waste (tonnes)	5,156	4,326	3,928	3,856	↓
Total waste to landfill, including general cleanup per capita (kg)	232	218	248	217^	↓
Total waste to recycling, including metal and green waste per capita (kg)	169	141	138	125^	↓
Green waste diverted from landfill per capita (kg)	71	49	43	46^	↑
Total e-waste collected (kg)	50,371	59,039	52,871	34,189	↓

* Decrease mainly attributed to drop in vegetation due to dry weather and reduced paper tonnage.

^ Figures based of last years population data of 30,877 residents. Figures will be updated when new population data is available.

IMPROVED RECYCLING OF WASTE AT THE COUNCIL DEPOT

As of February 2019 staff implemented the separation of waste streams at the Council Depot. Whilst tree mulch and milled sportfield soil is placed back onto Council's parks and reserves, general waste, street sweeping and garden waste is taken to the Council Depot for bulking and then transportation to a waste/ landfill facility. Metals were already separated with Council now seperating its green waste material (street sweeping and garden waste) from general waste. It is expected that Council will increase its recycling rate of waste at the Depot by up to 60%.

MATTRESS RECYCLING

During the August 2018 Council clean-up over 500 mattress were collected from Mosman residents. This means the diversion of approximately 15 tonnes of waste going into landfill.

The mattress is taken apart and recycled. The metal springs are removed and turned into products like roof sheeting. The foam is removed and recycled into carpet underlay. The timer and husk is used for kindling, weed matting, mulch and animal bedding

The only component not reused is the cloth materials and the company are looking for opportunities to better utilise this material.

Council will be introducing a new collection system next year where resident can book a mattress collection at anytime to further improve services provided to Mosman residents and to recylce as many mattresses as possible as they are still a commonly dumped item.

EWASTE RECYCLING

The 2018/19 financial year saw a total of 34.2 tonnes of e-waste dropped off at e-waste events conducted in the Mosman Council Car Park. Council held two events over this period with over 1400 people participating. There was an increase in the number of people walking to the car park, rather than driving to recycle their items.

Of the attendess 95% of people were from the Mosman LGA with TV's and computers being the most common items delivered.



INTRODUCTION TO MODERN CLOTH NAPPIES

Council held a workshop for 25 mums and expectant mums introducing them to the reusable, modern cloth nappies. These are a great alternative to disposable nappies and are becoming more mainstream. The workshop was run by Nappy Lane and offered practical ways to reduce some of the waste to landfill associated with raising young children.

COMMUNITY RECYCLING CENTRE

In 2018 Council, through the Northern Sydney Regional Organisation of Councils agreed to contribute to a Community Recycling Centre located at Artarmon for one year. The Community Recycling Centre provides a valuable free collection service to Mosman residents to dispose items not permissible in landfill sites through normal waste disposal practices. The majority of items are recycled and include paints, gas bottles, ink cartridges, x-rays, car oil and other types of oil.

The site at Artarmon is roughly 15 minutes from the Mosman Local Government Area and Mosman contribution cost equates to \$4.13 per Mosman household.

A review of usage by Mosman residents has been completed in early 2019 and in April 2019 Council resolved to commit to a further three years of funding for the centre.

TRANSPORT

TRANSPORT	2015-16	2016-17	2017-18	2018-19	Change from previous year
Registered vehicles in Council LGA*	19,497	19,791	19,820	19,697	↓
Number of Council fleet vehicles	22	22	21	21	↔
GHG emissions from Council fleet vehicles (tonnes CO2-e)	110	117	79	66	↓
Number of people using the carshare scheme	713	825	889	996	↑

* Data from RMS Website "Table 1.1.9 Registered vehicles by vehicle type by postcode as at 30 June for each year"

SPIT EAST PEDESTRIAN AND BIKE PROJECT UPGRADE

Council undertook an upgrade of Spit East and Parriwi Road. The aim of the project was to provide the missing bike and pedestrian link along Spit East, reduce conflict between buses, pedestrians, vehicles and cyclists, provide improved bus stop facilities, provide a separation between Spit Road and Spit East to improve traffic flow and safety as well as improve landscaping to the streetscape area.

BONDI TO MANLY WALK

The 80km Bondi to Manly Walk was launched in December 2018. Council is one of the many participating Councils connecting Sydney in this iconic 80km walk. The Walk starts at Bondi Beach, passes around South Head, over the Harbour Bridge and along to North Head Sanctuary before finishing at Manly Beach.

The Walk is rich in Indigenous heritage and includes four iconic Australian landmarks. It will provide an unsurpassed experience to explore Sydney, and discover our beautiful natural harbour, cultural gems and rich heritage.

CAR SHARE UPDATE

Council continued to support Car Share by updating the Car Share Policy. The policy allows for multiple car share providers to provide services within Mosman.

Council received 10 new applications for designated car spaces. Staff assessed and consulted with the community and recommended to the Traffic Committee that five be approved.

BIKE PLAN 2014-2019

Over the past 5 years Council successfully completed over 90% of the works listed in the 2014-19 Bike Plan. This includes over 22km of bicycle works costing \$467,000.

The completion of these works continues to make bike riding safer for Mosman residents and visitors, whilst improving the visual amenity of the area.



PLANNING, BUILT ENVIRONMENT AND HERITAGE

POPULATION	2015-16	2016-17	2017-18	2018-19	Change from previous year
Estimated population of LGA – at 30 June (ERP)	30,215	30,465	30,877	30,877 ¹	N/A
Residential density (persons per hectare)	34.93	35.22	35.70	35.70 ¹	N/A
NOISE					
General noise complaints received by Council	38	49	83	33	↓
Barking dog complaints received by Council	25	25	38	66	↑
DEVELOPMENT APPLICATIONS					
Total number of development applications received by Council	332	260	258	224	↓
Number of development applications approved	301	197	231	262	↑
ABORIGINAL HERITAGE					
Total number of Aboriginal heritage sites	105	105	105	105	↔
NON ABORIGINAL HERITAGE					
Total number of non-Aboriginal heritage items	483 [^]	483	481	481	↔
Number of built items*	444	444	445	445	↔
Number of landscape items*	34	34	34	34	↔
Number of archeological items	13 [^]	13	10	10	↔
Heritage conservation areas	13	13	13	13	↔

[^] Change is a result due to review of archeological sights undertaken in 2016.

¹ Data for ERP 2018 ERP data. Will update once updated data figures are released in March 2020.

MOSMAN DESIGN AWARDS 2019

Held every two years by Council, the Mosman Design Awards offers architects, builders and owners of recently completed developments in Mosman the opportunity to nominate their property for recognition of quality design.

The 2019 Mosman Design Awards were once again a big hit, celebrating the high quality development Mosman has to offer. A panel of esteemed architects, comprising Gabrielle Morrish, Renato D'Ettorre and Nick Tobias, assessed each of the 18 nominations. After visiting the properties and careful deliberation judges unanimously agreed that the overall winner of the 2019 awards was Almora House by Tonkin Zulaikha Greer Architects. The judges commented that Almora House is a house where "the senses are heightened to a loftier level and is a testimony to the design calibre of the architects".

The People's Choice Award was once again a popular award with over 350 people voting for their favourites of the nomination. Clanalpine House by McNally Architects had the most votes and was the 2019 People's Choice.

The awards provide a platform for Council to raise community awareness for good urban design in Mosman and provide the opportunity for the community to get involved through online voting. The next Mosman Design Awards will be held in 2021.

PROTECTING MOSMAN'S SCENIC PROTECTION AREA

Mosman's Scenic Protection Area is identified in Mosman Local Environmental Plan as land below the 60m contour line. The Scenic Protection Area is recognised for its significance in terms of views to and from Sydney Harbour, and its unique balance of natural landscape, vegetation and the built environment.

In November of 2018 Council secured a further three year exclusion from the Housing Code of the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008 for the Scenic Protection Area. Following extensive campaigning by Council the NSW Government granted the exclusion.

The previous exemption was within weeks of lapsing and, if lapsed, would have allowed new dwellings and significant alterations to existing dwellings to be built without the need to submit a development application. This would have left the foreshore slopes vulnerable to development that had no consideration of Council's policies to maintain the existing landscape, consider submissions from the community and to protect neighbouring properties from view loss, privacy loss and overshadowing.

The three-year extension ensures the protection of the foreshore slopes until 2021. Council will continue its campaign of lobbying the State Government in an attempt to secure a definitive solution.

IMPROVING MOSMANS HISTORIC CHARACTER

Council adopted changes to the Mosman Heritage Fund that seek to increase uptake of the Fund and improve Mosman's historic character.

The Heritage Fund is a Council operated initiative that provides dollar for dollar grants for property owners undertaking works to heritage properties throughout Mosman that maintain and improve heritage features.

The changes to the Heritage Fund included increasing the yearly budget of the fund from \$30,000 to \$60,000 and increasing the maximum grant available through the Heritage Fund from \$3000 to \$5000 for Heritage Items and from \$1000 to \$1500 for Heritage Conservation Areas.

The changes will encourage the proper maintenance of Mosman's heritage properties and preserve the historic charm that makes Mosman's local character outstanding.



ENGAGEMENT AND EDUCATION FOR SUSTAINABILITY

EDUCATION	2015-16	2016-17	2017-18	2018-19	Change from previous year
Total number of environmental programs (workshops, events, surveys) delivered to the community.	102	87	63	65	↑
Total number of environmental programs (workshops, events, surveys) delivered to Council staff.	9	11	5	12	↑
Number of HarbourCare volunteers	N/A [^]	19	26	67	↑

[^] HarbourCare was a new program introduced in July 2016.

LIVING MOSMAN PROGRAM

Council continued to run its “Living Mosman” environmental education series over the past year. Workshops included foodwaste and pickling workshops, make your own insect hotel, waterwise gardening, introduction to modern cloth nappies, rockpool rambles, organic skin care, and decluttering workshops.

Over 390 people attended the Living Mosman series over the past year and have extended their skills in a wide range of sustainability issues and topics.

Council also send a e-newsletter 6 times a year to over 800 residents informing them about current projects, Council works and opportunities for residents.

HARBOURCARE PROGRAM

Council's HarbourCare Program has continued to grow in numbers as Council have welcomed more volunteers on board. Council has volunteers collecting rubbish from along our foreshores and beaches, helping to keep our Harbour clean. Data is then reported back to Council to help shape education campaigns and infrastructure development

This year Council also created a new branch of HarbourCare Teen. This allows teenagers a volunteer avenue where they can give back to the community whilst achieving volunteer hours required for school or extra-curricular programs.

Between HarbourCare and HarbourCare Teen it is

Council's largest growing volunteer group for the year.

RETHINK RUBBISH POP UP

All activities were conducted at Clifton Gardens and focused on cigarette butts, outdoor party litter and fishing tackle. The Ocean Action Pod and a pop- up marine education display run by Shark in a Bus guided many participants through waste reduction educational activities and interactive displays. An artist taught people how to weave discarded plastics to create works of art. A giant jellyfish was compiled over several days and was built by many hands. The resulting jellyfish will be on display at the AAEENSW 2019 Conference. Fish Care Volunteers (run by DPI) came to talk to fisherman about better fishing practices and waste generated from fishing tackle. Three new fishing tackle bins were installed and are now well utilised.

The ever popular Seaside Scavenge returned. Here litter collected on the beach was exchanged for tokens which in turn were swapped for previously donated second hand goods. Over 141 kg of second hands goods were swapped. Collectively over 1600 programme interactions took place and a litter survey conducted by Two Hands Project revealed a 32% reduction in litter compared to the previous year.

TREES MOSMAN APP

Mosman residents can now easily find all the information required for the management of trees via a newly launched app called Trees Mosman.

Trees Mosman houses all tree information in one handy

app and will simplify the tree permit process and better define tree-related policies while providing images and descriptions of exempt tree species.

Created by Mosman Council's tree experts, Trees Mosman offers a simplified way to submit a tree permit application, request a street tree planting, report suspicious tree work and determine tree protection zones when planning construction or development works.

The app is set to not only become a one-stop tree shop for residents, it has added features to encourage contractors to download and use it and is also set to improve the administration process by streamlining back office processes which will lead to improved efficiencies.

The easy-to-navigate app features a streamlined homepage with clear icons to simplify navigation through the functions and, as a primary web-based app, initial downloading will be small and the app will be relatively fast to use.

Key functionality includes:

- Tree permit applications for private and public property
- Reporting of suspicious activity to assist Council investigate and prevent unauthorised tree work
- Exempt species profiles with clear images and descriptions for easy identification
- Comprehensive FAQs for users
- Tree protection area calculator where excavation of development works have potential for impact to trees and
- Request a street tree to be planted to help increase Mosman's canopy cover.

Trees Mosman can be downloaded free from the iPhone App Store and Google Play.

CROSS COUNCIL PARTNERSHIPS

Council's Environment Team worked collaboratively across Council with various other teams to help embed sustainability in their programs and activities.. This has included the Youth, Events and Aged and Disability Services.

An example of this is working with both the Events and Aged and Disability Services teams in producing more environmentally friendly promotional materials for events. These teams have replaced single use lolly packets or other promotional materials with reusable cloth bags and reusable silicon straws.



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.

Going forward for 2019/20 and beyond Council aims to:

- Replace the solar panels on the Marie Bashir Sports Centre.
- Develop a business case for acceleration of residential and main street lights to LED.
- Develop a new Active Transport Plan.
- Develop a business case to install solar panels on Council Civic Centre roof.
- Investigate options for domestic waste disposal to improve diversion rates from landfill.
- Continue to monitor Council and community water and energy use.
- Continue to monitor MUD waste disposal and educate as necessary.
- Continue to expand the HarbourCare and Bushcare volunteer programs and encourage foreshore community engagement and connectedness based on environmental protection works.
- Continue the street tree planting program.
- Continue bushland restoration works including increase in 90%+ native vegetation cover target.
- Undertake the Wyong Road bicycle path works.
- Review the number of e-waste events Council runs.





Section Five

Disability Inclusion Action Plan 2017-2021

Disability Inclusion Action Plan 2017-2021 Reporting: Implementation of Actions 1 July 2018 to 30 June 2019

PROGRESS LEGEND



Completed



Progressing




Not Due To Start








Not Progressing

Actions 1. Developing positive community attitudes and behaviours

Action	Responsibility	Timeframe	Indicator	Comments	Progress
Listen to people with disability					
<p>Seek ongoing feedback from people with disability and community members about progress on access and inclusion.</p> <p>Make adjustments to the actions in this plan to respond to feedback as needed.</p> <p>Share feedback and actions to improve accessibility taken by Council with Council staff.</p>	<p>Community Development; Community Services</p>	Ongoing	Community satisfaction rates with information and support for people with disability in biennial survey	<p>Council's Access and Mobility Community Consultative has four community members and meets three times each year. Input from the Committee in 2018/19 has led to the development of initial KPIs for the next iteration of the DIAP.</p> <p>Community satisfaction mean score for services and facilities for people with disability increased from 6.68 in 2017 to 6.83 in 2018 in Council's Community Survey. Accessibility improvements highlighted in newsletters and local media.</p>	

Promote understanding and positive attitudes among Council staff



<ul style="list-style-type: none"> ▪ Include disability awareness training in staff induction [New Starter Orientation Program] to ensure staff recognise providing accessible information, processes, services and facilities as a core responsibility; this includes ensuring frontline staff know where to refer customers for information. ▪ Provide more detailed training for relevant staff on access and inclusion for people with disability, with input from local disability service providers. 	Human Resources; Training for all Sections as relevant	2018/19	N and % of staff trained per year % staff reporting increased confidence following training	<p>Disability Awareness training provided in May 2018. 96 staff attended. 52% of Council staff. Content covered in staff induction, 28 new staff trained.</p> <p>Dementia awareness training provided to 6 staff and Anxiety & Depression training offered to 5 staff using expert facilitators.</p>	
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Promote understanding, positive attitudes and connections in the community					
Hold or link to events and activities that promote inclusion, such as events for International Day of People with Disability.	All Sections as relevant	Ongoing	N events held per year	IDPwD was held on 22/11/2018, with 137 students from five local schools participating in Wheelchair Basketball, Mouth Painting, Deaf Soccer, Music Therapy, Blind Cricket and Disability Drama Workshop.	
Work with Ability Links and Local Area Coordinators to promote inclusion in the community.	Community Services	Ongoing	N activities per year	Ability Links participated in 2 community forums held in March & May 2019.	
Work with Ability Links to investigate a volunteer program to connect people with disability and community members interested in the same activities or volunteering opportunities.	Community Services	2018/19	Program investigated	Initial contact made with Ability Links for investigation, & Gig Buddies for Council's Volunteering Expo. Volunteering opportunities provided within Council programs, including an adult with a disability and a young person with a disability.	
Promote positive stories of inclusion and actions taken to increase access. Include pictures of people of all abilities in promotional materials.	Community Services; Communications	Ongoing	N publications that promote inclusion and/or pictures that include people of different abilities	Positive stories for IDPWD & image included in Council's Volunteers handbook & other positive stories being developed for 2019/20	





Engage with groups in the community to promote inclusion

Connect the Chamber of Commerce with relevant providers to advise local businesses on inclusion and access.	Community Services	Ongoing	N linkages made	Chamber connected previously & participated in a community forum in May 2019, which included disability providers.	
<ul style="list-style-type: none"> ▪ Connect sporting associations and clubs to advice on how they can increase access and inclusion. For example, refer them to the All In! The Inclusion Guide online resource and connect them to advice through 6-monthly meetings with sporting associations. 	Environment and Open Space	2017/18	N clubs and associations connected to advice	All Sporting Clubs advised through biannual user group meetings.	
<p>Connect with schools and preschools to promote inclusion.</p> <ul style="list-style-type: none"> ▪ Continue to offer Council's International Day of People with Disability event for schools. ▪ Draw on Children's Services network meeting to engage children's services ▪ Engage with Principals' Liaison Group 	Communications Community Services Library Services	Ongoing	% children reporting improved knowledge of inclusion and accessibility % services reporting more confidence with inclusion	IDPwD was held on 22/11/2018, with 137 students from five local schools participating in Wheelchair Basketball, Mouth Painting, Deaf Soccer, Music Therapy, Blind Cricket and Disability Drama Workshop. All surveyed participants reported improved knowledge. Connection made with funded inclusion services & invitations extended to them to present to the Children's Services Network and Principals' Liaison Group in Term 3 2019.	

Actions 2. Creating liveable communities


Action	Responsibility	Timeframe	Indicator	Comments	Progress
Listen to people with disability					
Continue to work with our Access and Mobility Community Consultative Committee to identify barriers and actions to improve access.	Community Services; Engineering	Ongoing	N actions taken to improve access	Significant progress made in identifying and remedying barriers to access, including support for a funding application under the NSW Government 'My Community' program to build accessible toilets in Raglan St West, Mosman Junction.	
Investigate establishing formal criteria to more effectively assess and prioritise requests from the community for improvements to pathways or pram ramps.	Engineering; Community Services	2018/19	Process confirmed	Pram ramps are upgraded where possible with footpath renewals. A formal criteria for prioritising will be established in 2019/20.	



Progressively increase access in the local community and to Council facilities

Continue to implement actions in the Access Strategy and consult with the Access and Mobility Community Consultative Committee and the community when undertaking upgrades and planning new works, including: <ul style="list-style-type: none"> council facilities sport and recreation facilities playgrounds public toilets and adult change facilities accessible parking spaces ramps hand rails <ul style="list-style-type: none"> continuous pathways. 	Engineering; Environment and Open Space	Ongoing	N and type of upgrades made per year	Where possible 18 kerb ramps were upgraded. Senior Centre accessible toilet was refurbished and an ambulant toilet was included with the Civic Centre upgrade works.	
Investigate options to increase access to the water.	Engineering; Environment and Open Space; Governance; Community Services	2017/18	Investigation complete	On ground improvements made at Balmoral Baths. Clifton Gardens project scheduled for 2019/20.	
Continue to implement strategies in the Pedestrian Access and Mobility Plan.	Engineering	Ongoing	N and type of actions implemented per year	18 compliant pram ramps were installed in 2018/19	
Ensure Council's signage strategy for public domain, wayfinding and building and asset signage provides consistent and legible signage, including appropriate light reflective value (for people with vision impairment).	Communications, Engineering, Environment and Open Space, Compliance	Ongoing	N signage upgrades per year	16 new signs installed at a number of popular reserves and pedestrian routes to provide additional wayfinding and public information. New signage aims to improve pedestrian access, compliance, readability and legibility.	




Improve process for providing access supports




Progressively increase access in the local community and to Council facilities




<p>Review eligibility criteria and process for requests for:</p> <ul style="list-style-type: none"> ▪ assistance in handling of waste bins ▪ mobility parking permits. 	Engineering	2018/19	Revised process in place	<p>Assistance with bins is assessed on a case by case basis and referral to the waste contractors for assistance. An audit on mobility parking was completed and the new requests are being assessed on case by case basis.</p>	
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Collaborate with state government to improve access					
Make submissions to State Government about policy and legislation affecting access.	Urban Planning	As needed	No of submissions made Outcome of submissions	There were no planning policy initiatives from the State government that related to access and required a council submission.	
Collaborate with State Government on accessible transport and safer road crossings.	Engineering	As needed	N improvements made during DIAP period	Continued to collaborate with B-Line project. Council liaised with RMS for proposed pedestrian crossings and refuge islands for approvals and grant funding.	








Actions 3. Supporting access to meaningful employment



Action	Responsibility	Timeframe	Indicator	Comments	Progress
Ensure council recruitment process is accessible					
Ensure job advertisements promote Council as an Equal Opportunity employer.	Human Resources	Ongoing	Process in place by 2018	Statement included on all job advertisements	
Ask candidates if they have any particular needs to make the application and selection process accessible.	Human Resources	Ongoing	% of requests for reasonable adjustment to process that are made	Included as a mandated question on interview guide template 100% of adjustments were made	
Include greater focus on inclusion in staff selection training and add a point in training around reasonable workplace adjustments.	Human Resources	2017/18	% training sessions including focus on inclusion and reasonable adjustment	Covered in recruitment and selection corporate practice and training provided to all recruitment managers 100%	



Ensure Council is an inclusive and accessible workplace					
Promote an inclusive workplace culture through induction training.	Human Resources; all sections as relevant	Ongoing	N staff trained per year	28 staff have been trained about diversity and EEO in 2018-19 through the induction process	
Respond to any adjustment needs of staff with disability (including workplace ergonomics and physical access barriers to Council workplaces).	Human Resources; Engineering	Ongoing	% of requests for reasonable adjustment that are made	HR have responded to 100% of requests made by staff for workplace modification	
Consider accessibility of software and hardware in IT procurement.	IT Services	Ongoing	Standard accessibility conditions for procurement adopted % systems that are accessible	Included as part of procurement / evaluation process	







Explore volunteering opportunities for people with disability					
Actively explore options to support volunteering options for people with disability, for example, by connecting with Ability Links.	Community Services	2019/20	N volunteer connections made	Contact made with Ability Links, but no connections have been achieved. Youth volunteers are being included in mainstream projects.	
Support employment opportunities in the community					
Explore opportunities to procure services from Australian Disability Enterprises and businesses employing people with disability.	Governance	As needed	N procurements from ADEs/ inclusive workplaces	No opportunities presented to date.	
Connect Chamber of Commerce with relevant providers to advise local businesses on inclusive employment e.g. by connecting businesses to advice from Disability Employment Services	Community Development	2018/19	Links established	Advice provided to the Chamber on local disability employment services.	



Actions 4. Improving access to services through better systems and processes

Action	Responsibility	Timeframe	Indicator	Comments	Progress
Policy and corporate practice					
Ensure access and inclusion are considered when new policies or corporate practices are written or existing policies or corporate practices are changed.	Governance	2017/18	% policies in which access and inclusion are considered	Access and inclusion considered when reviewing policy and corporate practice.	
Improve Council website and information access					
Work toward WCAG 2.0 compliance for Council's websites. Involve people with disability in usability testing of web services where feasible.	IT Services; Communications	2019/20	% Website WCAG 2.0 Compliant	Work has begun on WCAG improvements on Council's main site, with further improvements to be made in 2019/20	
Inventory existing software for ease of accessibility.	IT Services	2017/18	Inventory completed	Completed	
Encourage all software suppliers to improve accessibility with new updates.	IT Services	Ongoing	% new systems procured that are accessible	Windows 10 by default has configurable accessibility options	
Continue Council digitisation process to improve accessibility of records and information.	Governance	Ongoing	Digitisation complete by July 2021	Digitisation work progressing under Open Data Project.	
Develop standard templates for Council documents and forms to ensure accessibility of both print and online versions. Provide support to submit forms if needed.	Communications, with input from Customer Services, Finance and IT Services	2017/18	System procured System implemented and forms are accessible	Input from IT – will investigate accessibility option e.g. increase font size within the form however if users use Windows 10, it has accessibility options built in.	
Ensure customer facing staff identify people's preferred forms of communication and share this information	All sections	2018/19	Process developed	Council's Customer Service Charter includes	

Action	Responsibility	Timeframe	Indicator	Comments	Progress
across sections of Council, so people do not have to make the same request to different sections.				helping customers access services, with processes for preferred communication to be further developed.	
Explore upgrading content on Council's website that: collates information about what is accessible in Mosman Council area provides links to advocacy and linkages services.	IT Services; Communications	2018/19	Plan for page developed Update process identified	Updates made to People with Disability page on website, plus the inclusion of a Parks accessibility rating document	
Investigate requirements for an interactive map of accessible locations in the Council area	IT Services; Communications Engineering	2018/19	Investigation complete	Interactive map of accessible parks established on MyMosman app.	

Provide accessible events and services					
Events planning: <ul style="list-style-type: none"> Ensure Council run and sponsored events are accessible, including an accessible information and registration process, access to transport/ accessible parking, continuous pathways, accessible toilets, and hearing loops (when located indoors). 	All Sections as relevant	Ongoing	% venues that are accessible to people with disability	Key Council venues, including Mosman Art Gallery, Village Green, Youth Centre and Balmoral Reserve, are accessible.	
<ul style="list-style-type: none"> Include a checklist in documents to consider accessibility in planning stage. 	Communications; Community Services to assist with development of checklist			Accessibility is considered in planning stage by Events Team.	

Provide accessible events and services					
<ul style="list-style-type: none"> Promote accessibility of events in advertising; use universal icons and highlight accessible locations (e.g. toilets, parking) 	All Sections as relevant			Consideration is given to accessibility in event promotion.	
Continue our current services for young people with disability and older people.	Community Services		N participants in services per year	Council's monthly group for young adults with disability had a total of 91 participants (averaging 9 per session) in 2018/19.	
Encourage local service providers to identify options for activities that are inclusive of people with disability, e.g. art workshops.	Community Development; Environment and Planning	2018/19	N activities run per year	Council's programs, including Community Grants, encourage local service providers to include people with disability	
Investigate opportunities for local organisations to use Council facilities for meetings, training and other activities.	Community Services	2018/19	Review complete	Within guidelines, use of Council venues was proactively provided	
Promote local supports for people with disability through community stalls at monthly Mosman market investigating the establishment of a monthly community hot desk in Council to give service providers the opportunity to discuss their services with residents.	Cultural Services; Community Services	2017/18 2017/18	N providers participating in stall Hot desk trialled	A local disability service, Fighting Chance are regular market stallholders and are supported by Council in their participation. A hot desk was trialled Feb-June 2018. NDIS LAC discontinued hot desk after trial	 
Feedback, consultation and meetings					

Provide accessible events and services					
Review compliments and complaints and feedback processes to ensure these are accessible to people with disability.	Governance; Communications; Customer Services	2017/18	Process reviewed and any necessary changes made	Complaints policy and systems substantially reviewed.	
Use accessible venues for public meetings and consultations	All Sections	Ongoing	% meetings held at accessible venues	All meetings & consultations held in Council's accessible venues.	

20182019 ANNUAL REPORT

Mosman
COUNCIL

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