

Hornsby Shire Council Annual Report and Sustainability Report 2006/07



Where to find us

WASTE SERVICES

Waste Management Team	Thornleigh Depot – Sefton Road, Thornleigh 2120	9847 4856
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LIBRARIES

Hornsby	28-44 George Street, Hornsby 2077	9847 6813
Berowra	Community Centre, The Gully Road, Berowra 2081	9456 3913
Epping	Chambers Court (off Pembroke Street), Epping 2121	9868 1711
Galston	357 Galston Road, Galston 2159	9653 1338
Pennant Hills	Cnr Ramsay and Yarrara Roads, Pennant Hills 2120	9481 9630

AQUATIC CENTRES

Hornsby	203A Pacific Highway, Hornsby 2077	9847 6813
Epping	Dence Park, 26 Stanley Road, Epping 2121	9876 5945
Galston	Galston Park, 412 Galston Road, Galston 2159	9651 2393

VISITOR INFORMATION CENTRE

Hornsby Park	203 Pacific Highway, Hornsby 2077	9987 1809
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PUBLIC OFFICER

For the service of notices to council, assistance in the provision of information regarding the affairs of council and access to council documents, and assistance in the resolution of outstanding service level issues, please call 9847 6608 or email rabicaire@hornsby.nsw.gov.au.

Access to certain documents may be limited in accordance with relevant legislation.

COMPLIMENTS/COMPLAINTS on service delivery

Council is committed to continual improvement in customer service. An effective complaints handling system is an essential part of the provision of quality customer service because it provides an organised way of recording and responding to customer complaints as well as identifying opportunities for improvement. Council's customer service policy (CSCM16) and complaints handling policy (CSCM17) are available in the policies section of the Corporate Documents page on council's web site www.hornsby.nsw.gov.au.

To lodge a compliment or complaint about an aspect of council's services, please call 9847 6790 or email jawilliams@hornsby.nsw.gov.au.



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Introduction



This combined Annual Report and Sustainability Report provides a brief overview of what council achieved during the period from July 2006 to June 2007 as well as providing the Department of Local Government with its annual statutory reporting requirements.

What is sustainability reporting?

'Sustainability reporting is the public communication of an organisation's internal and external economic, social and environmental performance' (Centre for Public Agency Sustainability Reporting 2007, *Case Studies of Sustainability Reporting by Public Agencies: Three Public Agencies from Australia and New Zealand*).

At Hornsby we define sustainability as – "meeting the needs of the present without compromising the ability of future generations to meet their own needs." (Adapted from the Brundtland Report, *Our Common Future*).

This means all the impacts of decisions and activities must be considered including the social, environment and economic impacts. Council report writers prepare a summary of potential impacts for decision-makers to refer to by using a template in our business papers.

For the first time this year, we have chosen to report our internal organisational sustainability progress using the Global Reporting Initiative (GRI) framework to guide us. This will give us the ability to track our performance against other similar organisations over time. This is not a full GRI report, rather a first step in aligning the

reporting process for Hornsby Shire Council. The GRI framework recommends that public agencies provide both qualitative and quantitative data on:

- **Context or state of the environment:** economic, environmental, or social conditions within our area of jurisdiction.
- **Public policies and implementation measures:** external policies and actions related to sustainable development.
- **Organisational performance:** internal policies and role as a consumer and employer.

For more information on the global reporting initiative see www.globalreporting.org



Hornsby area

Hornsby Shire Council is the most northerly council in Sydney. It was established in 1906 and today serves the needs of over 150,000 residents spread over an area of 510 square kilometres.



Hornsby at a glance

Shire (established 1906)	510 sq km
Population (2006 Census – usual place of residence)	151,325
Number of rateable properties (commercial and residential)	56,000
Suburbs/localities	41
Parks	186
Playing fields	55
Playgrounds	135
Households	Over 51,000
Households with internet connection	Over 30,000
Sealed roads	614 km
Unsealed roads	42 km
Paved footpaths	413 km
Council child care facilities	5
Public wharves	5
Floating pontoons	6
Boat launching ramps	3

The area has a diverse population living in urban areas such as Epping, Pennant Hills and Hornsby, as well as river communities and rural areas.

The traditional custodians of the area are the Dharug and Guringai peoples and many of the place names in the shire are derived from aboriginal words.

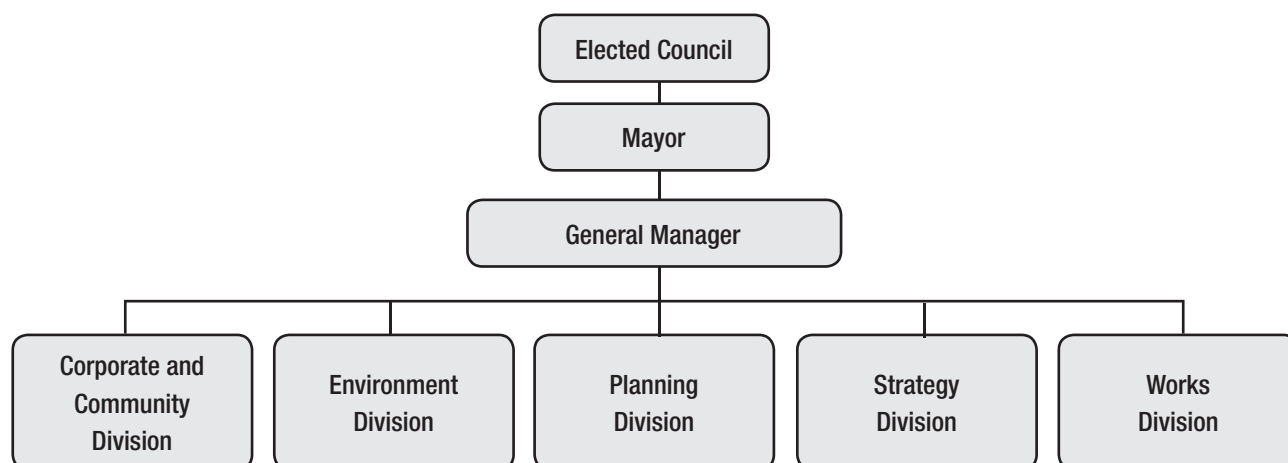
Hornsby Shire is known as The Bushland Shire. Of its 510 square kilometres, more than 65% is bushland.

The Australian Bureau of Statistics 2006 Census figures show the population of Hornsby is aging. Nearly 25% of Hornsby residents were over 55 years and the median age has risen from 36 years in 2001 to 38 years in 2006.

Hornsby has 186 parks, 55 separate playing fields and over 135 playgrounds, a modern indoor recreation centre called Brickpit at Thornleigh, 3 public swimming pools, as well as a new pool at Cherrybrook constructed on council land leased to the Carlisle organisation. In addition there are 24 community centres in the shire, and council operates five child care facilities across the shire.

Council structure

Hornsby Shire Council is constituted under the Local Government Act 1993. The organisational structure under which council operates is set out below:



The shire is divided into three wards, with 3 Councillors representing each ward and a popularly elected Mayor.

The elected Councillors represent the interests of the residents and ratepayers, provide leadership and guidance to the community, and facilitate communication between the community and the council to formulate policies.

The Mayor carries out the civic and ceremonial functions of the mayoral office. The Mayor also presides at meetings of the council, exercises, in cases of necessity, the policy-making functions of the governing body of the council between its meetings and carries out any other functions that the council determines.

The General Manager is the Chief Executive Officer of the council and is responsible for the operation of council's organisation and for implementing decisions of the council and its policies. The General Manager is also responsible for the day-to-day management of the council, exercising any functions delegated by the council, the appointment of staff, the direction and dismissal of staff and the implementation of council's equal employment opportunity management plan.

Council connects with and consults with its local community and stakeholders on a wide range of topics and issues through committees, public meetings, email, events, the library, workshops and reference panels.

Councillors

Mayor



Cr Nick Berman

C/- Hornsby Shire Council
PO Box 37, Hornsby NSW 1630
Ph: 9847 6603 Fax: 9847 6909
nberman@hornsby.nsw.gov.au

A Ward



Cr Janelle McIntosh

PO Box 3356, ASQUITH NSW 2077
Ph: 9476 2544
Fax: 9476 3455
Mob: 0438 777 571
janellecmintosh@yahoo.com.au



Cr Wendy McMurdo

PO Box 175, Brooklyn 2083
Ph: 9985 8077
Fax: 9985 8044
Mob: 0438 777 518
wmcmurdo@hornsby.nsw.gov.au



Cr Garry Whitaker

c/- Hornsby Shire Council
PO Box 37, Hornsby 1630
Mob: 0438 777 519
gwhitaker@hornsby.nsw.gov.au

Arcadia, Asquith*, Berrilee, Berowra, Brooklyn, Canoelands, Castle Hill*, Cowan, Dangar Island, Dural*, Fiddletown, Forest Glen, Galston, Glenorie, Glenhaven*, Hornsby*, Hornsby Heights, Laughtondale, Maroota, Mt. Colah, Mt. Ku-ring-gai, Singletons Mill, Wahroonga*, Waitara*

B Ward



Cr Mark Lyons

c/- Hornsby Shire Council
PO Box 37, Hornsby 1630
Mob: 0438 777 521
mlyons@hornsby.nsw.gov.au



Cr Nan Horne

10 Yanderra Grove, Cherrybrook 2126
Ph: 9484 9359
Fax: 9484 8791



Cr Steve Evans

10 Higgins Place, Westleigh 2120
Ph: 9484 7955
Fax: 9484 7911
Mob: 0438 777 520
sevans@bigpond.net.au

Asquith*, Castle Hill*, Cherrybrook*, Dural*, Glenhaven*, Hornsby*, Normanhurst*, Pennant Hills*, Thornleigh*, Wahroonga*, Waitara*, Westleigh

C Ward



Cr Felicity Findlay

c/- Hornsby Shire Council
PO Box 37, Hornsby 1630
Ph: 9869 7911
Fax: 9869 7922
Mob: 0400 870 131
felicity_findlay@yahoo.com



Cr Andrew Isaac

c/- Hornsby Shire Council
PO Box 37, Hornsby 1630
Mob: 0434 210 511
andrew@andrewisaac.net



Cr Robert Browne

PO Box 460
Pennant Hills NSW 1715
Mob: 0434 568 828

Beecroft, Carlingford, Cheltenham, Cherrybrook*, Eastwood, Epping, Normanhurst*, North Epping, Pennant Hills*, Thornleigh*, West Pennant Hills*

* Parts of these suburbs are in two wards

Our strategic themes

Council has developed six themes to focus our efforts on 'creating a living environment'.

The six strategic themes are:

- Working with our community
- Conserving our natural environment
- Contributing to community development through sustainable facilities and services
- Fulfilling our community's vision in planning for the future of the shire
- Supporting our diverse economy
- Maintaining sound corporate and financial management



Executive overview from the Mayor

This first combined Annual Report and Sustainability Report gives you a brief overview of what council achieved during the past year and provides the Department of Local Government with its annual statutory reporting requirements.

The last twelve months have been a time of great change for Hornsby Council. In late 2006 we were saddened by the unexpected deaths of Councillors Nannelli and Dekker. As a result two by-elections were held in C Ward and Councillors Isaac and Browne joined council at the beginning of 2007.

Council launched an Economic Development Strategy for the shire to encourage sustainable economic growth providing local jobs and vibrant town centres. The program has been well received with council working on developing tourism initiatives, talking to local business operators and signing up local businesses to take part in a sustainable business program. More information on economic development initiatives can be viewed on the Business section of council's web site (www.hornsby.nsw.gov.au).

A geotechnical report on the Hornsby Quarry site was commissioned and received. The report provided council with valuable information to guide the next stage in consulting with the community on future uses for the site. Further the state government has amended the offending piece of legislation that forced council to purchase the Quarry without any right of appeal to ensure that a repeat of this episode can never occur. The "Key Issues" section of this document (page 11) has more information on the Quarry.

During 2006/2007 financial year council achieved considerable reductions in its greenhouse gas emissions and water consumption. Council is considered a leader in these fields and is keenly aware of the challenges of not only bringing about corporate and community reductions, but maintaining that change over time, particularly for the residential and business sector.

Council won two high profile awards including the Local Government and Shires Association 'Local Sustainability Award for Excellence' and the Keep Australia Beautiful Most Sustainable Council Award 2006.

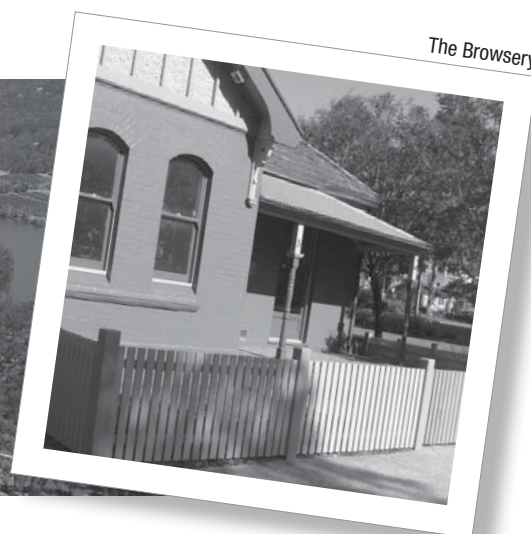
In the second half of 2006 council offered a great range of special events and activities to the community as part of its centenary celebrations. These supplemented council's usual program of workshops, events and activities for the community.

Despite the unforeseen costs of running two by elections and a reduction in budgeted asset sales council finished the period in a surplus position.



A stylized, handwritten signature in black ink, likely belonging to the Mayor.

Key Issues for 2006/07



Hornsby Shire Council's Management Plan 2006/07-2008 / 09 identified a number of key issues to be focused on during 2006/2007. A summary of actions undertaken on each of these key issue is outlined below.

Economic development

Council hosted three business forums, the first focussed on the launch of council's Economic Development Strategy, the second on the launch of council's Sustainable Business Strategy and the third to look at the Westside of Hornsby.

Economic development networks were established across a number of local councils and work is progressing on developing regional partnerships, particularly in relation to tourism.

Council resolved to defer the preparation of the Town Centre Masterplans for Berowra, Pennant Hills and Carlingford pending the public exhibition of the sub-regional strategy for the Sydney north region by the Department of Planning.

Council deferred completion of the Galston Village Masterplan DCP until a final determination of the development application for the corner of Galston and Arcadia Roads, Galston was made. This was approved in principal in the first half of 2007 and upon release of the development consent; the Galston Village Masterplan Review will be scheduled for completion.

Asset management

Councillors, at the strategic planning workshop in November 2006, acknowledged that asset management is a key strategic and financial challenge facing the organisation. Councillors requested the 5-10 year plans for each asset group be included in future budget processes.

Asset Management Plans for each of the seven key asset groupings are well advanced and modelling has commenced on quantifying the renewal gap. This will enable council to understand the financial implications of the overall state of its assets prior to considering the future asset needs of the Hornsby community.

The Strategic Asset Management module of the Councils Online system is in the final stages of development. This module will provide central database of council assets which will facilitate sustainable asset management planning.

The budget adopted for 2007/08 includes an additional \$1 million borrowed for asset management. The funds have been allocated to:

Community Centres	\$150,000
Brooklyn & Dangar sewer connections for council properties	\$50,000
Aquatic Centres	\$155,000
Foxglove Oval settlement reconstruction	\$460,000
Crosslands Reserve water supply	\$80,000
Hornsby Library recarpeting	\$100,000

The shire's first permanent council building (1907), the Browsersy, was upgraded and tenders were called from community groups for the lease of the property. The tenders were evaluated and council agreed to lease the Browsersy to Fusion (a local youth support group).

The Hornsby Quarry site

Since council was required to acquire Hornsby Quarry from CSR in 2002 it has remained a matter of significant concern and interest to the public.

In 2006 council commissioned a geotechnical study of the Hornsby Quarry and Environs which was complete in early 2007. The information gained from the geotechnical study will inform council and the community in future uses for the site.

Council has resolved on a 'way forward' for the Quarry and its environs which includes:

1. Tim Robertson SC pursuing areas of appeal in respect of the valuation of the Quarry by the Valuer-General;
2. David McGovern SC pursuing the recovery of the GST component of the Quarry acquisition from the Australian Tax Office; and
3. Community consultation on:
 - a) The calling for expressions of interest in the future use of the Quarry and its environs; and
 - b) the findings of the geotechnical study.

Council is pursuing the recovery of documents from the Valuer-General in respect of the Hornsby Quarry valuation through the NSW Ombudsman's Office.

The water level in the former quarry pit continues to rise and measures to manage the water level will be required in the near future.

Communication and community engagement

The front page of council's web site was re-built to be more user-friendly and accommodate council's online services.

Open Forums were held in all wards across 2006 and early 2007 to provide residents living away from the council chambers with an opportunity to raise matters with councillors and senior staff.

Community panels were established to provide feedback on a range of council issues with over 600 people registering their interest in participating.

Community Information Days were held at Brooklyn and Arcadia. The purpose of these events is to provide an opportunity for those in rural and remote areas to better understand the broad range of services delivered by council and provide a fun community event. Those attending rated the Information Days as good or better and their feedback indicates strong support for more events outside the urban areas of the shire.

The end of December 2006 saw the completion of a year of celebration of the shire's centenary. Across the course of the year council organised 20 community events catering to over 12,000 local residents. The events included; plaque unveilings, an old fashioned country fair and steam train day, dinner dance, community recognition awards, kids and youth festival, the launch of three centenary publications and outdoor music events.

The provision of civic, community and recreation facilities

A Cultural Planner was appointed and commenced work in January 2007 on developing a Cultural Plan for Hornsby. The officer undertook consultations regarding community arts / cultural requirements and is expected to complete a first draft of a Cultural Plan for consideration by councillors in October 2007.

Individual works from the Bestowed Art Collection are being exhibited in the Council Chambers and Council Administration Centre foyer via an agreement between the Hornsby Arts Council and Hornsby Shire Council.

Council approved a development application in respect of the upgrade of the Cherrybrook Community Centre in April 2007. Work is expected to commence in April / May 2008.

Council endorsed provision of stage one of an aquatic centre at Berowra and has included funding as part of the draft budget for 2007/2008.



The State of our environment



Summary

The 2006/07 State of the Environment (SoE) Report highlights that council is making good progress in corporate and community action, and managing its waste, energy and water use. The SoE Report is a legislated requirement, which assesses the shire's natural and built environments and is a strategic tool that assists in the planning of future actions to keep the shire healthy. It assists in identifying environmental pressures across the council area and enables council to develop responses that can have a positive effect on various environmental and social matters.

During 2006/07 council made further steps towards achieving its performance indicator targets. Through implementation of actions set out in the Sustainable Energy Strategy council reduced its greenhouse gas emissions by 27.8% and assisted the community to reduce its emissions by 3%. Council has reduced water consumption for its own operations by 21% and has achieved a 20% water consumption reduction through its initiatives for the community (achieving Milestone 5 for Corporate and Community programs under the International Council for Local Environmental Initiatives Program (ICLEI)).

Nearly half of monitored waterways within the shire are classified as "healthy."¹ The trend has been relatively stable for the past

¹ 'Healthy' is equivalent to a good rating and requires 75% or better attainment of each of the water quality (ANZECC) criteria measured at each monitoring site under the "Water quality within the ANZECC 2000 Water Quality Guidelines for the Protection of Aquatic Ecosystems"

3 years. This is the result of the Catchment Remediation Rate projects which prevent a significant amount of pollution from entering the shire's waterways. In addition, land is being continually regenerated by contractors and bushcare volunteers with assistance from council which stops run off from entering the waterways. However, there has been an increase in the illegal clearing of bushland which is posing significant threats to the shire's flora, fauna and waterways.

This year Hornsby Shire Council has again participated with the seven councils from Northern Sydney Regional Organisation of Councils (NSROC) to produce its Regional State of the Environment (SoE) Report. The Regional SoE Report provides a greater understanding of broader issues and assists in ensuring greater partnerships to solve regional issues as well as greater leverage to lobby on these issues. The Regional SoE will be available on council's website (www.hornsby.nsw.gov.au) from November 2007.



Hybrid Truck

Environmental Performance Indicators			
GRI Indicator	Environmental Performance Indicator	2006/07 Result	Trend
EN10	% of water consumption reduction achieved through council's initiatives for its own operations – Target 20% by 2011	21%	✓
	% of water consumption reduction achieved through council's initiatives for the community – Target 18% by 2011	20%	✓
EN11	% Area of bushland (ha) in the active care of the community and council compared to the total bushland under council's management – Target 12.2%	11.4%	✗
EN13	Area of bushland (ha) on private land lost to development – Target, no net loss of bushland	1.9ha	✗
EN13	Habitats protected or restored – information indicator, no target	N/A	–
EN18	% of greenhouse gas reduction achieved through council's initiatives for its own operations – Target 30% by 2010	27.8%	✓
	% of greenhouse gas reduction achieved through council's initiatives for the community – Target 5% by 2010	3%	✓
EN22	% of domestic material by weight collected by council going to landfill – Target 42% or less	47%	✓
EN22	Tonnes of recycling diverted from landfill – Target 18,492 tonnes or more	19,836T	✓
	Tonnes of green waste diverted from landfill – 14,340 tonnes or more	14,899T	✓
EN25	% of monitored healthy waterways within the shire – Target 50%	48%	✗
EN26	Impact of environmental initiatives (number of programs implemented in progression to sustainable corporate governance) – Target 30 programs	30	✓

Key:

- ✓ Towards sustainability
- ✗ Away from sustainability
- No trend
- ? No data



Environmental Sustainability

Corporate

Council has implemented many programs to ensure that it has its own house in order in terms of environmental performance. Thirty programs have been implemented to reduce the environmental footprint of council operations. These include green purchasing, triple bottom line decision making, sustainable total water cycle management, waste minimisation and stage 2 of the energy performance contract.

In supporting our community's efforts to reduce energy use council recognises that sustainability can only be achieved with the participation of the whole community.

Council is leading the way in which NSW local governments are providing assistance to residents to reduce their individual domestic carbon and water footprints.

Firstly, residents can have their home refitted for energy and water savings including a NABERS (National Australian Built Environment Rating Scheme) performance rating. This service is free and available to all residents.

Secondly they can attend a comprehensive workshop series which provides behavioural and technical advice from guest speakers on heating and cooling the home, solar hot water and solar power. All are grounded within reducing the ecological footprint and individual household goals for the future.

The jewel in the crown is the provision of financial assistance to install insulation (\$500 x 60 households), solar hot water (\$750 x 46 households) or solar power (\$4,000 x 10 households). This program is made possible with the financial support of the Australian Greenhouse Office.

Council is also working with the business community of the shire. Council received a \$20,000 NSW Department of Environment and

Climate Change grant to work with local businesses to improve energy and water efficiencies. During the year council launched the Business Sustainability Advantage program at a breakfast with 50 local business representatives. Greenhouse gas emissions from the workshops and events relating to these energy programs are offset with the purchase of GreenPower.

Human Settlement

Council approved a Sustainable Building element for insertion into its DCPs. The element promotes development that reduces potable water and energy consumption and results in the improvement in the thermal performance of a residential building. The element includes both applicant and council responsibilities concerning BASIX requirements at the design, lodgement, assessment and determination stages of a development proposal affected by BASIX. Council also endorsed a correction for insertion in council's Exempt and Complying Development DCP to identify BASIX requirements.

Heritage

Hornsby Shire contains 814 heritage sites and 5 heritage conservation areas. It also has 9 items listed on the State Heritage Register and 23 items listed on the Register of the National Estate. Council is currently undertaking Heritage Review – Stage 4 which involves a review of the heritage significance, including condition, of the heritage listed trees in the shire. The review also involves correction of anomalies within existing listings and conversion of the hard copy heritage inventory sheets to an electronic database to be made available through council's on-line service portal. Bar Island Aboriginal and European heritage conservation project stage 1 has been completed. Metropolitan Local Aboriginal Land Council undertook the Aboriginal site survey and the path was upgraded to minimise erosion of the Aboriginal midden.

Waste

Council has reduced its domestic material collected going to landfill by 2% from the previous year. In addition the tonnage of recycling and green waste diverted from landfill has increased since 2005/06. This has been achieved through a variety of strategies including; an electronic waste collection for recycling, two residential unit block education expos, providing mulch and woodchipping days, empty drum collection of rural properties under the drumMuster program and holding frequent compost and worm farming workshops. Council also undertook a waste and recycling audit in order to develop future waste reduction strategies.



During 2006/07 council also revised its existing Onsite Sewage Management Strategy. The Strategy outlines the requirement for routine inspections on onsite sewage management systems, lobbying of state government for the provision of sewer in unsewered areas and incorporates council's Greywater Reuse Policy and Brooklyn and Dangar Island Sewerage Scheme Connection Policy. Council is continuing to encourage the safe reuse of onsite wastewater in unsewered areas of the shire and minimising the impact on the potable water supply.

Water

Council has already demonstrated its commitment to water consumption reduction and water quality improvement by successfully completing Milestones 1 to 5 of the ICLEI's Water Campaign™. Council has reduced its water consumption for its own operations by 21% and has achieved a 20% water consumption reduction through its initiatives for the community (exceeding its targets for 2011). Council is pleased to be working in partnership with ICLEI on sustainability issues such as the ICLEI Water Campaign™ and has benefited through ICLEI's experience and international publications in the fields of sustainability.

Hornsby Shire Council was the first council in Australia to achieve Milestone 5 Corporate and Community in May 2007, and has received international recognition for its water saving initiatives. The success of the Water Campaign builds on existing Council programs such as; the Water Sensitive Urban Design DCP, the Catchment Remediation Rate program, the Stormwater Catchment Management Strategy and the continued improvement and maintenance of stormwater quality improvement devices, water savings and water reuse projects for council assets, environmental education programs for schools and provision of assistance to 10 local schools to install rainwater tanks.

The Hornsby Shire Council Catchments Remediation Program for 2006/07 identified locations across the shire where water quality improvement structures and devices were to be constructed and installed. In 2006/07 a number of capital works projects were completed, including the construction of 13 sediment basins, 7 end-of-pipe gross pollutant traps and 4 stream remediation projects. In addition, over 50 at-source gross pollutant traps (stormwater pit inserts) were installed.

In addition to pollution treatment and prevention initiatives, Hornsby Council's Catchment Remediation Rate (CRR) funds ongoing works associated with the maintenance and monitoring of these assets and the receiving waterways. In 2006/07 the cleaning of the existing stormwater improvement assets yielded 1,400 tonnes (or 260 truck loads) of sediment, litter and excessive organic matter. In 2006/07, 14 capital works projects

were completed at a total cost of \$775,000. 48% of monitored waterways within the shire are classified as "healthy"; the trend has been relatively stable for the past 3 years. This is the result of the CRR projects which prevent a significant amount of pollution from entering the shire's waterways.

Atmosphere

The success of council's sustainable energy management program in reducing greenhouse gas emissions throughout council has led to an extension of efficiencies into new capital projects and the whole of the organisation embracing new initiatives.

All improvements achieved help the organisation to progress towards council's strategic intent of 'creating a living environment'.

In 2006 council revised its programs and developed a Sustainable Energy Strategy. This outlines council's intent to continue undertaking local greenhouse reduction activities to manage the threat from the anticipated increase in energy demand related greenhouse gas emissions. Emissions are expected to rise as a result of the increase in the number and size of council assets and the shire's growth.

As a part of the Strategy, council has committed to revising its corporate greenhouse reduction targets for 2010 (30% reduction), 2012 (35% reduction) and 2050 (60% reduction) to ensure there is a significant effect in reducing the impacts on the sustainability of the shire.

The Sustainable Energy Strategy 2006-2010 includes a number of short, medium and long term actions with an aim to reduce council and community greenhouse gas emissions. As of June 2007, council had reduced its own greenhouse gas emissions by 27.8% and assisted the community to reduce its emissions by 3% of 1995/96 levels.



Bushland & biodiversity

The area of bushland on private land lost to development increased to 1.9ha, from 0.79ha in 2005/06. This was mainly due to a state government directive from the Minister for Planning to overrule council's refusal for 800 sq m of Turpentine Ironbark Forest (an endangered ecological community) to be cleared for development at Cheltenham Girls High School. There were two other cases where council's decisions to refuse development were overruled by the Land and Environment Court, resulting in the further loss of bushland, some of which was Blue Gum High Forest (another endangered ecological community). This reduces the habitat and food sources available to many animals, birds and insects and thus can lead to species becoming threatened and even endangered.

In order to combat this loss of bushland council is conducting a long term bush regeneration program on sixty separate sites using several professional bush regeneration contractors. Contractors restore land by removing weeds to allow native plants to establish. One of the criteria used to select contract sites is for the protection or restoration of bushland areas of high conservation significance, including threatened species or endangered ecological communities that are of federal, state and regional significance. Council officers monitor the sites, supervise work progress, and inform local residents of contract bush regeneration works in their area.

Council adopted the updated 'Biodiversity Conservation Strategy' and 'Biodiversity Conservation Action Plan' in August 2006 which provides an overview and sets priorities for biodiversity conservation actions in the shire. Under the strategy a number of actions have been completed. 'Native Vegetation Communities of Hornsby Shire' report and map was prepared and updated to provide baseline of vegetation information including significant vegetation such as Endangered Ecological Communities and Critically Endangered Ecological Communities. 'Bushland Condition and Priority Ranking for Bushland Restoration' study of Hornsby Shire was prepared. Endangered vegetation was restored at 6 schools & Vegetation Plans prepared. Roadside Endangered Vegetation Restoration grant project with Works Division was undertaken to enhance roadside corridor vegetation. Other partnership programs undertaken include; Rural Lands Incentives Program, Gardens for Wildlife, Hornsby Bushcare and the award winning Community Nursery.

Soil landscape

Managing the soil landscape in the shire is an important aspect of land use and development. Acid sulfate soil, land contamination and erosion continue to be a serious problem. To ensure that minimal damage occurs to the environment, council continues to manage the soil landscape through the development application process and onsite sewage management approval process.

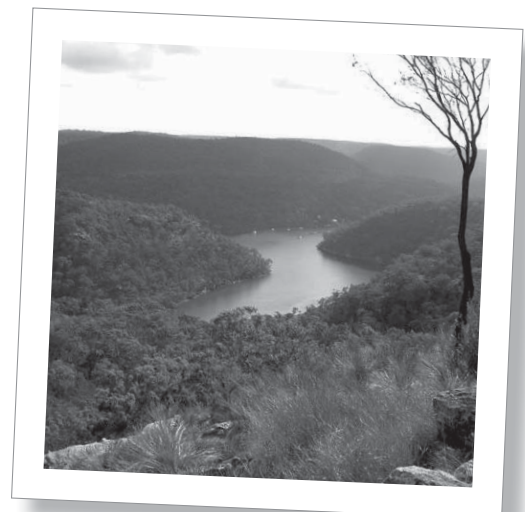
In the shire, construction and land clearing represent the most common causes of soil erosion. Continued enforcement of development consent conditions pertaining to sediment and erosion control and ensuring best practice is adhered to on construction and development sites throughout the shire is undertaken on a regular basis.

However, illegal land clearing continues to be a major challenge. Illegal removal of vegetation has negative impacts on soil and water quality and impacts on local biodiversity. Council continues to investigate illegal land clearing matters and has proceeded to the Land and Environment Court for some of the larger matters.

Noise

In today's society, noise levels are increasing and continuing to impinge on our work, recreation and personal lives. Tolerance to noise is subjective, depending on circumstances and individual sensitivity. Council aims to address noise issues and complaints on their merit, and attempts to resolve situations through ensuring that all reasonable and feasible measures to control the noise are considered.

Noise complaints in the shire were down by over a third from the previous year's complaints (431 to 276). Council received 110 general noise complaints, 124 complaints about barking dogs and 42 complaints about aircraft noise.



To resolve environmental noise complaints, council combines education with a compliance-based approach. In addition The *Protection of the Environment Operations Act* (1997) has provisions for council to enforce environmental legislation in respect to noise.

To address the issue of barking dogs, council responds to complaints, provides educational materials, assists dog owners to better manage their dog's environment and exercise needs and enforces legislation where required. The *Companion Animals Act* (1998) allows council to resolve barking dog complaints in an equitable manner.

Bushfire hazard

A long 2006/2007 fire season had land managers and fire authorities on high alert. On 21 January 2007 a wildfire ignited in Ku-ring-gai Chase National Park.

The fire ran over four days within Ku-ring-gai Chase National Park and much of the affected area was difficult to access. A strong

contingency of air support coupled with sound planning and inter agency cooperation eventually held the fire at around 1000 hectares with no loss of life and minimal property damage.

Unseasonable weather patterns severely hampered the 2006/2007 prescription burning program resulting in a major decrease of works on the ground. Land managers however increased their fuel break development programs, manually reducing fuels at the interface of bushland and assets to improve access and defend ability of assets for the next fire season.

The state continues to push for further hazard reduction activities and state funded grant schemes are being put in place to support brigades and agencies in undertaking this work.

In 2006/2007 the potential effects of climate change made its way into local fire management discussions. The current relationship between climate change and fire management is a complicated and largely unresolved topic. This issue will continue to develop over the next five to ten years and may have significant implications on future management practices.

Companion animals

Activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation include:.

Pound data report lodged to Department of Local Government.	Data report lodged with the Department in July 2007.
Data relating to dog attacks lodged with the Department	Data lodged with the Department during 2006/2007. Total number lodged: 37
Amount of funding spent on companion animal management and activities.	Total amount spent: \$391,902.19
Companion animal community education programs carried out.	<p>2 x "Happy Dog Day" Events held</p> <ul style="list-style-type: none"> • Children's School Holiday Event at Asquith off leash area. • Sunday morning get together in the park at Epping Oval. <p>Council information sheets provided on:</p> <ul style="list-style-type: none"> • Microchipping & Registration. • Responsibilities of dog owners. • Controlling nuisance barking. • Noise nuisance from barking dogs. • Cat information. <p>Chip's (Chip the dog) education resources and the <i>Scoop Up the Poop</i> program: Letter box leaflets, stickers, reward and warning cards. Provision of council branded pooch pouches provided free of charge.</p> <p>School education sessions provided to school groups of children in Years 3 & 4.</p>

Strategies in place to promote and assist in the desexing of dogs and cats.	Information sheets Council's website RSPCA desexing month National Desexing Network.														
Strategies in place to comply with the requirement under Section 64 to seek alternatives to euthanasia for unclaimed animals.	Strategies undertaken by council Pound Tender – Thornleigh Veterinary Hospital: <ul style="list-style-type: none"> • Thorough investigation using all available data bases to find owner. • Contacting animal rescue organisations. • Sending animals to welfare organisations. 														
Off leash areas provided.	Hornsby Shire has 5 full time off leash areas for exercising and training of dogs. The areas are fully fenced and have waste bins, dog waste bags and water. These off leash areas are at: <ul style="list-style-type: none"> • Asquith Park, Rotherwood St, Asquith • Crossroads Reserve, Cnr Turner and Berowra Waters Rds, Berowra Heights • Greenway Park, Shepherds Drive, Cherrybrook • Rofe Park, Galston Rd, Hornsby Heights • Ruddock Park, Eucalyptus Drive Westleigh. Two other sites are available where dogs must be kept on a leash during organised sport and games. <ul style="list-style-type: none"> • Epping Oval, Norfolk Rd, Epping (Penalties apply for dogs running onto turf wicket square) • Woods St Reserve, Woods St North Epping 														
Use of Companion Animals Fund money.	<table> <tr> <td>Salary & Wages</td><td>182,723.17</td></tr> <tr> <td>Other Employee Expenses</td><td>3,294.97</td></tr> <tr> <td>Materials & Equipment</td><td>9,472.17</td></tr> <tr> <td>Legal Expenses</td><td>2,780.00</td></tr> <tr> <td>Pound Contract Expenses</td><td>140,094.29</td></tr> <tr> <td>Internal Corporate Costs</td><td>53,537.59</td></tr> <tr> <td>TOTAL EXPENDITURE:</td><td>\$391,902.19</td></tr> </table>	Salary & Wages	182,723.17	Other Employee Expenses	3,294.97	Materials & Equipment	9,472.17	Legal Expenses	2,780.00	Pound Contract Expenses	140,094.29	Internal Corporate Costs	53,537.59	TOTAL EXPENDITURE:	\$391,902.19
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Our community



Children

Council provides care for children under the age of 6 years and not yet attending school at 5 Commonwealth Accredited long day care centres and 1 occasional care centre. Council's 6 child care centres offer a total of 226 child care places. The centres are licensed by the NSW Department of Community Services and funded predominantly by parent fees, and in part by the NSW Department of Community Services. Users of council centres are eligible for Child Care Benefit. In 2006/07 the occupancy for council's childcare centres was 97.5%.

The Long Day Care Centres are licensed for 40 children per day aged 0-5 years and are open Monday to Friday (except Public Holidays) for 51 weeks of the year.

The Occasional Care Centre at Pennant Hills is licensed for 20 children per day aged 0-5 years and is opened Monday to Friday (except Public Holidays) for 48 weeks of the year. (N.B. This service subsequently closed in August 2007).

The Early Childhood Education Centre (Somerville Park) at Eastwood provides 46 long day care places and 6 sessional care places per day. The Centre also provides an early intervention program for children with additional needs, consulting rooms for early childhood professionals and a coffee shop.

Council submitted a Development Application for a new 72 place multipurpose child and community facility in the Cherrybrook area. The proposed service will reflect the specific needs of children and families in the Cherrybrook area. Construction of the facility will commence in early 2008.

Council child care staff hold a range of recognised qualifications and expertise in the area of early childhood. All staff have

current Senior First Aid certificates and regularly update their skills and knowledge by attending specialised in-service training. Qualifications include: Early Childhood Teachers, Mothercraft Nurses, Associate Diplomas, Diploma in Social Science-Children's Services, Registered Nurses, Childcare Workers, Commercial Cook Certificate and Safe Food Handling and Preparation Certificate.

Council also provides a number of facilities across the shire that are leased by not-for-profit community groups operating child care services and playgroups. Council subsidises rental for these groups to assist in keeping child care and playgroups affordable for parents.

Caring for youth

There were 23,270 Hornsby Shire residents aged between 15 and 24 years at the 2006 Census, which represents 14.8% of the total population.

Council's Youth Services Team is delivering services and programs in relation to the Youth Service Strategic Plan 2005 – 2010 which examines and plans for the needs of young people and their families.

Council operates a Youth and Family Centre at 17 Muriel Street, Hornsby. The Centre is hired out by a variety of groups that assist young people or who are young people themselves. These groups include the Hornsby Community Drug Action Team (CDAT), an ESL Study Support Group and Gala (h) – same sex attracted young people's social and educative support group.

Council was successful in its application to the Federal Government's "Community Crime Prevention Grant", and has

received funding of \$146,000 for an 18 month project. The Project called "Including and Involving Young People in Public Malls in the Hornsby Central Business District" aims to modify anti-social behavior, decrease the incidence of criminal behavior, and increase the community's usage of Hornsby Mall. The Project will involve the installation of appropriate infrastructure and a support networks to assist with crime prevention initiatives such as youth art projects, a mall protocol, and providing training for security personnel.

The Youth Outreach Program incorporates programs in local high schools, other youth services in conjunction with the Hornsby/Kuring-gai Youth Network, Hornsby TAFE Outreach, council events, community centres, health services and many others. Research has commenced for the design of a Mobile Resource Unit which will assist in reducing the isolation issues for young people in the large rural and remote areas of the Shire.

In the 2006/2007 financial year council provided services to over 7,038 young people living, recreating and/or studying in the Hornsby Shire.

Access and equity

Hornsby Council employs two part time Community Development Officers in the Access and Equity area who work to enhance participation in the community by Aboriginal people, people with a disAbility and people from culturally and linguistically diverse backgrounds. The work plans for the Community Development Officers – Access and Equity can be found in council's Social Plan 2005-2010.

The Hornsby Access Committee aims to provide a barrier free environment in the Hornsby Shire for all people, especially those with a disAbility or mobility limitations, and their carers, friends and families. The Committee's objectives are to:

- promote access to services and facilities for all people;
- promote access awareness to council and its staff;
- provide a forum through which residents of Hornsby Shire may raise problems, issues and concerns with respect to access;
- promote public awareness of access issues;
- identify actions that council can take to improve access; and
- monitor council's policies, decisions and actions in relation to access principles.

The Access Committee presents an annual Access Award to individuals, groups, or businesses that have made outstanding achievements in making the community more accessible.

Council has also established an Aboriginal & Torres Strait Islander

Advisory Committee to guide council in matters of Aboriginal & Torres Strait Islander heritage and culture, and to give Indigenous People input into decisions affecting their heritage and culture. Descendants of the Darug or Guringai People (the traditional owners of the land comprising Hornsby Shire), Aboriginal or Torres Strait Islander people who live, work or have an interest in Hornsby Shire, and other people who have an interest and a demonstrated commitment to the principles of Aboriginal Reconciliation are invited to join this Committee. As a matter of policy, council refers all matters surrounding Aboriginal & Torres Strait Islander heritage and culture to this Committee for advice and/or recommendation.

Council is currently developing a Diversity Policy that will address access and equity issues for Aboriginal and Torres Strait Islander people, people with a disAbility, people from culturally and linguistically diverse backgrounds, people from sexually diverse backgrounds, women and people aged over 55. The first chapter of the Diversity Policy – The Disability Discrimination Act Action Plan is expected to be presented to council before the end of 2007, and will then go on public exhibition for comment.

Multi-culturalism

The demographics of the Hornsby Shire support the need for council to ensure that accessible and appropriate support services are provided for residents from culturally and linguistically diverse backgrounds.

In 1986 the number of residents in Hornsby born in non-English speaking countries was 11,368. At the time of the 2001 Census this figure had increased to 34,358 people. Persons born in non-English speaking countries accounted for 80.5% of population growth in the shire during the 15 years 1986 through to 2001. In the 2006 Census, 36.5% of people resident in the Hornsby Shire stated that they were born overseas. Approximately 22.5% of residents were born overseas in a non English speaking country. The 2006 Census indicated that nearly 24% of residents in the shire speak a language other than English at home with 8.9% speaking Chinese and 2.1% in Korean.

Council provided financial assistance to the Cherrybrook Chinese Association for a Seniors Week luncheon to partly fund a Multicultural Seniors' Day Luncheon as part of Seniors' Week 2007. Council also provided funding for a Senior's Week activity for the North Shore Filipino Association, office costs for the Bridge for Asylum Seekers and assistance to run English Language classes for All Saints Church Waitara. Subsidised rental at a council community centre also assists the Australian Chinese Association in running a well attended regular program for frail

seniors from a Chinese speaking background. Additionally, council coordinated a Refugee Week Photography Exhibition which displayed photographs taken by residents of the Shire from migrant background. These photographs represent a “snapshot” of the artist’s life in Australia.

People from culturally and linguistically diverse backgrounds were included in the development of Hornsby Shire Council’s Social Plan 2005 -2010 in accordance with the Local Government (General) Amendment (Community and Social Plans) Regulation 1998. This Plan is reviewed and updated annually.

In consultation with the Metropolitan Local Aboriginal Land Council, Hornsby Shire Council has developed a comprehensive kit titled, Aboriginal Sites & Culture in the Hornsby Shire. Further, Hornsby Shire Council was the first Local Authority in the State to amend its Local Environmental Plan to legislate for protection of Aboriginal Sites and Relics within its boundaries. Traditional land owners are also acknowledged at the commencement of council’s meetings and at all citizenship ceremonies and council now takes recommendations on Aboriginal cultural and heritage through the Hornsby Aboriginal and Torres Strait Islander Consultative Committee.

As part of the anti-bias curriculum, each of council’s six (6) child care centres include Aboriginal and Torres Strait Islander awareness programs for staff and the children in care.

Following a joint project by eleven (11) councils in the Northern Sydney Region and the Department of Community Services, the second iteration of the Northern Sydney Aboriginal Social Plan will be launched in November, 2007. Following extensive consultation with Aboriginal & Torres Strait Islander people living in the Northern Sydney Region, service providers and government agencies, the Social Plan has been reviewed.

In April 2005 Hornsby Shire Council was funded by the NSW Department of Community Services to auspice the Aboriginal Child, Youth and Family Strategy as part of the Families First Strategy. The Community Facilitator has now been funded until June 2008 to operate across 11 Local Government areas in the Northern Sydney Region. The objectives of the Community Facilitator’s role are to:

- Provide Indigenous families, children and youth with opportunities to explore their cultural identity through cultural events
- Link Indigenous families in the Northern Sydney Region
- Improve access to mainstream services for Aboriginal families
- Inform Indigenous families of available services and events through community facilitation and consultation
- Reshaping and development of a responsive service network for Aboriginal and Torres Strait Islander children, young people aged 0-18 years and their families.

Council continues to auspice the Aboriginal Community Facilitation Project.

Council also works in partnership with the Hornsby Area Residents for Reconciliation (HARR) to further the spirit of reconciliation in the shire. Together, HARR and council conducted successful Reconciliation Week events in the Hornsby Mall in 2003, 2004, 2005, 2006 and 2007. Council made a grant available to Hornsby Area Residents for Reconciliation through the 2007/2008 Community Donations Programme for the Hornsby Area Residents for Reconciliation (HARR) to erect Aboriginal interpretative signage in bushland and picnic areas. Council has also contributed financially to a National Schools Competition as part of the NAIDOC Week Celebrations and a Careers Expo conducted by Koori Kids.

One World Festival



Kids's Youth Festival



One World Festival



Over 55s

The Australian Bureau of Statistics 2006 Census showed that there are 37,012 people aged over 55 years in the Hornsby Local Government Area, 25% of the total population which represents an increase of 2% from 2001 Census. Council employs a Coordinator Over 55 Services, a Resource Officer, a Leisure and Learning Centre Officer and a Seniors Week casual to work with this large population. The Over 55 Services Team are addressing a range of issues associated with the increase in the ageing population including promoting healthy positive ageing and upgrading facilities used by older people who live, work and study in the Hornsby Shire.

The Strategic Plan for Older People (55+) 2005 – 2010 which was developed in 2004 is now being fully implemented. A new range of well attended seminars were run in 2006-2007 covering topics such as Nutrition, Falls Prevention, the Law, Medication, and Financial Management. Five council owned Senior Citizens' Centres have been revamped to introduce active healthy programs aimed at the younger more active older people. The centres have been renamed Leisure and Learning Centres' 50+ and are available to the diverse group of organisations running programs for older people.

In March 2007, council ran highly successful Seniors Week Festival which included 40 individual events, covering educational, recreational, physical and spiritual programs. Council's Over 55 Services ran four events; seven were run by other council Branches, and 29 by local community groups. Approximately 1600 people attended Festival activities.

In partnership with Ku-ring-gai Council, Lane Cove Council, Mosman Municipal Council, North Sydney Council, Willoughby City Council and New Choices for Retirement, Hornsby Shire Council has printed a third edition of a booklet titled "Seniors and Aged Care Guide" which covers the North Shore areas. Forty thousand copies have been widely distributed to people throughout the North Shore area and it is also available on council's website.

The Hornsby Shire Seniors Advisory Committee was awarded with a 2007 NSW Seniors Week Achievement Award for their outstanding work in the area of Health and Wellbeing. Council's Over 55 Services Team works very closely with this Committee

to promote positive ageing in the community and to plan for the needs of the shire's ageing population. The Committee includes membership from organisations such as Probus, University of 3rd Age, Hornsby Ku-ring-gai Community College, the Indian Seniors Groups and Legacy who bring a wealth of skills, energy and commitment to working on issues for older people. This Committee has developed their own action plan that mirrors Council's Strategic Plan for Older People and, with Council support, publishes a quarterly newsletter called "Mature Matters" and runs workshops for older people in the Hornsby Shire.

The Over 55 Services Team, the Hornsby Community Drug Action Team and the Hornsby Shire Seniors Advisory Committee have received funding from the Alcohol Education and Rehabilitation Foundation (AERF) to produce an interactive DVD highlighting the dangers of people over 55 consuming alcohol in association with prescription and over the counter medication. This DVD will be used as a professional development tool for medical practitioners and health professionals in the public health sector.

Council auspices the Hornsby Ku-ring-gai Home Modification and Maintenance Services and employs a Team Leader, Builder and Administration Assistant. The purpose of the service is to enable the elderly or those with a disability to remain comfortably in their own homes by modifying the home according to their specific needs. Over the last 12 months the service completed 673 works for clients in the Hornsby and Ku-ring-gai areas. The service also successfully completed the Department of Ageing Disability and Home Care Integrative Monitoring Framework in 2007.



Our economy



Economic development

In November 2006 council launched an Economic Development Strategy for the shire. The program outlines actions to support and encourage business and employment in the shire. As part of this Strategy, council also launched a Sustainability Advantage Program in partnership with the Department of Environment and Climate Change. This program aims to support businesses in reducing greenhouse gases and potable water use, and lowering their business costs through more efficient use of resources. It also provides staff development and networking opportunities. Both the Economic Development Strategy and the Sustainability Advantage Program are showing good results with growing business awareness and participation.



Developer contributions

Section 94 contributions are charged on new development to assist in the provision of the additional services and facilities required by the new population.

These services and facilities include traffic and transport management, open space and recreational facilities, library and community facilities, bushland and environmental regeneration, civic improvements, stormwater drainage remediation and bushfire protection works.

Contributions collected in 2006/07 were below the levels collected between 2001 and 2004. The meant some projects identified in the 2004-2010 Contributions Plan have been delayed.

Over the last three years to June 2007 more than \$15 million has been committed to a variety of projects. Some of the projects seeing Section 94 expenditure in 2006/07 included;

- Extensions to Greenway Park Nursery and Pre-school
- Brickpit Park Sports Stadium
- Library resources
- Widening of Hunter Lane, Hornsby.

Governance



Council conducted a review of its customer service function between November 2005 and April 2006. During 2006/07 numerous customer service improvement initiatives identified in the review have been implemented to improve the effectiveness of the service function and make it easier for residents, ratepayers and businesses to do business with council. Initiatives include:

- Rebuild of the front page of the web site
- Implement Development Application tracking on-line
- Accepting payments over the telephone and via the web
- Emphasis on improving telephone responsiveness
- Adopting a complaints handling policy and mechanism

Over the past three years council has implemented Councils Online, an online technology system that replaced an obsolete corporate software suite. During 2006/07 council commenced benefits validation to systematically assess actual deliverables against deliverables projected to be achieved at the beginning of the Councils Online project. One of the first areas of assessment was Procurement where significant time and efficiency gains have been realised.

Procurement improvements

Major efficiency gains came from telecommunications being re-tendered. Outcomes include improved billing, better management of mobiles and expected annual savings of over \$200,000.

Other services re-tendered include:

- Pesticides (preferred panel and improved ordering process)
- Tree services (preferred panel and improved ordering process)
- Stationery (expected savings of \$18,000)
- Cleaning of Cherrybrook Community Centre (improved standards and savings of \$1,500)
- Electricity contracts consolidated (improved contract conditions and billing processes)
- Fuel cards (improved reporting)

Financial Statement

Despite the unforeseen costs of running two by elections in the 2006/2007 financial year and a reduction in budgeted asset sales, council finished the period in a surplus position.
See Appendix 1 for a copy of council's audited financial reports.

HORNSBY SHIRE COUNCIL NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007 Note 2 – FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES										
	Income from continuing operations		Expenses from continuing operations			Operating result from continuing operations			GRANTS INCLUDED IN INCOME	TOTAL ASSETS HELD (CURRENT & NON-CURRENT)
	ORIGINAL BUDGET	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL		
	2007	2006	2007	2006	2007	2007	2006	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GENERAL MANAGERS DIVISION	1	83	1,312	1,251	1,311	(1,311)	(1,168)			
STRATEGY	2,118	4,303	2,116	2,143	2,027	2	(791)	24	16	
CORPORATE & COMMUNITY	15,679	11,609	30,079	32,105	30,601	(14,400)	(20,496)	1,900	1,934	174,206
ENVIRONMENT	19,205	19,681	29,279	27,680	30,370	(10,074)	(7,999)	1,209	978	1,209,901
WORKS	6,191	7,390	21,236	21,480	22,402	(15,045)	(14,090)	1,329	1,962	251,673
PLANNING	3,790	2,906	8,671	8,132	8,162	(4,881)	(5,226)	25		
TOTALS – FUNCTIONS	46,984	42,998	92,693	92,791	94,873	(45,709)	(51,875)	4,487	4,890	1,635,780
GENERAL PURPOSE										
REVENUES	52,437	50,466				52,437	50,466	4,679	4,573	
TOTALS	99,421	96,427	92,693	92,791	94,873	6,728	1,554	9,166	9,463	1,635,780

The above functions conform to those used in the Hornsby Shire Council Management Plan

Statutory write-offs

During 2006/07 the following rates and charges were written off under the Local Government (Rates and Charges) Regulation 1993.

Pensioner rates:	\$1,566,811	55% of this is recovered from the State Government
Non-pensioner rates:	\$6,970	
Interest:	\$2,746	

Hornsby as a workplace

Hornsby Shire Council is a major employer in the area providing more than 900 jobs in a mix of permanent, part time and casual roles. The workforce gender balance is 53% male and 47% female, and the average age is 44 years. A new human resources management system was implemented early in 2006 and its data shows staff turnover in 2006/07 to be 13.8%. This is not considered an unreasonable level. Staff turnover is an important indicator of cultural health in an organisational and we will continue to measure and report this data each year.

In 2006/07 all staff undertook Code of Conduct training to ensure all were aware of current legislation, including their obligations regarding employment and equal opportunity. Over 140 staff training programs were undertaken in 2006/07 including:

- Management development program
- Frontline management
- Outdoor supervision
- Network and Councils Online applications training
- Occupational Health and Safety

Council's OH&S team continue to develop service level agreements with all branches of council to identify needs, roles and responsibilities for all staff relating to OH&S training. 10 workers compensation claims were lodged in 2006/07 and all were processed within 48 hours of lodgement. 98% of all 'return to work' plans were completed and implemented within 24 hours of an employee returning to work following an occupational injury or illness.

Equal Employment and Opportunity

The Equal Employment and Opportunity committee was inactive during 2006/07 and, apart from all staff participating in Code of Conduct training, no EEO specific activities were undertaken. The EEO Committee has been reactivated for 2007/08. Its primary tasks will be to review the constitution of the EEO Committee and the contents of the EEO Management Plan and implement actions identified in the Management Plan.

Fraud and Corruption Prevention

Council has a Fraud and Corruption Prevention Strategy and an internal audit function to undertake risk analysis and instigate processes to prevent fraud and corruption. The work of the internal audit service is reported to council bi-annually, and the report for 2006/07 titled *Review of Internal Audit Plan 2006/07* (as at 30/06/07) – GM11/07 can be viewed on-line as a business report for the council meeting of 08/08/2007.

Special Rates

Catchments Remediation Rate

The Catchments Remediation Rate (CRR) is a special rate levied at 5% of council's ordinary rate income on properties throughout the shire. All modified catchments impact on water quality and benefit from the environmental and water quality improvements, in terms of improved quality of life for ratepayers. In 2006/07, income received from the CRR special rate was \$2.38 million.

The Catchments Remediation Program for 2006/07 identified locations across the shire where water quality improvement structures and devices were to be constructed and installed. In 2006/07, 14 capital works projects were completed at a total cost of \$775,000. In addition, over 50 at-source gross pollutant traps (stormwater pit inserts) were installed.

The program also supports a number of pollution prevention initiatives such as environmental education, industrial auditing, street sweeping, emergency spill response and pollution regulation. In addition to the pollution treatment and prevention initiatives, the CRR funds ongoing works associated with the maintenance and monitoring of these assets and the receiving waterways. In 2006/2007 the cleaning of the existing stormwater improvement assets yielded 2,546 tonnes (or 260 truck loads) of sediment, litter and excessive organic matter which was therefore prevented from entering the shire's waterways.

Hornsby Quarry Loan Rate

In 2002, council was required under the Hornsby Local Environmental Plan prepared in accordance with the

Environmental Planning and Assessment Act 1979, to acquire the Hornsby Quarry site. The amount of compensation was determined to be approximately \$25 million, in accordance with notice given under the Land Acquisition (Just Term Compensation) Act 1991. Consequently there was a need to borrow the funds to pay for this acquisition plus initial interest paid, and this borrowing took place in early 2004.

In order to fund the repayments, this Rate was approved by the Minister for Local Government on 10 June 2005 for a ten year term and is based on an increase to council's 2004/05 notional general rate income, increased by the annual rate pegging increases as announced by the Minister for Local Government commencing 1 July 2005 and continuing until the 2014/15 financial year.

On 14 June 2006 council resolved to restructure the loan to align the loan term to that of the Rate. On 19 June 2006, council repaid the \$26 million existing loan by drawing down \$19.7 million on the (new) restructured loan and applying \$6.3 million including the part proceeds from the sale of the old George Street Hornsby depot site. Repayments on the new loan include principal and interest.

The balance owing was \$18.350 million at 30 June 2007 and is expected to be approximately \$16.839 million at 30 June 2008.

Status of 2006/07 actions in Management Plan

The annual Management Plan details the activities of council for that year. This table summarises the status of 2006-07 activities and initiatives as at 30 June 2007.

Action	Division	Status
A community actively involved in key issues		
• Provide opportunities at council meetings for the community to participate in decision making (325 people addressed council in 2006/07. This equates to more than 16 hours of speaking time)	Corporate & Community	Opportunities provided at Planning and Ordinary meetings
• Review the use of community forums	Corporate & Community	Completed. 4 open forums held
• Review council's communication strategies and procedures	General Manager	Completed
Community members of all backgrounds encouraged to participate		
• Develop a cultural plan for the shire	Corporate & Community	Underway, draft expected September 2007
• Identify opportunities to provide cultural facilities resources across the existing Community Centres network	Corporate & Community	Included in above project
• Continue to implement the key actions in the Social Plan 2005-2010	Corporate & Community	Ongoing
More engagement with rural and remote communities		
• Investigate opportunities to "road-show" significant issues in the rural areas	All Divisions	Community Information Days held at Brooklyn and Arcadia
Healthy and interactive community relationships		
• Review council's website to make it easier to use and navigate and consider including a section devoted to economic development	General Manager	Completed
• Celebrate council's centenary Approximately 10,000 people participated in the 19 centenary celebrations	General Manager	19 community events held
• Deliver council's calendar of events as per schedule	General Manager	Delivered

Action	Division	Status
Preserve and enhance bushland and biodiversity		
<ul style="list-style-type: none"> Implement initiatives determined by the Bushland Management Advisory Committee (BMAC) 	Environment	Funded initiatives implemented
<ul style="list-style-type: none"> Annual review of the Biodiversity Strategy and Action Plan 	Environment	Reviewed. Report EN41/06
<ul style="list-style-type: none"> Implement ten high priority actions in the Biodiversity Conservation Action Plan (Gardens for Wildlife, distribution of provenance plants, volunteer expansion, education plan evaluations, green offsets, schools grant, partnerships with indigenous communities at Bar Island, restoration of roadsides and flora and fauna database updated to protect biodiversity from hazard reduction activities) 	Environment	Actions implemented
<ul style="list-style-type: none"> Implement a rural land modification awareness program 	Environment	Program discontinued
A clean environment without pollution		
<ul style="list-style-type: none"> Implement the Catchments Remediation capital works program for 2006/07 	Environment	Completed
<ul style="list-style-type: none"> Continue to implement council's 24-hour environmental emergency response service 	Environment	Ongoing
<ul style="list-style-type: none"> Maintain the water quality monitoring program, including recreational water quality 	Environment	Recreational monitoring completed
Informed community action on sustainability		
<ul style="list-style-type: none"> Continue to implement council's Sustainable Business Program 	Environment	12 businesses participating
<ul style="list-style-type: none"> Develop a Hornsby Shire Sustainability Vision and Strategy to guide community and council activities towards a united approach to sustainability 	Environment Strategy	Implementing GRI principles into the Management Plan and planning for sustainability strategy
<ul style="list-style-type: none"> Continue to implement and evaluate initiatives in council's Environmental Education Strategy 	Environment	Ongoing
<ul style="list-style-type: none"> Continue supporting actions recommended by council's Sustainability Action Committee (SAC) 	All Divisions	All actions recommended by SAC supported and implemented where feasible
<ul style="list-style-type: none"> Promote the <i>Hornsby earthwise brand</i> 	Environment	Promoted at relevant events, schools, public meeting spaces, library and website
Reduce, reuse and recycle resources		
<ul style="list-style-type: none"> Continue the Waste Education Strategy and Program 	Environment	Ongoing
<ul style="list-style-type: none"> Implement the Energy Performance Contract Stage 2 for water and energy conservation measures to meet greenhouse abatement targets by 2010 	Environment	Funded in the 07/08 budget
Increase use of renewable resources		
<ul style="list-style-type: none"> Continue the operation of the Mt Kuring-gai Materials Handling Facility 	Works	Facility operating, name changed to WELLUM BULLA
<ul style="list-style-type: none"> Expand the Green Procurement Policy within council 	Corporate & Community	Program won the Local Government Sustainable Purchasing award

Action	Division	Status
An improved capacity to lead, predict and adapt to the changing needs in the community		
<ul style="list-style-type: none"> Undertake the annual community satisfaction survey to elicit the views of the 'silent majority' 	Strategy	Not undertaken, resources diverted to establish community panels
<ul style="list-style-type: none"> Conduct community forums on issues identified as being of major community interest or significance 	All	Four open forums held across the shire
<ul style="list-style-type: none"> Prepare a new Section 94 Plan including review and amalgamation of previous Plans 	Strategy	Draft S94 Plan on public exhibition July 07
<ul style="list-style-type: none"> Undertake a review of the Leisure Strategic Plan in concert with the preparation of the new Section 94 Plan 	Environment	Review not undertaken. Revised data informed S94 planning
The provision of responsive and relevant services		
<ul style="list-style-type: none"> Develop a council-wide Sustainability Strategy and Policy Statement to guide internal activity towards a united approach to sustainability 	Environment	Implementing GRI principles into the Management Plan and planning for sustainability strategy
<ul style="list-style-type: none"> Continue the young people outreach program 	Corporate & Community	Program continued, over 7,000 young people contacted
<ul style="list-style-type: none"> Continue the enhancements to the Over 55's services 	Corporate & Community	Services expanded
<ul style="list-style-type: none"> Commence preparatory works to upgrade the Cherrybrook Community Centre to a multi-purpose facility to be used by a wide range of people and include a child care facility 	Corporate & Community Works	Progressed and development application approved
<ul style="list-style-type: none"> Complete the design of a Skate Park at Galston 	Environment	Consultations undertaken with young people
<ul style="list-style-type: none"> Undertake a geotechnical study of the Hornsby Quarry site (The report can be viewed or download from the Building and Development section of council's web site) 	Works	Report available
<ul style="list-style-type: none"> Investigate establishing protocols for private property owners who wish to establish and maintain fuel breaks 	Environment	Completed. Report to September 07 council meeting
<ul style="list-style-type: none"> Implement a bushfire hazard risk management program 	Environment	Draft 2007 Prescribed Burn program and fuel load research project developed
<ul style="list-style-type: none"> Provide for a program pool at Galston Aquatic Centre 	Works	Project did not proceed
<ul style="list-style-type: none"> Review sillage operations 	Environment	Services to non council properties ceased January 2007
A built environment that is safe, productive and satisfying for those that live, work and invest in it		
<ul style="list-style-type: none"> Continue to support the conservation of local heritage through the Heritage Assistance Fund 	Planning	Annual event
<ul style="list-style-type: none"> Manage council-owned heritage properties in a manner sensitive to the heritage values of the properties 	Corporate & Community	Ongoing
<ul style="list-style-type: none"> Undertake scheduled work at Brickpit Park and open the park in November 2006 	Environment	Park opened December 2006

Action	Division	Status
<ul style="list-style-type: none"> Monitor sediment and erosion control by undertaking compliance inspections of new construction sites 	Planning	Ongoing
<ul style="list-style-type: none"> Complete the Open Space Land Acquisition Review 	Planning	Reviewed
<ul style="list-style-type: none"> Complete the River Settlements Controls Review 	Planning	River Settlements and Foreshores Review on public exhibition until August 2007
<ul style="list-style-type: none"> Consolidate all Development Control Plans within one Development Control Plan 	Planning	Being prepared in conjunction with comprehensive LEP
<ul style="list-style-type: none"> Complete the Development Control Plans Review for Recreation Controls 	Planning	In preparation
People working together to achieve results		
<ul style="list-style-type: none"> Implement programs for Heritage Week (Events in 2006/07 include Hawkesbury River boat trip, aboriginal heritage walk and heritage awards) 	Planning	Annual event
<ul style="list-style-type: none"> Implement Masterview – A web based tool to enable applicants and residents to review the progress of the assessment of development applications 	Planning	All forms and planning controls on the web. On-line lodgement being developed
<ul style="list-style-type: none"> Investigate the requirements to upgrade the exterior of the Browsersy 	Works	Exterior upgraded December 06
<ul style="list-style-type: none"> Investigate the possible future uses of the Browsersy as a community asset 	Works	Leased to Fusion Australia (organisation assisting youth)
Planning and development decisions based on sustainable values		
<ul style="list-style-type: none"> Progress the formulation of council's Housing Strategy 	Planning	Progressed. Completion expected 2009
<ul style="list-style-type: none"> Complete the Biodiversity Planning Provisions Review 	Planning	Underway
<ul style="list-style-type: none"> Investigate strategies to fund the long term acquisition and management of bushland and open space areas 	Environment	Ongoing
<ul style="list-style-type: none"> Complete the Hornsby Quarry and Environs Local Environmental Plan 	Planning	Draft plans deferred until economic viability determined
<ul style="list-style-type: none"> Complete the Hornsby Quarry and Environs Development Control Plan 	Planning	Draft plans deferred until economic viability determined
<ul style="list-style-type: none"> Adopt new Section 94 and Section 94A Plans and a framework for planning agreements 	Strategy	Draft plan on public exhibition July 2007
Environmentally friendly and integrated transport nodes and networks		
<ul style="list-style-type: none"> Complete the Castle Hill Road cycleway 	Works	Completed
<ul style="list-style-type: none"> Implement a traffic facilities improvement program to improve road safety 	Works	Traffic report WK45/07
<ul style="list-style-type: none"> Undertake the local road improvements program as per the annual program 	Works	Reports WK28/06 and WK48/07
<ul style="list-style-type: none"> Undertake the footpath improvement program as per the annual program 	Works	Reports WK29/06 and WK48/07

Action	Division	Status
<ul style="list-style-type: none"> Undertake the footpath reconstruction program as per the 3 year rolling program 	Works	Undertaken as per program and priority list
A vibrant and more self sufficient regional economy		
<ul style="list-style-type: none"> Investigate alternative funding sources for local economic and business development 	Strategy	Paper with options distributed May 2007
<ul style="list-style-type: none"> Implement Masterplan – A web based planning tool to enable on-line lodgement of development applications 	Planning	Being developed
<ul style="list-style-type: none"> Complete the Tourism Review Local Environmental Plan 	Planning	In preparation as part of the comprehensive LEP
<ul style="list-style-type: none"> Complete the Tourism Review Development Control Plan 	Planning	In preparation as part of the comprehensive LEP
<ul style="list-style-type: none"> Complete the Rural Resource Lands Study 	Planning	Completed
<ul style="list-style-type: none"> Commence the preparation of council's comprehensive Local Environmental Plan as part of the Metropolitan Strategy 	Planning	Consulting with Dept of Planning re stages of LEP
<ul style="list-style-type: none"> Finalise and implement an Economic Development Strategy 	Strategy	Strategy being implemented
<ul style="list-style-type: none"> Investigate extending the Country Women's Association site in Hornsby Park to accommodate visitor information 	Strategy	Completed
<ul style="list-style-type: none"> Establish regular business forums in the shire 	Strategy	3 business forums held
<ul style="list-style-type: none"> Develop a comprehensive regional profile of the shire 	Strategy	Available on the HSC website
<ul style="list-style-type: none"> Develop a business directory of the shire 	Strategy	Completed in partnership with Hornsby Chamber of Commerce
<ul style="list-style-type: none"> Investigate the clusters of similar or complementary businesses throughout the shire 	Strategy	Clusters being developed. Agribusiness is the first cluster
<ul style="list-style-type: none"> Extend the upgrade of council's website to include economic development information 	Strategy	Completed
Vibrant and viable commercial/business/town centres throughout the shire		
<ul style="list-style-type: none"> Complete Town Centre Masterplans for the Berowra Commercial Centre, Pennant Hills Commercial Centre and Carlingford Commercial Centre 	Planning	Council resolved not to continue
<ul style="list-style-type: none"> Complete the Outdoor Advertising Review 	Planning	In preparation
<ul style="list-style-type: none"> Complete the Galston Village Masterplan Development Control Plan amendments 	Planning	Deferred pending DA determination for supermarket
<ul style="list-style-type: none"> Investigate a West Precinct Strategic Development Plan 	Strategy	To be considered in concert with strategic land holdings
<ul style="list-style-type: none"> Review the future of the Hornsby Library site and develop a concept plan 	Strategy & Works	Initial workshop held in May 2007
<ul style="list-style-type: none"> Review council's major properties as per the Economic Development Strategy 	Strategy & Works	Encapsulated in above project
<ul style="list-style-type: none"> Investigate the interest in improving some council lands to support economic development 	Strategy & Works	Encapsulated in above project

Action	Division	Status
To provide consistent and effective policy making which is supported by the community		
<ul style="list-style-type: none"> Encourage objective community debate by providing balanced information in an open and consistent manner 	Community Relations	Ongoing
<ul style="list-style-type: none"> Implement a broad based community consultation process according to the Communications Action Plan 	Community Relations	Community panels being implemented
<ul style="list-style-type: none"> Investigate the community's preferred ways of receiving communication from council 	Community Relations	Consultations held, resulting in changes to the Bushland Shire News
Service provision in a financially responsible manner		
<ul style="list-style-type: none"> Maintain the viability of the Development Assessment business unit 	Planning	Business unit achieved 06/07 target
<ul style="list-style-type: none"> Prepare annual report to council on the Mt Kuring-gai Materials Handling Facility 	Works	Report WK23/07
<ul style="list-style-type: none"> Review the Federal WorkChoice legislation's implications for council's workforce 	Strategy	Maintaining a watching brief
<ul style="list-style-type: none"> Develop a Human Resources Strategic Plan that takes a longer term view of council's future workforce needs 	Strategy	Preliminary work underway
<ul style="list-style-type: none"> Review the corporate induction program 	Strategy	Program reviewed and updated
<ul style="list-style-type: none"> Develop and commence implementing a management and supervisors development program 	Strategy	Both programs being delivered
<ul style="list-style-type: none"> Investigate the use of e-learning as one of council's training tools 	Strategy	e-learning proposals being evaluated
<ul style="list-style-type: none"> Fund by internal loan the Energy Performance Contract Stage 2 for water and energy conservation measures. The measures will save council a guaranteed \$44K pa through its Energy Performance Contract 	Environment	Funded in the 2007/08 budget
<ul style="list-style-type: none"> Finalise and implement the five year Strategic Financial Plan 	Corporate & Community	Plan in review, not finalised
<ul style="list-style-type: none"> Finalise development and commence implementation of Councils On Line (COL) asset management module 	Works	Module not implemented

Statutory returns including state of assets and grants



Customer Service Requests, Complaints and Access to Information

Council's framework for handling customer requests and complaints is documented in its customer service policy and its complaints handling policy, both of which are available via the corporate documents section of council's web site or by telephoning 9847 6790. In 2006/07 council's customer request management system logged 8,658 service requests, 85% (7,342) were handled within time and 15% (1,316) were late. At 30 June 2007, 288 requests were still outstanding.

Two written complaints were received at council during 2006/07 and both related to council's slow response to previous requests for information. The document access process has been reviewed and amended during the past year. This should address the response times.

Freedom of Information

Hornsby Council received 23 requests for information using the Freedom of Information legislation and 619 information requests using Section 12 of the Local Government Act 1993. All requests, except the two noted above, were processed and completed on time.

Council's full Freedom of Information Report is in Appendix 3.

Privacy and Personal Information

Hornsby Shire Council implemented a Privacy Management Plan in 2001. The plan is used by staff to comply with the Privacy and Personal Information Act 1998 and the Health Records and Information Protection Act. Council also publishes a privacy notation in newspapers when advertising public information and on council's web site. No review was conducted by or on behalf of council during this financial year.

Environmental Planning and Assessment Act 1979

Council had no planning agreements in force between July 2006 and June 2007.



Local Government Act 1993



Section 428 (2) (a) – Financial Statements

Hornsby Shire Council's audited financial reports for 2006/2007 are presented in appendix 1.

Section 428 (2) (b) – Performance against Management Plan.

Hornsby Shire Council's performance against its Management Plan is presented on pages 27 to 32.

Local Government (General) Regulation 1999

Clause 132 – Rates and charges written off in 2006/07.

Included within Appendix 1 and see page 26.

Section 428 (2) (c) – Environmental Report

Hornsby Shire Council's State of the Environment Report 2006/07 is available as a separate document and can be viewed at www.hornsby.nsw.gov.au. A detailed report of our regional environmental management activities is also on the web site. For a summary of our environmental management activities for 2006/07 see the 'Environment' section of this document on page 12.

Section 428 (2) (d) – Public works report

There are over 614 kms of sealed roads and 42 kms of unsealed roads in the shire and 413 kms of paved footpaths. Council has 6 sealed public car parks, a pedestrian overbridge, 2 minor road bridges and 11 major culverts. Council also maintains 5 public wharves, 6 floating pontoons, 3 boat launching ramps and 2 loading docks. Hornsby has an extensive drainage system comprising over 18,000 pits and 390 kms of pipelines.

There are around 174 parks in Hornsby plus 12 garden parks, 55 separate playing fields and over 135 playgrounds. Council also has over 400 buildings, including 183 community based buildings. The estimated replacement value is \$161 million.

The table on the next page summarizes the condition of council's transport, drainage and building assets and funding requirements currently identified to maintain them in a satisfactory condition.

Category	Condition at end of 30/6/07	Estimate of Cost to Bring to Satisfactory Standard	Estimate of Cost to Maintain Standard	Maintenance Program for 2006/07
Transport Assets				
1. Roads Urban & Rural Local Sealed	Satisfactory. Pavement reconstruction works required for approximately 0.7% of the 577km Road Network.	\$3,180,000 – pavement reconstruction only	\$4,733,000	\$4,447,000
Regional Sealed -	Satisfactory. Pavement upgrading works required for approximately 0.7% of the 37km Road Network.	\$1,321,000	\$360,000	\$599,000
Rural – Unsealed	Satisfactory for the 42 km Unsealed Road Network.	Nil	\$382,000	\$473,000
2. Footpaths	Generally satisfactory with reconstruction works required for about 1% of the 413km Paved Footpath Network annually.	Nil	\$854,000	\$906,000
3. Car parks	Satisfactory	Nil	\$18,000	\$19,000
4. Bridges and Culverts	Satisfactory	Nil	Included in Urban Sealed Local Road maintenance.	Included in Urban Sealed Local Road maintenance.
5. Wharves and Jetties	Generally satisfactory	\$400,000 – Reconstruction or upgrading of Jetties & Pontoons at Brooklyn, Dangar Island, Kangaroo Point, Wisemans Ferry and Berowra Waters and construction of a new Jetty at Bar Island.	\$180,000	\$118,000
Drainage Assets				
1. Stormwater Drainage Systems	System capacity upgrading required for known problem locations. Structural condition of pits and pipelines currently being determined; 10% (preliminary assessment) unsatisfactory.	\$6,200,000 for system capacity upgrade. \$12,000,000 for pits and pipelines upgrade.	\$1,203,000	\$1,467,000
Building Assets				
Public Buildings	Building Maintenance System has been developed and is now in testing phase.		\$1,598,000	\$1,403,000

Local Government (General) Regulation



Roads

Council maintains 614 km of sealed roads (477 km of urban sealed local roads, 100km of local rural sealed roads and 37 km of sealed regional roads) and 42 km of rural unsealed local roads. A detailed survey of these roads was undertaken in 1994-1995.

The condition of the road network is considered to be satisfactory with the following distribution:

Year	Road Condition							
	Very Poor		Poor		Fair		Good	
	Length	%	Length	%	Length	%	Length	%
2006/07	4.4 km	0.7	19.4 km	3.2	169.6 km	27.6	420.1 km	68.5

The 0.7% of the sealed road network, identified as being in 'very poor' condition, will require reconstruction. Strategies developed estimate the cost at \$3.564 million (4.4 km @ \$810,000 per km). It is considered that these roads should be reconstructed over a period of 10 years under the Local Road Improvement Programs to bring them to a satisfactory standard.

Unsealed roads are considered to be in a satisfactory condition under the current maintenance practices using blended shoulder materials and recycled profiled materials. A strategy to seal all rural unsealed roads over the next ten years has been adopted by council.

Council's Pavement Management System (PMS) is currently utilised to determine the annual programme of maintenance work on the sealed road network. Expenditure is prioritised by the system to maximise road condition for the available budget.

Footpaths

Council maintains 413 km of paved footpaths of various types. Annual condition surveys are undertaken.

The condition of the footpath network is considered to be generally satisfactory with 410 km or 99.3% being categorised as moderate or better.

Maintenance covers reconstruction of unsatisfactory sections of footpaths as well as routine maintenance tasks such as the replacement of slab panels, laying of a regulating surface, and temporary wedge filling to eliminate trip hazards and damaged slabs. The maintenance expenditure also covers maintenance on the entire footway where grass cutting and other works are required.

About 1% of the network is reconstructed annually as it is assessed as requiring replacement.

Car parks

Council's six sealed public car parks are generally in a satisfactory condition and current maintenance practices are considered sufficient to maintain this level of service.

Maintenance includes routine pothole patching, marking or

remarkings of parking bays, signage maintenance and any resealing required.

Bridges and culverts

Council's 1 pedestrian overbridge, 2 minor road bridges and 11 major culverts are all in satisfactory structural condition. Only routine maintenance is required and this will be done as part of the routine roadside drainage undertaken for both sealed and unsealed roads.

Wharves and jetties

Council maintains 5 public wharves, 6 floating pontoons, 3 boat launching ramps and 2 loading docks. Monthly inspections and maintenance are carried out on all facilities. Major maintenance works are carried out periodically as required.

All existing wharves, pontoons and boat launching ramps are considered to be in satisfactory operational condition. However, additional funding of \$600,000 will be required in the near future to bring these facilities to an appropriate standard.

The jetty at Bar Island was found to be in a dangerous state and was dismantled. An estimated \$80,000 will be required to construct the new jetty.

Upgrading of Kangaroo Point jetty and Wisemans Ferry jetty steps were undertaken during 2006/2007. Construction of the new jetty at Bar Island and reconstruction or upgrading of jetties and/or pontoons at Brooklyn, Dangar Island and Berowra Waters will be required in the near future as funds become available.

Drainage assets

Hornsby's drainage assets consist of 18,331 pits and 390 km of pipelines.

A recent survey has revealed that most of the system inspected to date is in a satisfactory structural condition. A program of detailed inspections is being planned to confirm the structural condition of the network and identify any structurally unsound sections.

Data collected after several severe storms over recent years has highlighted several areas of "under-capacity" within the drainage network. A program for upgrading these segments has been in place for some seven years. Stormwater Catchment Management Plans for each of the shire's 14 major catchments comprising 55 sub-catchments were completed.

The output from the Catchment Management Plans is utilised to modify and augment the current upgrading program.

It is estimated that about \$12 million (39 km @ \$300,000 km per km) may need to be set aside for reconstruction of portions of the network. The exact sum will be known once a more detailed inspection of the network is complete.

A program for upgrading the identified under-capacity segments is currently in place. The cost of this upgrading is estimated at \$38 million.

Council undertakes extensive maintenance of its drainage system. This ranges from routine works such as clearing blockages and repair of damaged structures to the upgrading of pits and structures and channel stabilization to ensure the existing system operates at maximum efficiency. In 2006/2007 council expended \$500,000 on works relating to upgrading the drainage system capacity in addition to that spent on routine drainage maintenance.

Over a period of approximately 7 years council is accumulating sufficient funding to undertake Stage 1 of Hornsby CBD stormwater drainage upgrading which is estimated to cost \$2.5 million.

Public buildings

Council has a number of public buildings which are used for civic and administrative purposes, child care, community facilities, libraries, recreation and public amenities.

During the 2006/07 period, work continued on establishing the Building Maintenance System to link with the "Councils Online" system. Now in the final stages of development, the new system is being trialled on selected properties. When fully operational, the system will provide for consultation with the various building managers to determine the most effective use of available funds for maintenance.

Community centres and halls

Council has given delegated care, control and management of nineteen (19) community centres and halls to community committees.

Council also makes a financial contribution to the following School Halls to ensure their availability to the public. These are –

- Wideview Public School Hall
- Cherrybrook Technology High School Hall
- Thornleigh West Public School

Section 428 (2) (e) – Summary of legal proceedings

During 2006/07 expenses incurred by Hornsby Shire Council in relation to legal proceedings were	
Planning Division	\$1,251 723.30
Environment Division	\$43,434.69
Corporate and Community Division	\$10,000
Strategy Division	\$6855
Works Division	\$7840
Total	\$1,319,852.90

A summary of the various proceedings is included in Appendix 2.

Section 428 (2) (f) – Mayor and councillor fees and expenses

A total of \$47,275 was expended during 2006/2007 on Mayoral fees, while the councillors' fees for the year totalled \$170,652. An itemised list of the cost of providing facilities for councillors is shown in the below table:

Facility	Cost
Provision of dedicated office equipment allocated to councillors	Nil
Telephone calls made by councillors, including mobile phone expenses (includes equipment and line costs)	\$15,037
Attendance of councillors at conferences and seminars	\$18,653
Training of councillors and provision of skill development	\$396
Interstate visits by councillors, including transport, accommodation and other out of pocket travelling expenses	\$2,873
Overseas visits by councillors including transport, accommodation and other out of pocket travelling expenses	Nil
Expenses of any spouse, partner or other person who accompanied a councillor	Nil

Expenses involved in the provision of care for a child or an immediate family member of a councillor	Nil
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Council has a policy for payment of councillor expenses and the provision of facilities. The policy titled "Councillors' Expenses and Facilities" can be viewed in the policies and procedures part of the corporate documents section of council's website at www.hornsby.nsw.gov.au

Section 428 (2) (g) – Senior staff salaries

Between 1 July 2006 and 30 June 2007 six senior staff were employed.

Title	Total Remuneration Package
General Manager	\$256,674.00
Director, Corporate and Community	\$172,000.00
Director, Planning	\$182,400.00
Director, Environment	\$174,600.00
Director, Strategy	\$158,480.00
Director, Works	\$174,600.00

One Branch Manager attended the International Water Histories Association 2007 Conference in Finland; costs were budgeted from a Professional Development allocation which forms part of the Manager's total remuneration package.



Section 428 (2) (h) – Contracts over \$150,000

The following contracts over \$100,000 were awarded by council during the financial year 2006/2007.

Contractor	Details of Contract	\$ Amount paid pa	Term of contract
Price Waterhouse Coopers	Auditing services	\$80,000	6 years
Kwik Kopy, The Buckner Group, ecoDesign ecoPrint, GPS Graphitype Pty Ltd ,Security Mail, Renelt Belic Pty Ltd	Printing, photocopying, graphic design services, print & mail of rates notices	\$600,000	2 Years
Wade Civil Engineering Pty Ltd	Construction of civil engineering & infrastructure work for Rural Sports facility at Bayfield Rd	\$1,811,354.70	
Menoscape Pty Ltd	Grass cutting of road sides	\$150,000	2 years
Asphalts Consulting	Patching of road pavements in full depth asphalt	\$400,000	2 years
Hanson Construction Materials and Metromix	Supply & delivery of concrete	\$360,000	2 years
Hanson Construction Materials	Supply & delivery of road materials	\$220,000	2 years
Kinsley and Associates	Development of a fire control district office	\$166,940	15 months
Convic Skate Parks Pty Ltd	Construction of skate park	\$316,000	1 year
Acclaimed Plant Hire, Active Tipper Hire, Allards Plant Hire AMS Excavation, Anova Constructions, CEG Rentals Conplant, Country Improvements, Earthcorp, Economy Sweepers, HA&WI Black, J&V Combined, KG&PK Daly Excavations, Kari & Ghossey, Ken Coles Excavations, Kennards Hire, Kingstone, M-Keel Excavations, Napier Construction ,A&A Hire, N&M Excavations, Paverite, Raygal, Scope Earthworks, Speter, VOS Flemming, Universal Mobile Tower Hire	Hire of plant	\$300,000	1 year



Section 428 (2) (i) – Bushfire hazard reduction

Information about activities undertaken to reduce the bushfire hazard can be found in the Environment section of this document on page 17.

Section 428 (2) (j) – Multicultural Services

For a summary of Hornsby Shire Council's multicultural services activities see the Social section of this document on page 20.

Section 428 (2) (k) – Council works on private land

During the year Hornsby Shire Council undertook further construction works on behalf of developers in an area of closed road (formerly Orara Street, Waitara). The value of works completed during 2006/07 was approximately \$246,000, fully funded by contributions from the Developers.

Section 428 (2) (l) – Grants and donations

Council provided over \$500,000 worth of subsidised property rental to community groups and non profit organisations based in the shire in 2006/07 to enable those groups to meet and pursue their interests. Recipients of council grants and donations in 2006/07 are listed below.

Organisation	Funded Amount
KU Grevillea Preschool	\$200.00
Hornsby Rosemary Legacy Club	\$250.00
Epping West Public School Bands	\$250.00
Indian Seniors Group, Hornsby	\$300.00
Chinese Elderly Welfare Association Inc	\$400.00
Hornsby Heights Neighbourhood Centre	\$475.00
Ku-Ring-Gai Male Choir Inc	\$495.00
Hornsby Ku-Ring-Gai & Hills Multiple Birth Association	\$500.00
Serenity NSW Inc	\$500.00
Hornsby Ku-ring-gai Community College Application 1	\$500.00
The Shack Youth Outreach	\$500.00
Accordion Society of NSW	\$500.00

Organisation	Funded Amount
Share Our Language Incorporated	\$500.00
Senior Group of Cherrybrook Chinese Community Association Inc	\$500.00
The Wiseman's Ferry Sunshine Group Inc	\$500.00
Berowra Over 55 Club	\$500.00
1st Cromehurst Scout Unit	\$500.00
Pennant Hills Neighbour Aid Incorporated	\$500.00
Hornsby and District TPI Social and Welfare Club	\$500.00
Hornsby Kuringai Stroke Recovery Club	\$650.00
Co. As. It (Italian Association of Assistance)	\$700.00
Hills District Triton User Group Inc	\$789.00
Te Amo Peru	\$800.00
SHHH Australia Incorporated – Self Help for Hard of Hearing People	\$800.00
West Pennant Hills Scout Group	\$800.00
Hornsby Salvation Army Gateway Corps.	\$816.50
The Berowra Toy Library	\$1,000.00
Computer Pals for Seniors – Epping Inc (CPS-E)	\$1,000.00
Brooklyn Public School P & C Association	\$1,000.00
Epping Carols Committee	\$1,000.00
Rotary Club of Thornleigh	\$1,000.00
Disabled Alternative Road Travel Service (DARTS)	\$1,000.00
Kuring-gai/Hornsby HACC Volunteer Coordinators Forum	\$1,000.00
Computer Pals for Seniors Hornsby Inc	\$1,000.00
Guides NSW North West Metropolitan Region	\$1,000.00
Constant Companion	\$1,090.00
1st Hornsby Heights Scout Group	\$1,200.00
Upper North Region – Sydney U3A	\$1,200.00

Organisation	Funded Amount
Hornsby Ku-Ring-Gai Police & Community Youth Club	\$1,250.00
The Galston Country Music Festival (GCMF)	\$1,250.00
Studio ARTES Northside Inc	\$1,250.00
Baby Bumps Support Group	\$1,400.00
Grief Support Inc	\$1,500.00
Parkinson's NSW Inc Hornsby Ku-Ring-Gai Support Group	\$1,500.00
Hornsby Ku-Ring-Gai Association for Mental Health	\$1,500.00
Epping YMCA YouthLinx (Formally known as 'Youth and Family Services')	\$1,560.00
Hornsby Area Residents for Reconciliation – Application 1	\$1,600.00
Anxiety Disorders Alliance	\$1,650.00
Easy Care Gardening Inc	\$2,000.00
Hornsby Art Society Inc	\$2,500.00
Mayor's Youth Trust Fund	\$3,000.00
Baden-Powell Scout Centre, Scouts NSW	\$3,000.00
Hornsby State Emergency Service	\$3,157.00
Hornsby Art Gallery	\$3,400.00
Total	\$57,732.50

Section 428 (2) (m) – Human Resource activities

For a summary of Hornsby Shire Council's human resource activities for 2006/07 see the Governance section of this document on page 26.

Section 428 (2) (n) – Equal Employment Opportunities

For a summary of Hornsby Shire Council's Equal Employment Opportunities for 2006/07 see the Governance section of this document on page 26.

Section 428 (2) (o) – External bodies with council delegated authority

Nil

Section 428 (2) (p) – Council controlled companies

Nil

Section 428 (2) (q) – Partnerships, cooperatives and joint ventures

Hornsby Shire Council is a member of the Northern Sydney Region Organisation of Councils (NSROC), which includes a purchasing group with supply agreements for commonly used business items.

Clause 217 (l) (a) – Overseas visits by council in 2006/07

See page 38.

Clause 217 (l) (b) – Senior staff salaries

See Statutory Returns section of this document, page 38.

Clause 217 (l) (c) – Children's Services activities

For a summary of Hornsby Shire Council's Children's Services for 2006/07 see the Social section of this document on page 19.

Clause 217 (l) (d) (i) – Access and Equity

For a summary of Hornsby Shire Council's Access and Equity activities for 2006/07 see the Social section of this document on page 20.

Clause 217 (l) (d) (ii – vi)) – Business Activities

Hornsby Shire Council considers some of its operations and services as business activities and has adopted the principle of competitive neutrality in respect to those activities, even though they are operated within the existing divisional structure.

		Performance	Target
Category One	<ul style="list-style-type: none">• Aquatic centres and sports stadium• Nursery and preschools	59.2% usage 97.5% occupancy	60% usage 98% occupancy
Category Two	<ul style="list-style-type: none">• Property services• Development assessment services• Commercial waste		

Unaudited information in respect of revenue, expenditure and assets for the above Category 1 Business Activities for the year ended as at 30 June 2007 was:

\$	Revenue	\$5,540,000
\$	Expenditure	\$7,400,000
\$	Net Assets	\$2,186,000

The statement of financial position by Business Activity and the operating statement are attached in Appendix 1.

Hornsby Shire Council provides its business activities budgets in each Management Plan and reports its business activities annually in the June Quarterly review

Clause 217 (l) (d) (vii – ix) – Competitive Neutrality

Hornsby Shire Council records and monitors requests and complaints from the public. Council did not receive any complaints regarding competitive neutrality during 2006/07. For a summary of other complaints see page 33 of this document.

Clause 217 (l) (e) – Stormwater management services

Stormwater management services undertaken during 2006/07 were generally in accordance with projected stormwater management activities as proposed in council's Management Plan.

Global Reporting



The Global Reporting Initiative (GRI) is an independent non-profit organisation that has developed globally applicable sustainability reporting guidelines and indicators for voluntary use by organisations. The GRI Reporting Framework encourages disclosures on sustainability performance aligned to social, economic and environmental considerations. It is an open, inclusive and global approach. Gradual alignment to the Global Reporting Initiative (GRI) means Hornsby is moving towards the leading global approach to TBL sustainability reporting. Council endorsed this approach at its meeting on 13 December 2006, noting that by using a respected framework such as the GRI to report on its economic, environmental and social performance council would be demonstrating both clarity and consistency in its reporting. To that end council has committed to aligning with the ten GRI principles relating to report content and report quality:

Report Content

- Materiality
- Stakeholder inclusiveness
- Sustainability context
- Completeness

Report Quality

- Balance
- Comparability
- Accuracy
- Timeliness
- Clarity
- Reliability

The first step involves using the 2006/07 Annual Report as a vehicle to present the traditional budget statements and report statements as well as appropriate GRI indicators.

The GRI Content Index on the next three pages is a mechanism to point the reader to essential components of the Global Reporting Initiative. The components may be found in the Management Plan denoted by MP, the Quarterly Reviews denoted by QR, and/or the Annual Report.

Information on the Global Reporting Initiative can be viewed or downloaded from www.globalreporting.org.

Global Reporting Initiative – Content Index

The Global Reporting Framework encourages disclosures on the organisation's approach to sustainability (page 4) and indicators that, over time, demonstrate progress towards achieving sustainability outcomes. The indicators below have been chosen from the suite of GRI indicators because of the relevance and applicability to Hornsby Council. The corporate documents mentioned in this content index (Management Plan, Quarterly Review and Annual Report) are available for viewing and downloading from the corporate documents section of council's web site www.hornsby.nsw.gov.au.

GRI G3 Reference number		Page, location or result
<i>Vision and Strategy</i>		
1.1	Council's vision relating to sustainability, including Mayor's statement describing key elements of the report	Pg 4,8 and 9
1.2	Key impacts, risks and opportunities for Council	Pg 10
<i>Profile</i>		
2.1	Council's name	Pg 1
2.2	Core functions	Pg 5
2.3	Operational structure and major divisions	Pg 6
2.4	Location of operations	Inside back cover
2.6	Legal form of council	Pg 6
2.7	Nature of operations	Pg 87 of MP
2.8	Scale of the organisation	Pg 26
2.10	Awards received in the reporting period	Pg 88 of MP
<i>Report Parameters</i>		
3.1	Reporting period	Pg 4
3.2	Date of most recent report	Pg 4
3.3	Reporting cycle	Pg 7 MP
3.4	Feedback – contact details	Back cover
3.5	Policies and internal practices council relies on	www.hornsby.nsw.gov.au Corporate Documents section
3.6	Report boundary	Pg 4
3.7	Decisions why not to apply all GRI principles	Pg 4
3.11	Significant changes to reporting mechanisms from last year	Pg 4
<i>Governance, Commitments and Engagement</i>		
4.1	Governance structure of Council	Pg 91 of MP
4.4	Mechanisms for the community to engage with Councillors	Pg 92 of MP
4.8	Organisational values and approach to reporting social, environmental and economic performance	Pg 4 and 8
4.9	Processes for overseeing council's identification and management of economic, environmental and social risks and opportunities	Pg 16 of MP
PA2	Sustainable development definition	Pg 4
4.16	Approaches to stakeholder consultation	Pg 92 of MP
4.17	Type of information generated by stakeholder consultations and indicators developed as a result of the information gathered	To be reported each quarter
PA3	Major sustainable development strategies and policies	Planning section and Business section of council's website

GRI G3 indicator number	Location or page number or result	Performance Indicators
<i>Economic (EC) performance indicators</i>		
EC1	Appendix 1	Total income broken down into capital and operating revenue
EC1	Pg 11 and Appendix 1	Cost of all goods, materials and services purchased
EC1	100%	Percentage of contracts developed by Finance that were paid in accordance with agreed terms
EC1	\$1.2 million	Donations to community, civil society and other groups in terms of cash and in-kind donations (Community donations program, pensioner rebate and foregone rental)
EC4	\$12 million Appendix 1	Income derived from grants/subsidies
EC9	MP – TBL statements	The organisation's indirect economic impacts – documented in TBL statements
PA8	Appendix 1	Gross expenditures by type – documented in the Financials section
PA10	MP – 41 & 59	Capital expenditures by type – documented in the Financial and Capital Works sections
<i>Environmental (EN) performance indicators</i>		
EN10	21% 20%	% of water consumption reduction achieved through council's initiatives for its own operations % of water consumption reduction achieved through council's initiatives for the community
EN11	12.2%	Area of bushland (ha) in the active care of the community and council compared to the total bushland under council's management
EN13	1.9 hectares	Area of bushland (ha) on private land lost to development
EN13	N/A	Habitats protected or restored
EN14	Pg 16	Biodiversity management plans
EN18	27.8% 3%	% of greenhouse gas reduction achieved through council's initiatives for its own operations % of greenhouse gas reduction achieved through council's initiatives for the community
EN22	Each QR	% of domestic material by weight collected by council going to landfill
EN22	Each QR	Tonnes of recycling diverted from landfill Tonnes of green waste diverted from landfill
EN25	50%	% of monitored healthy waterways within the shire
EN26	30 programs	Impact of environmental initiatives (number of programs implemented in progression to sustainable corporate governance)

GRI G3 indicator number	Location or page number or result	Performance Indicators			
Social Performance – Labour (LA) practices indicators					
LA1	Pg 26	Total workforce by employment type			
LA2	Pg 26	Total number and rate of employee turnover by age, gender and region			
LA7	Each QR	Rates of injury and number of claims for workers compensation Absenteeism and staff turnover			
LA10	QR	Average hours of training per year per employee			
LA11	QR	Programs for skills management and lifelong learning that support employability and career endings			
LA14	Pg 7, Pg 26	Breakdown of Councillors and council employees by gender			
Social Performance – Society (SO) performance indicators					
S02	Pg 26	Extent of risk analysis to prevent corruption			
S03	Pg 26	Percentage of employees trained in anti-corruption policies and procedures			
S05	QR	Participation in public policy development and lobbying (opportunities to participate)			
Social Performance – Product Responsibility (PR)					
PR5	Pg 43	Description of policy and management system for handling complaints			
PR5	Each QR	Number of community panels convened, topics researched and results			
PR6	Management Plan Pg 88	Voluntary code compliance, product labels or awards with respect to social or environmental responsibility			
PA11	Each QR	The stages achieved in the rollout of council's Green Procurement Policy			
Social Performance – Administrative Efficiency					
PA15	Pg 24	Description of assessments of the efficiency and effectiveness of services provided by council and actions taken to improve either the efficiency or effectiveness of services			
GRI Indicator Legend:					
MP	Management Plan	EC	Economic indicator	PA	Public Agency indicator
QR	Each Quarterly Review	EN	Environmental indicator	PR	Product Responsibility indicator
GRI G3	Global Reporting Initiative G3 Reporting Guidelines (2006)	LA	Labour practices indicator	SO	Social indicator

Appendices

General and special purpose financial statements



General Purpose & Special Purpose

Financial Reports

&

Associated Special Schedules

30 June, 2007

HORNSBY SHIRE COUNCIL

General Purpose Financial Reports for the year ending 30 June 2007

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HORNSBY SHIRE COUNCIL

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO SECTION 413 (2)(c) OF THE LOCAL GOVERNMENT ACT 1993 (as amended)

The attached Annual Financial Statements have been drawn up in accordance with

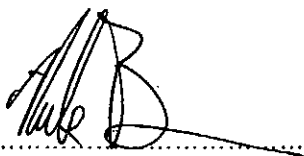
- The Local Government Act 1993 (as amended) and the Regulations made thereunder
- The Australian Accounting Standards and professional pronouncements
- The Local Government Code of Accounting Practice and Financial Reporting
- The Local Government Asset Accounting Manual.

To the best of our knowledge and belief, these reports

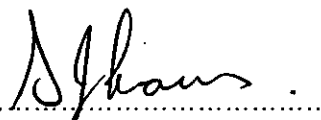
- Present fairly the Council's financial position and operating result for the year, and
- Accord with Council's accounting and other records

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

Signed in accordance with a resolution of Council made on September 12, 2007



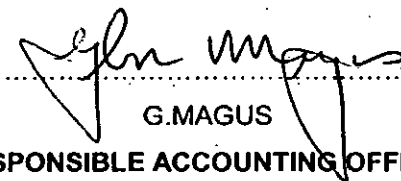
**N. BERMAN
MAYOR**



**S. EVANS
DEPUTY MAYOR**



**R.J. BALL
GENERAL MANAGER**



**G. MAGUS
RESPONSIBLE ACCOUNTING OFFICER**

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HORNSBY SHIRE COUNCIL

INCOME STATEMENT for the year ended 30th June 2007

Budget 2007 \$'000		Notes	Actual 2007 \$'000	Actual 2006 \$'000
	INCOME			
	Revenue:			
64,334	Rates & Annual Charges	3(a)	64,670	61,974
13,567	User Charges & Fees	3(b)	12,637	12,248
3,137	Investment Revenues	3(c)	3,558	3,016
2,954	Other Revenues	3(d)	3,438	3,306
7,619	Grants & Contributions - Operating	3(e)(f)	8,917	9,092
3,090	Grants & Contributions - Capital	3(e)(f)	3,094	6,212
	Other Income:			
4,720	Profit from Disposal of Assets	5	113	590
	Profit from interests in Joint Ventures & Associates		-	-
99,421	Revenues from Ordinary Activities before Capital Amounts		96,427	96,438
	EXPENSES			
39,693	Employee Costs	4(a)	38,482	37,520
28,260	Materials & Contracts	4(c)	31,967	31,178
1,957	Borrowing Costs	4(b)	1,617	1,902
11,588	Depreciation & Amortisation	4(d)	11,922	11,645
	Impairment		-	-
11,195	Other Expenses	4(e)	10,885	10,546
	Loss from Disposal of Assets	5	-	-
	Loss from interests in Joint Ventures & Associates		-	-
92,693	Total Expenses from Ordinary Activities		94,873	92,791
6,728	OPERATING RESULT FROM CONTINUING OPERATIONS		1,554	3,647
	Operating result from discontinued operations			
	Gain (loss) on restructure		-	-
6,728	NET OPERATING RESULT FOR YEAR		1,554	3,647
	Attributable to:			
6,728	Minority Interests		1,554	\$ 3,647
6,728	HORNSBY SHIRE COUNCIL		\$ 1,554	\$ 3,647
3,638	Net operating result before capital grants and contributions		\$ (1,540)	\$ (2,565)

This Statement is to be read in conjunction with the attached Notes.

HORNSBY SHIRE COUNCIL

BALANCE SHEET as at 30th June 2007

	Notes	Actual 2007 \$'000	Actual 2006 \$'000
CURRENT ASSETS			
Cash & cash equivalents	6	393	1,701
Investments	6	37,714	36,733
Receivables	7	5,426	4,752
Inventories - realisable < 12 months	8	877	175
Inventories - realisable > 12 months	8		705
Other	8	-	1
Non-current assets held for sale			
TOTAL CURRENT ASSETS		<u>44,410</u>	<u>44,067</u>
NON-CURRENT ASSETS			
Investments	6	-	-
Receivables	7	279	379
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	1,586,230	1,584,780
Investments accounted for using the equity method		-	-
Investment Property		-	-
Intangible Assets	21	5,694	6,554
Other	8	-	-
TOTAL NON-CURRENT ASSETS		<u>1,592,203</u>	<u>1,591,713</u>
TOTAL ASSETS		<u>1,636,613</u>	<u>1,635,780</u>
CURRENT LIABILITIES			
Payables	10	6,981	6,202
Borrowings	10	2,565	2,348
Provisions - payable < 12 months	10	719	680
Provisions - payable > 12 months	10	11,916	11,747
TOTAL CURRENT LIABILITIES		<u>22,181</u>	<u>20,977</u>
NON-CURRENT LIABILITIES			
Payables	10	-	-
Borrowings	10	21,807	23,772
Provisions	10	111	71
TOTAL NON CURRENT LIABILITIES		<u>21,918</u>	<u>23,843</u>
TOTAL LIABILITIES		<u>44,099</u>	<u>44,820</u>
NET ASSETS		<u>\$ 1,592,514</u>	<u>1,590,960</u>
EQUITY			
Accumulated Surplus		1,592,514	1,590,960
Asset Revaluation Reserve		-	-
Other Reserves		-	-
Council Equity Interest		<u>1,592,514</u>	<u>1,590,960</u>
Minority Equity Interest		-	-
TOTAL EQUITY		<u>\$ 1,592,514</u>	<u>1,590,960</u>

This Statement is to be read in conjunction with the attached Notes

HORNSBY SHIRE COUNCIL

STATEMENT OF CHANGES IN EQUITY for the year ended 30th June 2007

2006
\$'000

2007
\$'000

	Accum Surplus	Asset Reval. Reserve	Other Reserves	Council Equity Interest	Minority Interest	Total
Balance at beginning of the reporting period	1,587,306	-	-	1,587,306	-	1,587,306
Adjustment on adoption of AASB 132 & AASB 139	7	-	-	7	-	7
Adjustment due to compliance with revised Accounting Standards	-	-	-	-	-	-
Transfers to Asset Revaluation Reserve	-	-	-	-	-	-
Transfers from Asset Revaluation Reserve	-	-	-	-	-	-
Cash Contributions by Outside Equity Interests	-	-	-	-	-	-
Cash Distributions to Outside Equity Interests	-	-	-	-	-	-
Other Adjustments to Outside Equity Interest	-	-	-	-	-	-
Net movements recognised directly in equity	7	-	-	7	-	7
Change in Net Assets recognised in the Statement of Financial Performance	3,647	-	-	3,647	-	3,647
Balance at end of the reporting period	1,590,960	-	-	1,590,960	-	1,590,960
Effect of correction of error in previous years	-	-	-	-	-	-

Note

Balance at beginning of the reporting period

Adjustment on adoption of AASB 132 & AASB 139

Adjustment due to compliance with revised Accounting Standards

Transfers to Asset Revaluation Reserve

Transfers from Asset Revaluation Reserve

Cash Contributions by Outside Equity Interests

Cash Distributions to Outside Equity Interests

Other Adjustments to Outside Equity Interest

Net movements recognised directly in equity

Change in Net Assets recognised in the Statement of Financial Performance

Balance at end of the reporting period

Effect of correction of error in previous years

This Statement is to be read in conjunction with the attached Notes

HORNSBY SHIRE COUNCIL

CASH FLOW STATEMENT for the year ended 30th June 2007

Budget 2007 \$'000		Actual 2007 \$'000	Actual 2006 \$'000
	CASH FLOWS FROM OPERATING ACTIVITIES	Notes	
	<u>Receipts</u>		
64,334	Rates & Annual Charges	64,502	61,814
13,567	User Charges & Fees	14,004	12,907
3,137	Investments Income	3,932	3,503
10,709	Grants & Contributions	12,088	16,428
4,154	Other operating receipts	7,445	8,436
	<u>Payments</u>		
(39,693)	Employee Costs	(38,171)	(36,970)
(28,260)	Materials & Contracts	(33,302)	(35,789)
(1,957)	Borrowing Costs	(1,604)	(1,920)
(11,195)	Other operating payments	(15,074)	(13,149)
14,796	Net Cash provided by (or used in) Operating Activities	11 13,820	15,260
	CASH FLOWS FROM INVESTING ACTIVITIES		
	<u>Receipts</u>		
4,720	Proceeds from sale of Infrastructure, Property, Plant & Equipment	3,264	4,332
	Proceeds from sale of Investment Property	-	-
	Proceeds from sale of Real Estate	-	-
	Proceeds from sale of Investment Securities	-	-
	Repayments from Deferred Debtors	-	-
	Contributions to joint ventures by minority interests	-	-
	Distribution received from associated entities	-	-
	<u>Payments</u>		
(20,211)	Purchase of Infrastructure, Property, Plant & Equipment	(15,663)	(19,447)
	Purchase of Investment Property	-	(575)
	Purchase of Real Estate	-	6,879
	Purchase of Investment Securities	(981)	-
	Loans to Deferred Debtors	-	-
	Distributions from joint ventures to minority interests	-	-
	Capital contributed to associated entities	-	-
(15,491)	Net Cash provided by (or used in) Investing Activities	(13,380)	(8,811)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	<u>Receipts</u>		
1,000	Proceeds from Borrowings & Advances	1,000	1,000
	Proceeds from Retirement Home Contributions	-	-
	<u>Payments</u>		
(1,432)	Repayments of Borrowings & Advances	(2,748)	(7,538)
	Repayment of Finance Lease Liabilities	-	-
	Repayment of Retirement Home Contributions	-	-
(432)	Net Cash provided by (or used in) Financing Activities	(1,748)	(6,538)
(1,127)	Net Increase (Decrease) in cash held	(1,308)	(89)
1,701	Cash Assets at beginning of reporting period	11 1,701	1,790
	Adjustment to opening Cash Assets on adoption of AASB 132 & AASB 139		
	Adjustment to opening Cash due to adoption of revised Accounting Standards	1 -	-
	Adjustment to Cash arising from Council restructure	11 393	1,701
574	Cash Assets at end of reporting period		

This Statement is to be read in conjunction with the attached Notes

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 1 - Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the NSW Local Government Act (1993) and Regulations and the Financial Reporting Guidelines for NSW Councils.

Hornsby Shire Council is required to comply with AAS 27 *Financial Reporting by Local Government*, and where AAS 27 conflicts with AIFRS, the requirements of AAS 27 have been applied. Where AAS 27 makes reference to another Australian accounting standard, the new IFRS equivalent standards will apply. The specific "not for profit" reporting requirements also apply.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS 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.

(b) The Local Government Reporting Entity

Hornsby Shire Council is incorporated under the NSW Local Government Act (1993) as amended and has its principal place of business at 296 Pacific Highway, Hornsby. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report with the exception of Section 377 committees. These committees are run externally by volunteers and no transactions are processed in Council's accounting systems as the amounts are considered immaterial.

The estimated total revenue and expenditure from continuing operations and the net assets held by these Committees is as follows:

	\$
Total annual revenue from continuing operations	400,000
Total annual expenditure from continuing operations	400,000
Total net assets (Equity) held	1,000,000

Note:

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

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured on major income categories as follows:

Rates, annual charges, grants and contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

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

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

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

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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 balance date.

User charges and fees

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

A provision for doubtful debt is recognised when collection in full is no longer probable.

Sale of plant, property, infrastructure and equipment

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

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

(d) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

(e) Acquisition of assets

The purchase method of accounting is used to account for all acquisitions of assets. Cost is measured as the fair value of the assets given, plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of the Council such as roads, drains, public buildings and the like, value in use is represented by the asset's written down replacement cost.

(g) Cash and cash equivalents

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

(h) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

(i) Inventories

(i) Raw materials and stores

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

(ii) Real Estate Assets Developments

Real Estate Assets developments have been classified as inventory in accordance with AASB 102 and are valued at the lower of cost or net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

(j) Investments and other financial assets

Classification

Council classifies its investments as "financial assets at fair value through profit or loss". The classification depends on the purpose for which the investments were acquired. Council holds a number of investments with maturity dates in the future but recent experience has shown a tendency to trade in these assets before maturity where there is a significant benefit.

Financial assets at fair value through profit or loss

A financial asset is classified in this category if there exists the possibility it will be sold in the short term and the asset is subject to frequent changes in fair value. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the 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 are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at "fair value through profit or loss" category are included in the income statement in the period in which they arise.

Policy

Council has an approved investment policy complying with Section 625 of the Local Government Act. Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Local Government Investment Order.

(k) Fair value estimation

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

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

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(l) Infrastructure, property, plant and equipment

All infrastructure, property, plant and equipment under Council's control is stated at cost (or deemed cost) less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Assets are only capitalised when it is probable that future economic benefits associated with the item will flow to Council and the cost of acquisition exceeds materiality thresholds established by council for certain types of asset as follows:

Plant & Equipment	\$1,000
Office Equipment	\$1,000
Furniture & Fittings	\$1,000

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.

Council's assets will be progressively revalued to fair value in accordance with a staged implementation advised by the Department of Local Government.

Property, plant and equipment, land, buildings and other 2007/08

Roads, bridges, footpaths and drainage 2008/09

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

Buildings	100 years
Plant & Equipment	6-8 years
Vehicles	5 years
Furniture & fittings	6-7 years
Land improvements	20 years
Road assets	100 years
Drainage assets	100 years

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

(m) Payables

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

(n) 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.

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

(o) Provisions

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

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

(p) Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and vesting sick leave expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-vesting sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) Long service leave

The liability for long service leave 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 reporting date. 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 reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have an unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(iii) Retirement benefit obligations

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

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans (see below). The Local Government Superannuation Scheme has advised that it is unable to provide individual councils with an accurate split of their share of the Scheme's assets and liabilities and so no asset or liability is recognised.

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.

(q) Rounding of amounts

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

(r) Land under roads

Council has elected not to recognise land under roads in accordance with the deferral arrangements available in the transitional provisions of AASB 1045. These provisions allow deferral of recognition until 30 June 2008.

(s) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

(t) Budget information

The Income Statement, Statement of Cash Flows and Note 2 provide budget information of revenues and expenditures by type and for each of the major functions of the Council. Budget figures presented are those approved by Council at the beginning of the financial year and do not reflect Council approved variations throughout the year. Short explanations of the most significant variations are given in Note 16.

(u) New accounting standards and UIG Interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for 30 June 2007 reporting periods. Council's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 7 financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. Council has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Council's financial instruments.

(v) Land

Land is classified as either operational or community in accordance with Part 2 of Chapter 6 of the Local Government Act (1993). This is disclosed in note 9.

(w) Intangible assets

IT development and software

Costs incurred in developing and acquiring the Councils On Line software and licences are contributing to future period financial benefits through revenue generation and/or cost reduction and have been capitalised. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over the contract period of 10 years.

(x) 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.

A working party of interested representatives from both State and Local Government is being formed to consider the accounting issues related to Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of government.

(y) Rural Fire Service assets

Under Section 119 of the Rural Fire Services Act 1997, *"all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed"*. Until such time as discussions on this matter have concluded and the legislation changed, councils will continue to account for these assets as they have been doing in previous years.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 2 (a) - FUNCTIONS

REVENUES, EXPENSES AND ASSETS HAVE BEEN DIRECTLY ATTRIBUTED TO THE FOLLOWING FUNCTIONS & ACTIVITIES													
Income from continuing operations				Expenses from continuing operations				Operating result from continuing operations			GRANTS INCLUDED IN INCOME		TOTAL ASSETS HELD (CURRENT & NON-CURRENT)
ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ORIGINAL BUDGET	ACTUAL	ACTUAL	ACTUAL	2007 \$'000	2006 \$'000		
2007 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2007 \$'000	2007 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2006 \$'000	
1	11	83	1,312	1,311	1,251	(1,311)	(1,300)	(1,168)					
2,118	1,236	4,303	2,116	2,027	2,143	2	(791)	2,160	24	16			
15,679	11,130	11,609	30,079	30,601	32,105	(14,400)	(19,471)	(20,496)	1,900	1,934	226,329	174,206	
19,205	21,119	19,681	29,279	30,370	27,680	(10,074)	(9,251)	(7,999)	1,209	978	1,144,603	1,209,901	
6,191	6,658	7,390	21,236	22,402	21,480	(15,045)	(15,744)	(14,090)	1,329	1,962	265,681	251,673	
3,790	2,844	2,906	8,671	8,162	8,132	(4,881)	(5,318)	(5,226)	25				
46,984	42,998	45,972	92,693	94,873	92,791	(45,709)	(51,875)	(46,819)	4,487	4,890	1,636,613	1,635,780	
52,437	53,429	50,466				52,437	53,429	50,466	4,679	4,573			
99,421	96,427	96,438	92,693	94,873	92,791	6,728	1,554	3,647	9,166	9,463	1,636,613	1,635,780	
GENERAL MANAGERS DIVISION													
STRATEGY													
CORPORATE & COMMUNITY													
ENVIRONMENT													
WORKS													
PLANNING													
TOTALS - FUNCTIONS													
GENERAL PURPOSE													
REVENUES													
TOTALS													

The above functions conform to those used in the Hornsby Shire council Management Plan.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 2 (b) - COMPONENTS OF FUNCTIONS

The activities relating to Council functions are as follows:

General Manager's Division

Costs relating to community relations, internal audit, citizenship ceremonies and other community events, annual reports and quarterly newsletters.

Strategy Division

Human Resources, Section 94 Development Contributions, quality systems and corporate projects.

Corporate and Community Division

Administration, finance, information technology, library and information services, community services, children's services and community development.

Environment Division

Parks and landscape, water catchments, environmental health and protection, waste management, bushland and biodiversity and customer service.

Works Division

Assets, traffic and road safety, property development, design and construction, engineering services and works support.

Planning Division

Town planning, development assessments, subdivisions and customer service.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES

(a) RATES & ANNUAL CHARGES	2007 \$'000	2006 \$'000
<u>Ordinary Rates</u>		
Residential	41,943	40,121
Compulsory Pensioner Rebate	(1,145)	(1,149)
Farmland	369	425
Mining		
Business	5,533	5,086
	<u>46,700</u>	<u>44,483</u>
<u>Special Rates</u>		
Water Supplies		
Sewerage Services		
Catchments Remediation Rate	2,381	2,268
Hornsby Quarry Special Rate	2,554	2,479
Voluntary Pensioner Rebate	(60)	(61)
Other		
	<u>4,875</u>	<u>4,686</u>
<u>Annual Charges</u>		
Domestic Waste Management	13,095	12,805
	<u>13,095</u>	<u>12,805</u>
Total Rates & Annual Charges	<u>64,670</u>	<u>61,974</u>
 (b) USER CHARGES & FEES		
<u>User Charges</u>		
Sullage	279	524
Commercial Waste Management	825	828
	<u>1,104</u>	<u>1,352</u>
<u>Fees</u>		
Planning & Building	2,436	2,519
Inspection Fees	436	542
Registration Fees	105	75
Service Authority Payments for Road Restoration	1,014	623
Indoor Sports Stadium Admission Fees	395	345
Swimming Centre Admission Fees	1,663	1,615
Community Centre Hire Fees	95	65
Tennis/Netball Court Hire Fees	135	165
Other Hire Fees	12	35
Sec 611 Charges	54	52
Library Fees & Charges	128	138
Tipping Fees		39
Park & Oval Hire Fees	647	662
Nursery & Preschool Fees	2,302	2,193
Property Rentals & Leases	1,363	1,214
Prosecutions & Infringements	230	145
Pennant Hills Childrens Centre	126	145
Other	392	324
	<u>11,533</u>	<u>10,896</u>
Total User Charges & Fees	<u>12,637</u>	<u>12,248</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES (cont)

	2007 \$'000	2006 \$'000
(c) INVESTMENT REVENUES		
Interest on overdue rates & charges	156	134
Interest on cash assets & investments externally restricted		
-Section 94' Contributions	1,318	1,071
-Catchments Remediation Rate	21	22
-Hornsby Quarry Special Rate		365
internally restricted	529	668
unrestricted	1,534	756
Total Investment Revenues	<u>3,558</u>	<u>3,016</u>
(d) OTHER REVENUES		
Commissions & Agency Fees	15	18
Ex gratia payments in lieu of Rates	15	16
Parking fines	1,066	1,439
Insurance Claims	265	101
Legal Fees Recovery Rates	82	106
Legal Fees Recovery - Planning	66	36
Legal Fees Recovery - Other	13	29
Recycling Income (Non domestic)	111	6
Car Park Management	129	68
Sales - General	510	512
Home Modification	198	132
Centenary Celebrations	1	59
Road Closure Income	50	338
Salaries & Wages Charged Out	95	125
Telecommunication mobile site fees	166	-
Dept of Environment Waste Rebate	127	-
Vehicle Dealer Rebate	41	-
Income from community events	10	18
Florence Mall incomes	25	29
Vehicular crossing income	36	21
Sustainability Advantage Program	29	-
Crosslands Reserve income	30	25
Bushfire Fund income	27	16
Property Services sundry income	13	8
Other	318	204
Total Other Revenues	<u>3,438</u>	<u>3,306</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES (cont)

	<u>Notes</u>	OPERATING		CAPITAL	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(e) GRANTS					
General Purpose (Untied)					
Financial Assistance		3,855	3,738		
Pensioner Rates Subsidies (General)		618	625		
Specific Purpose					
Pensioner Rates Subsidies					
Domestic Waste Management		206	209		
Roads & Bridges		341	574	657	1,055
Youth Services		17	14		
Childcare		946	1,276		
Library		291	290	124	95
Aged & Disabled		291	238	89	
Street Lighting		237	232		
Environment		335	204		
Parks & Gardens				286	184
Bushland		128	163		
Noxious Weeds		23	29		
Bushfire & Emergency Services		411	399		
Other		297	116	15	23
Total Grants & Subsidies		7,996	8,107	1,171	1,357
Comprising:					
- Commonwealth funding		571	1,349	540	
- State funding		7,425	6,758	631	1,357
- Other funding					
		7,996	8,107	1,171	1,357
(f) CONTRIBUTIONS & DONATIONS					
Developer Contributions					
Section 94	17			1,171	4,252
Mills Park KDSA Development					500
New Line Road Works			182		
Other Roadworks			85		
Rural Fire Service		167		606	
Environment		59	77		
Employee Vehicle Contributions		632	585		
Other		63	56	146	103
Total Contributions & Donations		921	985	1,923	4,855
TOTAL GRANTS & CONTRIBUTIONS		8,917	9,092	3,094	6,212

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 3 - REVENUES (cont)

CONDITIONS OVER GRANTS & CONTRIBUTIONS

Grants and contributions which were obtained on the condition that they be expended for specified purposes or in a future period, but which are not yet expended in accordance with those conditions, are as follows:

	2007 \$'000		2006 \$'000	
	<u>Grants</u>	<u>Contrib</u>	<u>Grants</u>	<u>Contrib</u>
Unexpended at the close of the previous reporting period	2,140	21,617	1,438	21,731
Less: expended during the current period from revenues recognised in previous reporting periods				
Section 94/64 Developer Contributions		3,873		5,437
Roads Infrastructure	202		59	
Heritage & Cultural Services	57		55	
Community Care Services	636		106	
Other	965		370	
Subtotal	<u>1,860</u>	<u>3,872</u>	<u>590</u>	<u>5,437</u>
Plus: amounts recognised as revenues in this reporting period but not yet expended in accordance with the conditions				
Section 94/64 Developer Contributions		2,489		5,323
Roads Infrastructure	100		652	
Heritage & Cultural Services	107		95	
Community Care Services	701		68	
Other	995		477	
Subtotal	<u>1,903</u>	<u>2,488</u>	<u>1,292</u>	<u>5,323</u>
Unexpended at the close of this reporting period and held as restricted assets	<u>2,183</u>	<u>20,233</u>	<u>2,140</u>	<u>21,617</u>
Net increase (decrease) in restricted assets in the	<u>43</u>	<u>-1,384</u>	<u>702</u>	<u>-114</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 4 - EXPENSES

	2007 \$'000	2006 \$'000
(a) EMPLOYEE COSTS		
Salaries and Wages	33,464	32,401
Travelling	30	26
Employee Leave Entitlements	1,033	1,277
Superannuation	2,612	2,537
Workers' Compensation Insurance	1,107	1,138
Fringe Benefits Tax	152	157
Training Costs (excluding Salaries)	474	464
Other	442	321
Less: Capitalised and distributed costs	(832)	(801)
Total Operating Employee Costs	38,482	37,520
 Total Number of Employees	 584	 613
(Full time equivalent at end of reporting period)		
(b) BORROWING COSTS		
Interest on Overdraft		1
Interest on Loans	1,617	1,901
Total Interest Charges	1,617	1,902
(c) MATERIALS & CONTRACTS		
Raw materials & consumables	4,743	4,373
Consultants	1,567	1,488
Computer Support	1,720	2,135
Home Modification Services	151	108
Animal Pound Services	140	135
Air Conditioning	91	120
Garbage Collection, Tipping & Recycling	11,429	10,966
Footpath Maintenance	268	360
Mechanical Services	176	122
Property Cleaning	298	334
Litter Control	370	361
Contracts - Tree Work	311	287
Contracts - Grass Cutting	427	305
Contracts - Electrical	349	261
Contracts - Plumbing	282	284
Building Maintenance	285	378
Berowra Ferry Operation	32	219
Drainage Maintenance	311	456
Maintenance of Parks	251	253
Road Maintenance	3,270	3,047
External Plant & Equipment Hire	379	428
Contractor & Agency Fees	987	1,093
Auditor's Remuneration		
- Audit Services	72	62
- Other Services	9	15
Legal Expenses		
- Planning & Development	1,235	1,098
- Other Legal Expenses	594	669
Operating Leases		
- Computers	508	599
Other	1,712	1,222
Total Materials & Contracts	31,967	31,178

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 4 - EXPENSES (cont)

	IMPAIRMENT		DEPRECIATION	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
(d) DEPRECIATION, AMORTISATION & IMPAIRMENT				
Intangible Assets (Note 21)			860	859
Plant and Equipment	-		2,008	1,923
Office Equipment	-		249	189
Furniture & Fittings	-		152	197
Land Improvements	-		2,240	1,967
Buildings	-		859	877
Other Structures	-		288	166
Infrastructure				
- roads, bridges & footpaths	-		3,723	3,624
- stormwater drainage	-		1,266	1,204
- water supply network not elsewhere included	-		4	4
Other assets				
- library books	-		273	635
Total Depreciation, Amortisation & Impairment	-	-	11,922	11,645
		2007 \$'000		2006 \$'000
(e) OTHER EXPENSES				
Bad and Doubtful Debts		69		19
Mayoral fee		47		45
Councillors' Fees & Allowances		172		171
Councillors' (incl. Mayor) Expenses		25		28
Insurances		1,378		1,425
Street Lighting		1,718		1,568
Light, Power & Heating		703		715
Telephone & Communications		459		458
Water & Sewerage		495		366
Licences & Registration		278		281
Donations & Contributions to Local & Regional Bodies		118		132
Advertising		554		573
Bank & Cash Collection Charges		324		337
Valuation Fees		185		187
Printing & Design		716		525
Postage		222		212
Catering		315		283
Payments to other levels of Government		2,502		2,357
Subscriptions & Publications		215		240
Subscription to Local Government Association		43		46
Other		347		578
Total Other Expenses		10,885		10,546

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 5 - GAIN OR LOSS ON DISPOSAL OF ASSETS

	2007 \$'000	2006 \$'000
DISPOSAL OF PROPERTY		
Proceeds from disposal		640
Less: Carrying amount of assets sold		204
Gain (Loss) on disposal	<u>-</u>	<u>436</u>
DISPOSAL OF INFRASTRUCTURE, PLANT & EQUIPMENT		
Proceeds from disposal	3,264	3,692
Less: Carrying amount of assets sold	3,151	3,538
Gain (Loss) on disposal	<u>113</u>	<u>154</u>
TOTAL GAIN (LOSS) ON DISPOSAL OF ASSETS	<u>113</u>	<u>590</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 6 - CASH ASSETS & INVESTMENT SECURITIES

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
CASH ASSETS				
Cash on Hand and at Bank	393		1,701	
Deposits at Call				
Short Term Deposits & Bills, etc				
Other				
Total Cash Assets	<u>393</u>		<u>1,701</u>	
<i>Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash Assets subject to external restrictions that are not expected to be discharged during the next reporting period are classified as Non-Current.</i>				
INVESTMENT SECURITIES				
Summary				
Financial assets at fair value through profit and loss	37,714	-	36,733	
Held to maturity investments	-	-		
Available for sale financial assets	-	-		
Total	<u>37,714</u>	<u>-</u>	<u>36,733</u>	<u>-</u>
Financial assets at fair value through profit and loss				
At beginning of year	36,733	-	43,605	
Adjustment on adoption of AASB 132 & AASB 139			7	
Revaluation to Income Statement	472		106	
Additions	52,609		45,315	
Disposals	(52,100)		(52,300)	
Transfers Current/Non-current		-		
At end of year	<u>37,714</u>	<u>-</u>	<u>36,733</u>	<u>-</u>
Held for trading:				
- Managed Funds	21,104		25,158	
- CDOs	15,595		10,557	
- FRNs	1,015		1,018	
- Equity linked notes				
	<u>37,714</u>	<u>-</u>	<u>36,733</u>	<u>-</u>

The permitted forms of investment in financial instruments of the Council are defined in an order made by the Minister of Local Government on 15 July 2005, and may broadly be described as "Trustee Securities". Accordingly, credit risk is considered to be insignificant. NCDs, CDOs, FRNs and Managed Funds are all with organisations with credit ratings that comply with the Minister's Order and bear various rates of rates of return between 6.3% and 13.7% (2006 - 5.6% and 7.6%).

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 6 - CASH ASSETS & INVESTMENT SECURITIES (cont)

RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

	2007 \$'000		2006 \$'000	
	Current	Non-Current	Current	Non-Current
Cash Assets	393		1,701	
Investment Securities	37,714	-	36,733	-
TOTAL CASH ASSETS & INVESTMENT SECURITIES	38,107	-	38,434	-
External Restrictions	28,545		29,881	
Internal Restrictions	7,519		7,018	
Unrestricted	2,043	-	1,535	-
	38,107	-	38,434	-

DETAILS OF MOVEMENTS OF RESTRICTED CASH ASSETS & INVESTMENT SECURITIES

Notes	Opening Balance 30 June 2006	Movements		Closing Balance 30 June 2007
		Transfers To Restriction	Transfers From Restriction	
	\$'000	\$'000	\$'000	\$'000
External Restrictions				
Included in liabilities				
Unexpended Loans			-	
RTA Advances			-	
Self Insurance Claims			-	
Other			-	
	-	-	-	-
Other				
Developer Contributions	21,617	2,489	3,873	20,233
Unexpended Grants	2,140	995	952	2,183
Domestic Waste Management	4,326	13,442	13,022	4,746
Other	1,798	2,432	2,847	1,383
	29,881	19,358	20,694	28,545
Total External Restrictions	29,881	19,358	20,694	28,545

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

Internal Restrictions

Employee Leave Entitlements	1,939	100	-	2,039
Plant replacement	419	167	8	578
Construction Of Buildings	535	115	12	638
M2 Open Space Land	532	17	6	543
Civil Works	2,474	347	340	2,481
Council Strategic Projects	376	354	516	214
Land Acquisition	302		-	302
Hornsby Quarry Loan Rate	-	2,555	2,555	-
Other	441	392	109	724
			-	
Total Internal Restrictions	7,018	4,047	3,546	7,519

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

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 7 - RECEIVABLES

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
Rates & Annual Charges	2,207	274	1,939	374
Interest & Extra Charges	180		197	
User Charges & Fees	155		153	
Accrued Revenues	754		357	
Deferred Debtors		5		5
Other levels of Government	341		195	
Sullage	132		148	
Restorations	204		127	
Licencing Receivables	39		44	
Commercial Rent	224		101	
Net GST claimable	779		666	
Sale & Leaseback - Computer Equipment	228		117	
Workers Compensation	38		20	
Sale of Property			238	
Facility Hire	5		141	
Other	278		392	
Total	5,564	279	4,835	379
Less: Allowance for Doubtful Debts				
Rates & Annual Charges				
Interest & Extra Charges				
User Charges & Fees				
Other	138		83	
	5,426	279	4,752	379
Total Receivables				

Rates, Annual Charges, Interest & Extra Charges

Overdue rates and annual charges (being amounts not paid on or before the due date determined in accordance with the Local Government Act) are secured over the relevant land and are subject to simple interest at a rate of 9.00% (2006: 9.00%). Rates are due for payment on 31 August, 30 November, 28 February and 31 May each year. Overdue rates are those not paid within 1 day of the due date. Where collection of the debt is doubtful and the assessed value of the property is less than the amount

Other levels of Government

Amounts due have been calculated in accordance with the terms and conditions of the respective programs following advice of approvals, and do not bear interest. All amounts are due from Departments and Agencies of the Government of New South Wales and the Government of Australia.

RESTRICTED RECEIVABLES

Domestic Waste Management	518		527	
Catchment Remediation Rate	106		97	
Hornsby Quarry Special Rate	121		72	
Special Purpose Grants	341		195	
Other				
Total Restrictions	1,086	-	891	-
Unrestricted Receivables	4,340	279	3,861	379
Total Receivables	5,426	279	4,752	379

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 8 - INVENTORIES & OTHER ASSETS

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
INVENTORIES				
Stores & Materials	172		175	
Real Estate Developments	705	-	705	
Total Inventories	877	-	880	-
 <i>Aggregate write-downs and other losses recognised as an expense, and reversals of these, were not material in amount in either year. All such reversals occurred principally as a result of clerical inaccuracies during stores operations.</i>				
OTHER ASSETS				
Prepayments			1	
Other				
Total Other Assets	-	-	1	-
 Real Estate Developments <i>(Valued at the lower of cost and net realisable value)</i>				
Residential	705		705	
Total Real Estate for Resale	705	-	705	-
 Represented by:				
Acquisition Costs	705		705	
	705	-	705	-
 Less: Allowance for Under-Recovery				
Total Real Estate for Resale	705	-	705	-

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 9 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2006 \$'000					CARRYING AMOUNT MOVEMENTS DURING YEAR \$'000							2007 \$'000		
	AT COST	AT FAIR VALUE	ACCUM DEPN	CARRYING AMOUNT	Asset Purchases	WIP Capitalised	Asset Disposals	Depreciation	Impairment	Blank	Net Revaluation	AT COST	AT FAIR VALUE	ACCUM DEPN	CARRYING AMOUNT
Capital Work-in-progress	22,554	-	-	22,554	10,416	(17,832)	-	-	-	-	-	15,138	-	-	15,138
Plant & Equipment	13,788	-	(6,717)	7,071	4,586	360	(3,142)	(2,008)	-	-	-	14,280	-	(7,413)	6,867
Office Equipment	1,838	-	(1,178)	660	173	-	-	(249)	-	-	-	1,855	-	(1,071)	584
Furniture & Fittings	2,498	-	(1,825)	673	29	-	-	(152)	-	-	-	2,371	-	(1,821)	550
Land	37,541	-	-	37,541	-	-	-	-	-	-	-	37,541	-	-	37,541
- Operational Land	1,176,013	-	-	1,176,013	-	-	-	-	-	-	-	1,176,013	-	-	1,176,013
- Community Land	39,747	-	(14,724)	25,023	-	5,215	-	(2,240)	-	-	-	44,982	-	(16,964)	27,998
Land Improvements - depreciable	88,206	-	(9,382)	78,824	-	1,175	-	(859)	-	-	-	89,391	-	(10,241)	79,140
Buildings	5,483	-	(3,064)	2,429	-	1,759	(9)	(288)	-	-	-	7,214	-	(3,323)	3,891
Other Structures	341,866	-	(183,064)	158,802	-	6,689	-	(3,723)	-	-	-	348,555	-	(186,787)	161,768
Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Roads, bridges, footpaths	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Bulk earthworks (non-deprec.)	117,013	-	(42,600)	74,413	-	2,634	-	(1,266)	-	-	-	119,647	-	(43,868)	75,781
- Stormwater drainage	128	-	(49)	79	-	-	-	(4)	-	-	-	128	-	(53)	75
- Water Supply Network	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Heritage Collections	4,165	-	(3,467)	698	459	-	-	(273)	-	-	-	1,428	-	(544)	884
- Library Books	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	1,850,840	-	(286,080)	1,564,760	15,863	-	(3,151)	(11,062)	-	-	-	1,868,313	-	(272,033)	1,596,230

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 9 (cont) - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

SUMMARY OF ACQUISITIONS

	\$'000
Motor vehicles	4,112
Trucks	268
Other plant and equipment	206
Office equipment	173
Furniture and fittings	29
Library books and media	459
Road construction works	2,492
Footpath construction works	1,203
Cycleway construction works	130
Stormwater drainage capital works	744
Parks, Structures and amenities capital works	3,160
Building capital works	1,153
Catchment remediation capital works	775
Bushland capital works	447
Energy performance contract works	231
Other capital works	81
	<hr/>
Total Capital Acquisitions	<u>15,663</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 10 - LIABILITIES

	2007 \$'000		2006 \$'000	
	<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
PAYABLES				
Goods & Services	5,180		3,104	
Payments received in advance	198		285	
Accrued Expenses	887		1,932	
Deposits, Retentions & Bonds	125		232	
Contributions & Bonds	184		123	
Employee Costs	337		424	
Other	70		102	
Total Payables	6,981	-	6,202	-

BORROWINGS

Loans				
- Secured	2,565	21,807	2,348	23,772
Total Borrowings	2,565	21,807	2,348	23,772

All interest bearing liabilities are secured over the future revenues of the Council.

PROVISIONS

Annual Leave	3,180		3,280	
Sick Leave	752		762	
Long Service Leave	7,927	111	7,546	71
Gratuities	769		797	
Other	7		42	
Total Provisions	12,635	111	12,427	71

Classes of Provisions

	Opening Balance 2007 \$'000	Increases in Provisions 2007 \$'000	Payments 2007 \$'000	Closing Balance 2007 \$'000
Annual Leave	3,280	239	339	3,180
Sick Leave	762	19	29	752
Long Service leave	7,617	844	423	8,038
Gratuities	797	28	56	769
Other	42		35	7
Closing Balance	12,498	1,130	882	12,746

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

NOTE 10 - LIABILITIES (cont)

At any time Council may be involved in defending a number of separate actions arising from various causes, further details of which are given in Note 18. Council makes provision for the best estimate of the probable costs it will incur in defending such actions, and records a contingent liability for the balance of potential losses.

		2007		2006	
		\$'000		\$'000	
		<u>Current</u>	<u>Non-Current</u>	<u>Current</u>	<u>Non-Current</u>
LIABILITIES relating to RESTRICTED ASSETS					
<u>Domestic Waste Management</u>					
Payables		1,515		1,117	
	Subtotal	1,515	-	1,117	-
<u>Other</u>					
Provisions		2,039		1,939	
	Subtotal	2,039	-	1,939	-
	TOTAL	3,554	-	3,056	-

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 11 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2007 \$'000	2006 \$'000
Total Cash Assets (Note 6)	393	1,701
Less: Bank Overdraft (Note 10)	-	-
Balances per Statement of Cash Flows	<u>393</u>	<u>1,701</u>

**(b) Reconciliation of Change in Net Assets to Cash
from Operating Activities**

Net Operating Result from Income Statement	1,554	3,647
Add: Depreciation, Amortisation & Impairment	11,922	11,645
Unwinding of present value discounts & premiums	-	-
Increase in provision for doubtful debts	55	1
Increase in employee benefits provisions	283	563
Increase in other provisions	-	26
Decrease in receivables	-	1,043
Decrease in inventories	3	-
Decrease in other assets	1	-
Increase in trade creditors	1,989	-
Increase in accrued expenses payable	-	363
	<u>15,807</u>	<u>17,288</u>
Decrease in other provisions	35	-
Increase in receivables	629	-
Increase in inventories	-	18
Increase in other assets	-	1
Decrease in trade creditors	-	1,347
Decrease in accrued expenses payable	1,045	-
Decrease in other payables	165	72
Gain on Sale of Assets	113	590
Net Cash provided by (or used in) operations	<u>13,820</u>	<u>15,260</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 11 (cont) - RECONCILIATION TO CASH FLOW STATEMENT

	2007 \$'000	2006 \$'000
(c) Financing Arrangements		
Unrestricted access was available at balance date to the following lines of credit:		
Bank Overdrafts		
Total Facilities	2,000	2,000
Corporate Credit Cards		

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are variable while the rates for loans are fixed for the period of the loan.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 12 - COMMITMENTS FOR EXPENDITURE

	2007 \$'000	2006 \$'000
(a) Capital Commitments		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Buildings & Land Improvements	2,298	1,016
Infrastructure - Roads, Bridges & Footpaths	48	118
Infrastructure - Stormwater Drainage		2
Plant & Equipment	149	202
Intellectual Property - Councils On Line	8,148	10,309
Other	10	142
	<u>10,653</u>	<u>11,789</u>
These expenditures are payable:		
Not later than one year	4,260	3,507
Later than one year and not later than 5 years	5,754	6,288
Later than 5 years	639	1,994
	<u>10,653</u>	<u>11,789</u>

Commitments for Capital Expenditures relating to Joint Ventures and Partnerships are set out in Note 19.

(b) Other Expenditure Commitments

Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:

Banking, Audit & Legal Services	910	219
Waste Management Services	13,918	24,145
	<u>14,828</u>	<u>24,364</u>
These expenditures are payable:		
Not later than one year	7,173	7,103
Later than one year and not later than 5 years	7,655	17,261
Later than 5 years		
	<u>14,828</u>	<u>24,364</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 12 (CONT) - COMMITMENTS FOR EXPENDITURE

	2007 \$'000	2006 \$'000
(c) Operating Lease Commitments (Non-Cancellable)		
Commitments under non-cancellable operating leases at the reporting date but not recognised in the financial statements are payable as follows:		
<u>Total Future Minimum Lease Payments</u>		
Not later than one year	345	476
Later than one year and not later than 5 years	173	224
Later than 5 years	<u>518</u>	<u>700</u>

Council has entered into non-cancellable operating leases for various items of computer equipment.

Leases in relation to computer equipment permit Council, at expiry of the lease, to elect to re-lease, return or acquire the equipment leased.

(d) Remuneration Commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities, payable:

Not later than one year	1,119	1,040
Later than one year and not later than 5 years	1,785	2,760
Later than 5 years	<u>2,904</u>	<u>79</u>
	<u>2,904</u>	<u>3,879</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 13 - STATEMENT OF PERFORMANCE MEASUREMENT

	<u>Amounts</u>	<u>2007 Indicators</u>	2006	2005	2004
Unrestricted Current Ratio					
<u>Unrestricted Current Assets*</u>	<u>\$14,779</u>	2.2:1	2.04:1	1.23:1	1.65:1
Current Liabilities not relating to Restricted Assets	\$6,711				
 Debt Service Ratio					
<u>Net Debt Service Cost</u>	<u>\$4,365</u>	0.05:1	0.05:1	0.09:1	0.02:1
Operating Revenue	\$88,889				
 Rate & Annual Charges Coverage Ratio					
<u>Rates & Annual Charges Revenues</u>	<u>\$64,670</u>	0.67:1	0.64:1	0.59:1	0.59:1
Total Revenues	\$96,427				
 Rates & Annual Charges Outstanding Percentage					
<u>Rates & Annual Charges Outstanding</u>	<u>\$2,661</u>	3.95%	3.89%	3.90%	4.82%
Rates & Annual Charges Collectible	\$67,418				

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 14 - INVESTMENT PROPERTY

	2007 \$'000	2006 \$'000
At fair value		
Opening balance at 1 July	0	0
Acquisitions	0	0
Capitalised subsequent expenditure		
Classified as held for sale		
Net gain (loss) from fair value adjustment	0	0
Transfer (to) from inventories or infrastructure, property, plant & equipment	0	0
Carrying value of disposals	0	0
Closing balance at 30 June	<u>0</u>	<u>0</u>
 Amounts recognised in profit and loss		
Rental income		
Outgoings recouped		
Net gain (loss) from fair value adjustment	<u>0</u>	<u>0</u>
 Repairs, maintenance & other operating expenses		
- <i>property generating rental income</i>		
- <i>property not generating rental income</i>	<u>0</u>	<u>0</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 15 - FINANCIAL INSTRUMENTS

Interest Rate Risk Exposures

2007	Floating Interest Rate '000	Fixed interest maturing in						Non- interest bearing '000	Total '000
		≤ 1 year '000	1 - 2 years '000	2 - 3 years '000	3-4 years '000	4-5 years '000	> 5 years '000		
Financial Assets									
Cash Assets	374							19	393
Investment Securities	37,714	-						-	37,714
Receivables									
Rates & Annual Charges		2,387	274						2,661
User Charges & Fees								155	155
Deferred Debtors		-	5						5
Other levels of Govt.								341	341
Retirement Home Contribs.								-	-
Other								1,789	1,789
Other Financial Assets								-	-
Total	38,088	2,387	279					2,304	43,058
Weighted Average Interest Rate	8.16%	9.00%	9.00%						7.78%
Financial Liabilities									
Payables									
Goods & Services								5,180	5,180
Payments in advance								198	198
Advances								-	-
Retirement Home Contribs.								-	-
Deposits, Retentions, Bonds								125	125
Other								591	591
Interest Bearing Liabilities	-	2,565	2,570	2,744	2,889	3,034	10,570	-	24,372
Finance Lease Liabilities	-	-	-	-	-	-	-	-	-
Total	-	2,565	2,570	2,744	2,889	3,034	10,570	6,094	30,466
Weighted Average Interest Rate		6.37%	6.38%	6.36%	6.34%	6.34%	6.37%		5.09%
NET FINANCIAL ASSETS (LIABILITIES)	38,088	(178)	(2,291)	(2,744)	(2,889)	(3,034)	(10,570)	(3,790)	12,592
2006									
Financial Assets									
Cash Assets	1,682							19	1,701
Investment Securities	36,233	500						-	36,733
Receivables									
Rates & Annual Charges		2,136	-					374	2,510
User Charges & Fees								153	153
Deferred Debtors		-	-					5	5
Other levels of Govt.								195	195
Retirement Home Contribs.								-	-
Other								1,911	1,911
Other Assets								-	-
Total	37,915	2,636	-					2,657	43,208
Weighted Average Interest Rate	6.23%	8.66%							6.00%
Financial Liabilities									
Payables									
Goods & Services								3,104	3,104
Payments in advance								285	285
Advances								-	-
Retirement Home Contribs.								-	-
Deposits, Retentions, Bonds								232	232
Other								649	649
Interest Bearing Liabilities		2,747	2,567	2,644	2,897	3,125	12,140	-	26,120
Finance Lease Liabilities	-	-	-	-	-	-	-	-	-
Total	-	2,747	2,567	2,644	2,897	3,125	12,140	4,270	30,390
Weighted Average Interest Rate		6.35%	6.34%	6.33%	6.33%	6.33%	6.33%		5.44%
NET FINANCIAL ASSETS (LIABILITIES)	37,915	(111)	(2,567)	(2,644)	(2,897)	(3,125)	(12,140)	(1,613)	12,818

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 15 (CONT) - FINANCIAL INSTRUMENTS

Credit Risk Exposures

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Council is the carrying amount, net of any provision for doubtful debts. Except as detailed in Note 7 in relation to individual classes of financial assets, exposure is concentrated within the Council's boundaries within the State of New South Wales, and there is no material exposure to any individual debtor.

Reconciliation of Financial Assets & Liabilities

	2007 \$'000	2006 \$'000
Net financial assets from previous page		
Financial Assets	43,058	43,208
Financial Liabilities	<u>30,466</u>	<u>30,390</u>
	12,592	12,818
Non-financial assets and liabilities		
Accrued Revenues	754	357
Inventories	877	880
Property, Plant & Equipment	1,586,230	1,584,780
Intangible Assets	5,694	6,554
Other Assets	0	1
Accrued Expenses	-887	-1,932
Provisions	<u>-12,746</u>	<u>-12,498</u>
	1,579,922	1,578,142
Net Assets per Statement of Financial Position	<u>1,592,514</u>	<u>1,590,960</u>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. With the exception of investments, there is no recognised market for the financial assets of the Council.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2007

Note 16 - SIGNIFICANT VARIATIONS FROM ORIGINAL BUDGET

Council's original budget comprised part of the Management Plan adopted by Council on 14 June 2006. The original projections on which the budget was based have been affected by decisions and new grant programs initiated by State and Federal Governments, changing economic activity, the weather, and by decisions made by the Council.

This Note sets out the principal variations between the original Budget and Actual results for the Statement of Financial Performance.

1 STATEMENT OF FINANCIAL PERFORMANCE

1.1 User Charges & Fees – Variance to budget \$930K (unfavourable)

The variance is mainly due to a decline in building approvals which are now down by 20% compared to 2003 levels. The major variations were:

- Planning and building fees – unfavourable variance of \$796K
- Sullage – service now being provided by external source – unfavourable variance of \$386K
- Additional commercial rentals not in budget – favourable variance of \$231K
- Childcare fees over budgeted for holiday periods – unfavourable variance of \$493K
- Increased restoration payments from service authorities – favourable variance of \$574K

1.2 Interest Received – Variance to budget \$421K (favourable)

Interest receipts have been affected by the available funds for the portfolio, changes in interest rates available on the short term money market and the fair value of investments at June 30.

1.3 Other Operating Revenues – Variance to budget \$484K (favourable)

Other revenues have increased mainly due to additional revenues and insurance recoveries, not expected at budget preparation time. Major variances were:

- Additional other revenues – favourable variance of \$630K
- Insurance recoveries – favourable variance of \$265K
- Reduction in traffic fines received due to staff shortages – unfavourable variance of \$434K

1.4 Grants & Contributions Received – Operating & Capital – Variance to budget \$1.302M (favourable)

In many instances, the actual amount of grants received depends on decisions made by State and Federal governments after the original Budget was adopted. Major variations were:

- S94 Contributions less than budget due to development downturn – unfavourable variance of \$929K
- Environmental grants & contributions – favourable variance of \$427K
- Parks and playing field grants and contributions – favourable variance of \$299K
- Childcare grants – favourable variance of \$176K
- Library grants and contributions – favourable variance of \$125K
- Bushfire grants and contributions – favourable variance \$615K
- Other community services grants and contributions – favourable variance of \$220K

1.5 Profit from Disposal Of Assets – Variance to budget \$4.607M (unfavourable)

The original budget only included the proceeds from asset sales and did not include written down values

1.6 Employee Costs - Variance to budget \$1,211M (Favourable)

During the year Council employees are engaged in both maintenance and capital works, the proportions of which vary from year to year. Costs in relation to the capital works are excluded from the Operating Statement, and it is not Council's practice to make detailed calculations for this as part of its budgeting procedures. Accordingly, significant variations will often arise in this area.

Throughout the year Council undertook not to replace permanent staff and instead utilised temporary employees and contractors.

Major variations to budget were:

- Salaries and wages as explained above – favourable variance of \$2.463M.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1 - Significant Variations from Original Budget (cont)

- Increase in Employee Leave Entitlements not included in budget – unfavourable variance \$1.044M.

1.6 Materials & Contracts – Variance to budget \$3.707M (Unfavourable)

Council's budget is based on a "normal" mix of self-constructed and contract works. The process of calling and accepting tenders during the year can result in substantial changes in this mix, resulting in significant budget variations in this item. Significant variances also arise from the use of external contractors where projects are originally budgeted to be completed using existing staff resources.

Major variations to budget were:

- Road maintenance – unfavourable variance of \$699K
- Other contractors – unfavourable variance of \$1.543M
- Budgeted internal contract costs – unfavourable variance of \$1.000M
- Legal fees – unfavourable variance of \$598K

1.7 Borrowing Costs – Variance to budget \$340K (favourable)

In June 2006, after the 2007 original budget had been finalised, Council renegotiated the Hornsby Quarry Loan and there has been a reduction to the principal amount owing resulting in lower interest payable for the period.

2 NOTE 2 – FUNCTIONS

2.1 Strategy Division – Operating result below budget by \$793K (unfavourable)

Mainly due to the drop in S94 Developer Contributions.

2.2 Corporate & Community Division - Operating result over budget by \$5.071M (unfavourable)

The main reason for the variance is that the original budget included an amount for the proceeds of asset sales but did not include the written down value of assets sold.

The major variances were:

- Net proceeds of asset sales – unfavourable variance of \$4.469M
- Childcare fees – unfavourable variance of \$493K
- Employee leave entitlements – unfavourable variance of \$1.044M
- Interest on loans – favourable variance of \$340K
- Operating grants – favourable variance of \$235K
- Insurance recoveries – favourable variance of \$192K
- Workers Compensation Insurance – favourable variance \$293K

2.3 Environment Division – Operating result under budget by \$823K (favourable)

The main variances to budget were:

- Grants and contributions – favourable variance of \$1.341M
- Increase in other revenues – favourable variance of \$450K
- Materials and contracts – unfavourable variance of \$893K

2.4 Works Division – Operating result over budget by \$699 (unfavourable)

The main variances to budget were:

- Increase in restoration receipts from service authorities – favourable variance of \$574K
- Decrease in revenue from traffic fines – unfavourable variance of \$434K
- Grants and contributions – favourable variance of \$154K
- Unbudgeted gain on sale of assets – favourable variance of \$110K
- Materials and contract costs – unfavourable variance of \$1.609M
- Salaries and wages – favourable variance of \$634K

2.5 Planning Division – Operating result over budget by \$437K (unfavourable)

The main reason for the variance to budget is due to the decline in building approvals. The main variances were:

- Planning and building fees – unfavourable variance of \$796K
- Salaries and wages savings due to the above – favourable variance of \$658K
- Legal fees for planning and development – unfavourable variance of \$384K

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 1 - Significant Variations from Original Budget (cont)

3. CASH FLOW

Council budgeted for a net decrease in of \$1.127M in cash held. The actual result was a net decrease of \$1.308M, an unfavourable variance of \$181K. Significant variances arise due to the budgeted cash flow being prepared net of any GST. The actual cash flows have been adjusted to reflect GST inclusive payments and net tax credits received from the Tax Office.

The main variances were:

- Net cash provided by operating activities under budget – an unfavourable variance of \$976K
- Capital purchases under budget – a favourable variance of \$4.548M
- Proceeds from asset sales under budget - an unfavourable variance of \$1.456M
- Net investment purchases under budget – an unfavourable variance of \$981K
- Additional loan principal repayments due to the Quarry loan restructure - an unfavourable variance of \$1.316M

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 17 - STATEMENT OF CONTRIBUTION PLANS

SUMMARY OF CONTRIBUTIONS

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROW- INGS (to)/from	HELD AS RESTR- ICTED ASSET
		CASH	NON-CASH				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	411	4		27	(37)		405
Roads	2,157	(188)		137			2,106
Traffic Facilities	187	11		9	(146)		61
Parking							
Open Space	8,376	734		469	(2,829)		6,750
Community facilities	6,375	394		421	(226)		6,964
Civic Improvements	2,415	31		147	(409)		2,184
Other	1,174	185		75	(226)		1,208
Subtotal S94 under plans	21,095	1,171		1,285	(3,873)		19,678
Sec 94 not under plans	522			33			555
Sec 94A levies							
Planning Agreements							
Sec 64 Contributions							
Total Contributions	21,617	1,171		1,318	(3,873)		20,233

Note: The above summary of contribution plans represents the total of Council's individual contribution plans. Individual plan details are shown below.

CONTRIBUTION PLAN No 1 (1993-1998)

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROW- INGS (to)/from	HELD AS RESTR- ICTED ASSET
		CASH	NON-CASH				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	290			19			309
Roads	350			22			372
Traffic Facilities	(156)			(10)			(166)
Parking							
Open Space	280	2		7	(234)		55
Community facilities	2,540	1		159	(67)		2,633
Civic Improvements	54			3			57
Other	939			61			1,000
Total	4,297	3		261	(301)		4,260

CONTRIBUTION PLAN No 2 (1998-2003)

PURPOSE	OPENING BALANCE	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR	EXPENDED DURING YEAR	INTERNAL BORROW- INGS (to)/from	HELD AS RESTR- ICTED ASSET
		CASH	NON-CASH				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Drainage	99			7			106
Roads	1,319	(228)		81			1,172
Traffic Facilities	298			16	(146)		168
Parking							
Open Space	6,852	135		386	(1,575)		5,798
Community facilities	2,312	68		153	(9)		2,524
Civic Improvements	2,954			192			3,146
Other	40	6		2			48
Total	13,874	(19)		837	(1,730)		12,962

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 17 - STATEMENT OF CONTRIBUTION PLANS (cont)

CONTRIBUTION PLAN No 3 (2004-2010)

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	INTERNAL BORROW- INGS (to)/from \$'000	HELD AS RESTR- ICTED ASSET \$'000
		CASH \$'000	NON-CASH \$'000				
Drainage	22	4		1	(37)		(10)
Roads	488	40		34			562
Traffic Facilities	45	11		3			59
Parking							
Open Space	1,244	597		76	(1,020)		897
Community facilities	1,523	325		109	(150)		1,807
Civic Improvements	(593)	31		(48)	(409)		(1,019)
Other	195	179		12	(226)		160
Total	2,924	1,187		187	(1,842)		2,456

CONTRIBUTIONS NOT UNDER PLANS

PURPOSE	OPENING BALANCE \$'000	CONTRIBUTIONS RECEIVED DURING YEAR		INTEREST EARNED DURING YEAR \$'000	EXPENDED DURING YEAR \$'000	INTERNAL BORROW- INGS (to)/from \$'000	HELD AS RESTR- ICTED ASSET \$'000
		CASH \$'000	NON-CASH \$'000				
Drainage							
Roads							
Traffic Facilities							
Parking	522			33			555
Open Space							
Community facilities							
Civic Improvements							
Other							
Total	522			33			555

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 18 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

CONTINGENT LIABILITIES

POTENTIAL INSURANCE LOSSES

Council is a multi-purpose organisation providing a large range of building, parks infrastructure, playgrounds and other facilities accessible to the public. At any time, it is likely that claims will have been made against Council that remain unsettled.

Council insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

Council has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to Council may have existed at reporting date.

LAND ACQUISITION

There are a number of properties in the Shire affected by the Land Acquisition (Just Terms Compensation) Act (as amended). Council may be required to acquire some of these properties in the future. If Council does acquire some of these properties it will record a liability and an equal asset.

LEGAL EXPENSES

Council is the planning consent authority for its area under the Environmental Planning & Assessment Act (as amended). Pursuant to that Act, certain persons aggrieved by a planning decision of the Council may appeal to the Land & Environment Court. It is the Court's normal practice that parties bear their own legal costs irrespective of the outcome of the proceedings. In addition Council has initiated action against various parties in relation to other matters. The full amount of costs cannot be known until all appeals are determined.

RURAL FIRE FIGHTING ASSETS

Council has title to, and is the registered owner of many assets which are under the control of the Rural Fire Services to enable that Department to provide the bushfire protection defences set out in their Service Level Agreement with Council.

In accordance with normal Rural Fire Service funding arrangements, Council continues to contribute to the costs of maintenance of this equipment.

SUPERANNUATION - Defined Benefits Schemes

Council makes employer contributions to the defined benefits categories of the Scheme at rates determined by the Scheme's Trustee. The rate for the year ended June 2007 has been as follows:

Division B members - 0.95 times compulsory employee contributions

Division C members - 1.25% of superable salary

Division D members - 0.82 times compulsory employee contributions.

Employees also make member contributions to the Fund. As such, assets accumulate in the Fund to meet the member's benefit, as defined in the Trust Deed, as they accrue.

HORNSBY QUARRY SITE

Council has yet to resolve the future of the old CSR Hornsby quarry site. Currently there is no obligation upon Council to carry out any remediation work on the property.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 19 JOINT VENTURES & ASSOCIATED ENTITIES

NIL

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

Note 20 - ASSET REVALUATION RESERVE

	2007 \$'000	2006 \$'000
Infrastructure, Property, Plant & Equipment		
Balance at beginning of reporting period	NIL	NIL
Add: Revaluation increments transferred to the reserve relating to:		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
Subtotal	<u>NIL</u>	<u>NIL</u>
Less: Revaluation decrements transferred from the reserve relating to:		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
Less: Transfer to Accumulated Surplus on disposal of revalued asset		
Subtotal	<u>NIL</u>	<u>NIL</u>
Balance at end of reporting period	<u>NIL</u>	<u>NIL</u>
Revaluation decrements expensed (Note 3) related to:		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
	<u>NIL</u>	<u>NIL</u>
Revaluation decrements previously expensed, now recouped (Note 4)		
Land		
- Council owned (freehold)		
- Council controlled		
etc		
(here list each asset class affected)		
	<u>NIL</u>	<u>NIL</u>
Available-for Sale Financial Assets		
Balance at beginning of reporting period	NIL	NIL
Add: Revaluation increments transferred to the reserve	-	-
Less: Revaluation decrements transferred from the reserve	-	-
Less: Transfer to Accumulated Surplus on disposal		
Balance at end of reporting period	<u>NIL</u>	<u>NIL</u>

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30th June 2007

NOTE 21 - INTANGIBLE ASSETS

Councils Online Software Development	\$'000
At 1 July 2005	
Cost	8,590
Accumulated amortisation and impairment	<u>(1,177)</u>
Net book amount	<u>7,413</u>
 <i>Year ended 30 June 2006</i>	
Opening net book amount	7,413
Additions - acquisition	-
Amortisation charge	<u>(859)</u>
Closing net book amount	<u>6,554</u>
 At 30 June 2006	
Cost	8,590
Accumulated amortisation and impairment	<u>(2,036)</u>
Net book amount	<u>6,554</u>
 <i>Year ended 30 June 2007</i>	
Opening net book amount	6,554
Additions - internal development	-
Amortisation charge	<u>(860)</u>
Closing net book amount	<u>5,694</u>
 At 30 June 2007	
Cost	8,590
Accumulated amortisation and impairment	<u>(2,896)</u>
Net book amount	<u>5,694</u>

Software includes capitalised development costs being an internally generated intangible asset.

Amortisation of \$860,000 (2006:\$859,000) is included in Depreciation, amortisation and impairment expense in the income statement.

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 NET COST OF SERVICES for the year ended 30th June 2007

\$'000

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
GOVERNANCE	2,268					2,268	
		2,268					2,268
ADMINISTRATION							
Corporate Support	8,815		5,047	70		3,698	
Engineering & Works	6,548		1,412	13		5,123	
Other Support Services						-	
		15,363			6,542		8,821
PUBLIC ORDER & SAFETY							
Statutory Contribution - Fire Service Levy	1,708					1,708	
Fire Protection - Other	1,242		684	610		(52)	
Animal Control	398		105			293	
Beach Control						-	
Enforcement of Local Govt Regulations						-	
Emergency Services	86			33		53	
Other						-	
		3,434			1,432		2,002
HEALTH							
Administration & Inspection	457		180			277	
Immunisations						-	
Food Control						-	
Insect/Vermin Control						-	
Noxious Plants						-	
Health Centres	40					40	
Other						-	
		497			180		317
COMMUNITY SERVICES & EDUCATION							
Administration	1,109		9	62		1,038	
Family Day Care	3,406		3,016			390	
Child Care	308		168			140	
Youth Services	299		91			208	
Other Families & Children	112		222			(110)	
Aged & Disabled	707		542	27		138	
Migrant Services						-	
Aboriginal Services						-	
Other Community Services	529					529	
Education						-	
		6,470			4,137		2,333
HOUSING & COMMUNITY AMENITIES							
Housing							
Town Planning	8,162		2,844			5,318	
Domestic Waste Management	12,973		13,442			(469)	
Other Waste Management	1,640		1,115			525	
Street Cleaning	169					169	
Other Sanitation & Garbage	1,377		478			899	
Urban Stormwater Drainage	2,832		1	4		2,827	
Environmental Protection	3,997		2,853			1,144	
Public Cemeteries						-	
Public Conveniences						-	
Other Community Amenities	236			336		(100)	
		31,386			21,073		10,313

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont)

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
WATER SUPPLIES	4					4	
		4			-	-	4
SEWERAGE SERVICES							
		-			-	-	-
RECREATION & CULTURE							
Public Libraries	5,506		551	183		4,772	
Museums						-	
Art Galleries						-	
Community Centres	619		240	2		377	
Public Halls						-	
Other Cultural Services						-	
Swimming Pools	3,010		2,012	(11)		1,009	
Sporting Grounds	638					638	
Parks & Gardens, Lakes	9,771		1,162	1,223		7,386	
Other Sport & Recreation	596		647			(51)	
		20,140			6,009		14,131
FUEL & ENERGY							
Gas Supplies						-	
		-			-	-	-
MINING, MANUFACTURING & CONSTRUCTION							
Building Control						-	
Abattoirs						-	
Quarries & Pits						-	
Other						-	
		-			-	-	-
TRANSPORT & COMMUNICATION							
Urban Roads: Local	8,926		489	284		8,153	
Urban Roads: Regional						-	
Sealed Rural Roads: Local						-	
Sealed Rural Roads: Regional						-	
Unsealed Rural Roads: Local	284					284	
Unsealed Rural Roads: Regional						-	
Bridges - Urban Roads: Local	99					99	
Bridges - Urban Roads: Regional						-	
Bridges - Sealed Rural Roads: Local						-	
Bridges - Sealed Rural Roads: Regional						-	
Bridges - Unsealed Rural Roads: Local						-	
Bridges - Unsealed Rural Roads: Regional						-	
Footpaths	1,187		1			1,186	
Aerodromes						-	
Parking Areas	17					17	
Bus Shelters & Services	27					27	
Water Transport	61		33			28	
RTA Works - State Roads						-	
Street Lighting	1,719		237			1,482	
Other	1,461		1,215	227		19	
		13,781			2,486		11,295

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 1 - NET COST OF SERVICES (cont)

Function or Activity	Expenses from continuing operations		Income from continuing operations			NET COST OF SERVICES	
	Expenses	Group Totals	Non-capital revenues	Capital revenues	Group Totals	Net Cost	Group Totals
ECONOMIC AFFAIRS							
Camping Areas						-	
Caravan Parks						-	
Tourism & Area Promotion						-	
Industrial Development Promotion						-	
Saleyards & Markets						-	
Real Estate Development						-	
Commercial Nurseries						-	
Other Business Undertakings	1,530		1,108	31		391	
		1,530			1,139		391
TOTALS - FUNCTIONS		94,873			42,998		51,875
General Purpose Revenues			53,429			53,429	
Equity accounted income (loss)					53,429		53,429
NET OPERATING RESULT FOR YEAR							1,554

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 2 (1) STATEMENT OF LONG TERM DEBT (ALL PURPOSE) for the year ended 30th June 2007

\$'000

Classification of Debt	Principal Outstanding at beginning of year		New Loans Raised	Debt Redemption		Tfrs to Sinking Funds	Interest applicable for year	Principal outstanding at end of year	
	Current	Non-Current		From Revenue	Sinking Funds			Current	Non-Current
LOANS (by source)									
Commonwealth Government		-							-
Treasury Corporation		-							-
Other State Government		-							-
Public Subscription		-							-
Financial Institutions	2,348	23,772	26,120				1,617	2,565	21,807
Other		-		2,748					
Total Loans	2,348	23,772	26,120	2,748	-	-	1,617	2,565	21,807
OTHER LONG TERM DEBT									
Ratepayers' Advances		-							-
Government Advances		-							-
Finance Leases		-							-
Deferred Payment		-							-
Other		-							-
Total Other Long Term Debt	-	-	-	-	-	-	-	-	-
TOTAL LONG TERM DEBT	2,348	23,772	26,120	2,748	-	-	1,617	2,565	21,807
									24,372

This Schedule excludes Internal Loans and refinancing of existing borrowings.

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 2 (2) STATEMENT OF INTERNAL LOANS for the year ended 30th June 2007

\$'000

SUMMARY OF INTERNAL LOANS

Borrower (by purpose)	Amount Originally Raised	Total Repaid During Year Principal & Interest	Principal Outstanding at End of Year
General			
Water			
Sewerage			
Domestic Waste Management			
Gas			
Other	4,786	51	3,755
Totals	4,786	51	3,755

The above summary of internal loans represents the total of Council's internal loans categorised according to the purpose of the borrower. Details of individual internal loans are set out below.

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Maturity Date	Rate of Interest	Amount Originally Raised	Paid During Year - Princ and Interest	Principal Outstanding End of Year
Materials Handling Facility	Internal Restricted A/N/A	A/N/A	1/01/2001	5	Extended	7%	730	51	120
Energy Performance Contract No 1	Internal Restricted A/N/A	A/N/A	30/06/2002	6	30/06/2008	5%	1,209		889
CBA Building Purchase	Internal Restricted A/N/A	A/N/A	30/06/2002	5	Extended	Nil	2,515	-	2,515
Energy Performance Contract No 2	Internal Restricted A/N/A	A/N/A	14/09/2005	7.3	14/01/2013	12.50%	332	-	231
Totals							4,786	51	3,755

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 CONDITION OF PUBLIC WORKS as at 30th June 2007

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
Public Buildings	References	Note 1	Note 4			Note 9			Local Govt. Act 1993, Section 428 (2d)		
	Council Offices	1%	184	18,389		2,096	16,293	1			
	Works Depot	1%	36	3,664		523	3,141	1			
	Halls/Amenities	1%	398	39,973		4,676	35,297	1			
	Houses	1%	10	1,047		102	945	1			
	Commercial Build	1%	41	4,142		377	3,765	1			
	Library	1%	62	6,235		619	5,616	1			
	Childcare Centres	1%	65	6,492		636	5,856	1			
	Aquatic Centres	1%	46	4,619		640	3,979	3			
	Other	1%	58	4,584		522	4,062	1			
	Subtotal		900	89,145	-	10,191	78,954		385	1,885	1,501
	Sealed roads, kerb & gutter, road furniture	1%									
	Unsealed Roads	1%	3,161	316,528		173,084	143,444	2	4,725	5,092	5,046
Public Roads	Bridges	1.50%	45	4,532		2,163	2,369	2		382	473
	Footpaths	2%	99	6,568		2,036	4,532	2		854	806
			418	20,927		9,504	11,423	2			
	Subtotal		3,723	348,555	-	186,787	161,768		4,725	6,328	6,325

This Schedule is to be read in conjunction with the explanatory notes following.

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 7 - CONDITION OF PUBLIC WORKS (cont) as at 30th June 2007

Asset Class	Asset Category	Depreciation Rate (%)	Depreciation Expense '000	Cost '000	Valuation '000	Accumulated Depreciation '000	Carrying Value '000	Asset Condition (see Notes attached)	Estimated Cost to bring to a Satisfactory Standard '000	Estimated Annual Maintenance Expense '000	Program Maintenance Works for current year '000
	<i>References</i>	<i>Note 1</i>	<i>Note 4</i>			<i>Note 9</i>			<i>Local Govt. Act 1993, Section 428 (2d)</i>		
Wharves & Jetties		2%	37	1,426		669	757	3	600	180	118
	Subtotal		37	1,426	-	669	757		600	180	118
Stormwater Drainage Systems		1%	1,266	119,647		43,866	75,781	3	12,000	1,203	1,467
	Subtotal		1,266	119,647	-	43,866	75,781		12,000	1,203	1,467
Sportsgrounds		5%	569	11,031		5,310	5,721	3	6,000	4,000	4,000
Parks, Playgrounds, Gardens & Reserves		5%	1,457	29,618		10,664	18,954	3	1,500	1,600	1,600
	Subtotal		2,026	40,649	-	15,974	24,675		7,500	5,600	5,600
Total Classes - All Assets			7,952	599,422	-	257,487	341,935		25,210	15,196	15,011

Condition Rating	Condition Description
1	Very good condition - only normal maintenance required
2	Minor defects only - minor maintenance required (5%)
3	Maintenance required to return to accepted level of service - significant maintenance required (10-20%)
4	Requires renewal - significant renewal/upgrade required (20-40%)
5	Asset unserviceable - over 50% of asset requires replacement

This Schedule is to be read in conjunction with the explanatory notes following.

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 30th June 2007

Methodology to Determine Maintenance Funding in Special Schedule No. 7

The maintenance expenditure shown on the accompanying table is actual expenditure as recorded in Council's accounting system.

The figure for Estimated Cost to Maintain Standard and Cost to bring to Satisfactory Standard are generally determined with the aid of Council's Asset Management Systems. Specifically the methodology is:

1. Roads

A Pavement Management System is used to predict future condition based on current condition and expenditure levels. This has indicated that current funding levels are adequate to maintain the Regional and Local network in a satisfactory condition. A small proportion of these networks that is in very poor condition require funding in addition to that which is currently available for network maintenance and renewal.

Council's Unsealed Roads are funded adequately to maintain them in a satisfactory state. This assessment is based on long term experience in working on these roads. A 15-year programme is currently in place to improve the unsealed roads to sealed state. This is the reason that the maintenance funds are shown as decreasing in size.

2. Footpaths

Council has recently completed a major 5-year reconstruction program for its footpath network. It is now possible within existing funding allocation to reconstruct the estimated 1% of the network that will require reconstruction each year as age and other factors make this necessary. Current routine maintenance levels are considered adequate to maintain the footpaths at a satisfactory standard.

3. Carparks

Generally, the carparks are in a satisfactory condition. These are inspected regularly to update condition knowledge. No major upgrades are required at present.

4. Bridges and Culverts

These are maintained as part of the road maintenance cycle. Regular condition inspections are undertaken and currently no work other than routine maintenance is required.

5. Wharves and Jetties

Currently, maintenance and some upgrading works are being undertaken. Major upgrading is being considered for the following sites: Brooklyn wharf and seawall, Bar Island wharf and Parsley Bay pontoon to bring them to a satisfactory condition. The amount noted allows for this upgrading work. Council undertakes bi-monthly inspections of all its foreshore assets to ensure they are kept in a safe and workable state.

6. Drainage Assets

Limited inspections of the entire drainage system has been undertaken, however, to date all this data has not yet been analysed or processed. The estimates shown indicate an extent of work necessary to upgrade the system to a satisfactory structural condition. This will be refined as more analysis of the condition details undertaken.

Currently, the routine maintenance of the system is keeping the existing system in a workable condition.

7. Building Assets

All building assets have been inspected and condition rated. A Building Management System to allow asset management methodology to be applied to the building is currently being developed. Criteria for the level of service provided by the various buildings have been developed and these are being used to determine funding requirements, which are shown in the table. Long term funding and maintenance requirements will be finalised once the computerised Building Management System is fully operational.

8. Sportsgrounds, Parks and Playgrounds.

Maintenance of sportsgrounds, parks and playgrounds is undertaken to a cost of \$5.6M (2006/07) annually. The quantity is considered inadequate to keep the assets in good order considering their age and level of use. Some areas where funding inadequacy becomes apparent are: the poor quality of some sportsground surfaces, worn surfaces in dog runs, inadequate soft-fall surfaces around some playgrounds, infrastructure such as paths, fences and seats in need of replacement. In terms of capital replacement of assets, the areas of concern would be playground equipment, sportsground amenity buildings, floodlight systems, sewer systems at un-sewered sites, upgrading irrigation systems to allow for water recycling, the sealing of car parks and internal roads and other items.

HORNSBY SHIRE COUNCIL

SPECIAL SCHEDULE NO 8 - FINANCIAL PROJECTIONS as at 30th June 2007

	2007 \$'m	2008 \$'m	2009 \$'m	2010 \$'m
Recurrent Budget				
Income from continuing operations	96	97	99	101
Expenses from continuing operations	95	95	96	97
Operating result from continuing operation	1	2	3	4
Capital Budget				
New Works	16	24	25	25
Replacement of existing assets	16	24	25	25
Funded by				
- Loans	1	2	2	2
- Asset Sales	3	4	4	4
- Reserves				
- Grants/Contributions	6	7	7	7
- Recurrent revenue	6	6	7	7
- Other		5	5	5
	16	24	25	25

Hornsby Shire Council
Independent Audit Report to the Council
(Sections 417(2) – report on the general purpose financial reports)

Scope

We have audited the financial reports of **Hornsby Shire Council** for the financial year ended 30 June 2007 as set out on pages 1 to 42. The financial reports consist of the general purpose financial reports and Council's statement in the approved form as required by Section 413(2)(a) of the Local Government Act, 1993. Our audit responsibility does not extend to the Original Budget figures disclosed in the Income Statement, Statement of Cash Flows, Notes 2(a) and 16 to the financial statements nor the attached Special Schedules. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion:

- a) The Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 Chapter 13, Part 3, Division 2.
- b) The Council's financial reports
 - i. Have been properly prepared in accordance with the requirements of this Division;
 - ii. are consistent with the Council's accounting records;
 - iii. present fairly the Council's financial position and the results of its operations; and
 - iv. are in accordance with applicable Accounting Standards.
- c) All information relevant to the conduct of the audit has been obtained.
- d) There are no material deficiencies in the accounting records or financial reports that have come to light during the course of the audit.


PricewaterhouseCoopers
Chartered Accountants

J A Gordon
Sydney 2007
14 Sept 2007

The Mayor
Councillor Nick Berman
Hornsby Shire Council
DX 9655
HORNSBY NSW 2066

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999
Direct Phone +61 2 8266 4431
Direct Fax +61 2 8266 4431

Dear Councillor Berman

**Report on the conduct of the audit for year ended 30 June 2007
Section 417(3)**

We have completed our audit of the financial reports of Hornsby Council for the year ended 30 June 2007, in accordance with Section 415 of the Local Government Act, 1993.

Our audit has been conducted in accordance with Australian Standards to provide reasonable assurance as to whether the financial reports are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial reports, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial reports are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) as well as Statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

Flowing from our audit there are a number of comments we wish to raise concerning the trends in Council's finances. These are set out below.

The Mayor

Operating result

Council's operating surplus declined from \$3.6 million in the previous year to \$1.6 million. The main reasons for this movement were:

- Lower profit on asset sales (down \$480k).
- Lower capital grants and contributions (down \$3.1m).

Cash position

Council's overall cash position fell from \$38.4 million to \$38.1 million during the period under review. The following table highlights the composition of cash.

	June 2007	June 2006
	\$m	\$m
Externally restricted	28.5	29.9
Internally restricted	7.5	7.0
Unrestricted	2.1	1.5
	<hr/> 38.1	<hr/> 38.4

Working capital

Council's net current assets fell from \$23 million to \$22 million during the period under review.

The value of net current assets needs to be adjusted in order to establish Council's available working capital.

The Mayor

	June 2007	June 2006
	\$'000	\$'000
Net current assets	22,229	23,090
Less External restrictions	28,545	29,881
Internal restrictions	7,519	7,018
	(13,835)	(13,809))
Add Current liabilities to be funded from other sources	15,200	14,775
Available working capital	1,365	966

The effective unrestricted or available working capital upon which Council could build its 2007/08 budget was \$1.5m.

Performance indicators

The financial reports disclose a number of indicators in Note 13 and these are detailed below:

	June 2007	June 2006
	%	%
Unrestricted Current Ratio	220	205
Debt Service Ratio	5.1	5.2
Rate Coverage Ratio	67	64
Rates Outstanding Ratio	4.0	3.9

The Unrestricted Current Ratio increased and remained well above the accepted industry benchmark of 100%.

Council's Debt Service Ratio was stable at 5.1% of revenue and remained below the industry benchmark of 10%.

The Rate Coverage Ratio increased to 67% of total revenue reflecting the decline in other income sources previously discussed.

The Mayor

The Rate Coverage Ratio increased to 67% of total revenue reflecting the decline in other income sources previously discussed.

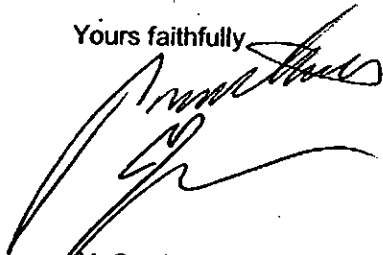
The Rates Outstanding Ratio increased to 4% of collectables but remained better than the accepted industry benchmark of 5%.

Council is considered to be in a sound and stable financial position. All indicators remain better than the accepted industry benchmarks.

General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner. We thank the General Manager and his staff for the co-operation and courtesy extended to us during the course of our audit.

Yours faithfully



JA Gordon
Partner

Assurance and Business Advisory Services

14 September 2017

HORNSBY SHIRE COUNCIL

SPECIAL PURPOSE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2007

STATEMENT BY COUNCILLORS AND MANAGEMENT MADE PURSUANT TO THE LOCAL GOVERNMENT CODE OF ACCOUNTING PRACTICE AND FINANCIAL REPORTING

The attached special purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the

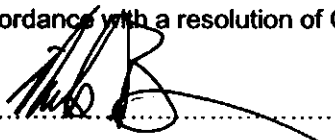
- NSW Government Policy Statement *"Application of National Competition Policy to Local Government"*
- Department of Local Government guidelines *"Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality"*.

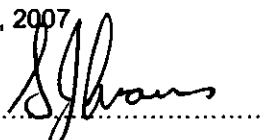
To the best of our knowledge and belief, these reports

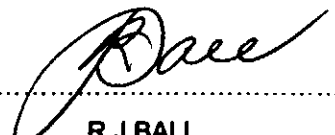
- Present fairly the financial position and operating result for each of Council's declared Business Units for the year, and
- Accord with Council's accounting and other records

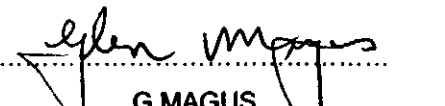
We are not aware of any matter that would render the reports false or misleading in any way.

Signed in accordance with a resolution of Council made on September 12, 2007


.....
N. BERMAN
MAYOR


.....
S. EVANS
DEPUTY MAYOR


.....
R.J. BALL
GENERAL MANAGER


.....
G. MAGUS
RESPONSIBLE ACCOUNTING OFFICER

HORNSBY SHIRE COUNCIL

INCOME STATEMENT BY BUSINESS ACTIVITIES
for the year ended 30th June 2007

	NURSERIES & PRESCHOOL (Category 1)		AQUATIC CENTRES & SPORTS STADIUM (Category 1)		COMMERCIAL WASTE (Category 2)		DEVELOPMENT APPLICATIONS (Category 2)		PROPERTY SERVICES (Category 2)	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
REVENUE FROM CONTINUING OPERATIONS										
Rates & Annual Charges										
User Charges & Fees		2,203		2,017		1,334		725	1,175	1,199
Interest Received										
Grants & Contributions - Operating	702	843								
Gain on Disposal of Assets										
Other Operating Revenues	12	6	409	418	242	53			13	8
TOTAL	3,016	3,052	2,524	2,435	1,333	1,387	538	725	1,188	1,207
EXPENSES FROM CONTINUING OPERATIONS										
Employee Costs	2,816	2,561	2,217	2,084	58	62	385	471	106	93
Materials & Contracts	195	350	619	656	686	969		103	57	80
Borrowing Costs										
Depreciation & Amortisation	59	57	165	151	68	73	32	40	49	85
Other Operating Expenses	335	194	507	434	291	70	157	3	90	29
Loss on Disposal of Assets			1				18			
NCP Imputation Payments	223	172	263	131				3	138	71
TOTAL	3,628	3,334	3,772	3,456	1,103	1,174	592	620	440	358
CONTINUING OPERATIONS RESULT BEFORE CAPITAL AMOUNTS	(612)	(282)	(1,248)	(1,021)	230	213	(54)	105	748	849
Grants & Contributions - Capital				11						
RESULT FROM ORDINARY ACTIVITIES	(612)	(282)	(1,248)	(1,010)	230	213	(54)	105	748	849
Discontinued Operations										
SURPLUS (DEFICIT) BEFORE TAX	(612)	(282)	(1,248)	(1,010)	230	213	(54)	105	748	849
Corporate Taxation Equivalent										
SURPLUS (DEFICIT) FOR YEAR	(612)	(282)	(1,248)	(1,010)	69	64		32	224	255
Add: Accumulated Profits brought forward										
NCP Imputation Payments retained	2,227	2,337	1,333	2,212	572	359	926	819	25,750	24,830
ACCUMULATED SURPLUS	223	172	263	131	69	64		34	362	326
Council's desired rate of return is 6% of property, plant & equipment	1,838	2,227	348	1,333	802	572	872	926	26,636	25,750
RATE OF RETURN ON CAPITAL	-12.74%	-5.81%	-13.75%	-11.92%	30.71%	18.11%	-45.76%	73.43%	5.66%	6.43%
NOTIONAL SUBSIDY FROM COUNCIL	900	573	1,793	1,524	N/A	N/A	61	N/A	45	N/A
Desired return on capital @ 6%	288	291	545	514	45	71	7	9	793	792
Actual return on capital	-612	-282	-1,248	-1,010	230	213	-54	105	748	849

This Statement is to be read in conjunction with the attached Notes.

HORNSBY SHIRE COUNCIL

STATEMENT OF FINANCIAL POSITION by BUSINESS ACTIVITIES
for the year ended 30th June 2007

	NURSERIES & PRESCHOOL (Category 1) '000		AQUATIC CENTRES & SPORTS STADIUM (Category 1) '000		COMMERCIAL WASTE (Category 2) '000		DEVELOPMENT APPLICATIONS (Category 2) '000		PROPERTY SERVICES (Category 2) '000	
	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008
CURRENT ASSETS										
Cash & cash equivalents										
Investments			305	42			929	929	13,262	12,517
Receivables					287	244			226	101
Inventories			25	28						
Other			330	70	287	244	929	929	13,483	12,618
TOTAL CURRENT ASSETS										
NON-CURRENT ASSETS										
Investments										
Receivables										
Inventories										
Property, Plant & Equipment	4,803	4,850	9,076	8,563	749	1,176	118	143	13,212	13,201
Equity accounted Investments										
Investment Property										
Other										
TOTAL NON-CURRENT ASSETS	4,803	4,850	9,076	8,563	749	1,176	118	143	13,212	13,201
TOTAL ASSETS	4,803	4,850	9,408	8,833	1,036	1,420	1,047	1,072	26,700	25,819
CURRENT LIABILITIES										
Payables	2,666	2,332	8,861	7,128	114	140				
Interest bearing liabilities	299	291	197	172	21	708	175	146	64	69
Provisions										
TOTAL CURRENT LIABILITIES	2,965	2,623	9,058	7,300	234	848	175	146	64	69
NON-CURRENT LIABILITIES										
Payables										
Interest bearing liabilities										
Provisions										
TOTAL NON CURRENT LIABILITIES										
NET ASSETS	2,965	2,823	9,058	7,300	234	848	175	146	64	69
	1,838	2,227	348	1,333	802	572	872	926	26,636	25,750
EQUITY										
Accumulated Surplus	1,838	2,227	348	1,333	802	572	872	926	26,636	25,750
Asset Revaluation Reserve										
TOTAL EQUITY	1,838	2,227	348	1,333	802	572	872	926	26,636	25,750

This Statement is to be read in conjunction with the attached Notes

HORNSBY SHIRE COUNCIL

NOTES TO AND FORMING PART OF THE SPECIAL PURPOSE FINANCIAL REPORTS for the year ended 30 June 2007

SIGNIFICANT ACCOUNTING POLICIES

The following statement summarises the supplemental accounting policies adopted in preparation of these Special Purpose Financial Report (SPFR) for National Competition Policy reporting purposes.

These financial statements are a SPFR prepared for use by the Council and Department of Local Government. For the purpose of these statements, the Council is not a reporting entity.

This special purpose financial report, unless otherwise stated, has been prepared in accordance with applicable Australian Accounting Standards. Other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the Local Government Act and Regulations, the Local Government Code of accounting Practice and Financial Reporting and the Local Government Asset Accounting Manual.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, detailed below, have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its Business Activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 Government policy statement on the "*Application of National Competition Policy to Local Government*". The document "*Pricing & Costing for Council Businesses- A Guide to Competitive Neutrality*" issued by the Department of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with "*Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*", Council resolved at the Ordinary Meeting on April 12, 2006 that the following are to be declared as Business Activities:

Category 1

Name	Brief Description of Activity
Nurseries & Preschools	Operation of nurseries and preschool centres
Aquatic & Sports Centres	Operation of swimming pools, gymnasiums and indoor sports centres

Category 2

Name	Brief Description of Activity
Commercial Waste Services	Services provided for the collection of commercial waste and sullage
Property Services	Rental of Council owned properties to 3 rd parties for residential and commercial purposes
Development Assessments	Development assessment and inspection services

(i) Taxation Equivalent Payments

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations in the General Purpose Financial Report in the same way as other costs.

However, when Council is not liable to pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been estimated and applied to all council nominated business activities and are reflected in the SPFR. For the purposes of disclosing comparative information relevant to the private sector, the following taxation equivalents have been applied to all Council nominated Business Activities (this does not include council's non-business activities):

	Notional Rate Applied %
Corporate Income Tax Rate	30% of taxable income
Land Tax	\$100 plus 1.7% on the combined value of all taxable land in excess of \$352,000
Payroll Tax	6.0% of all wages above the \$600,000 threshold.

Income Tax Expense

Where appropriate, an income tax expense equivalent has been calculated on the profits of the Business Activity. Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested. Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor, and it should include therefore a provision equivalent to the corporate tax rate, currently 30%.

Income Tax expense is only applied where a positive result from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional, that is, it comprises an amount payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council.

Accordingly, there is no need for disclosure of internal charges in the GPFR. The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations which have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been made and applied to all assets owned or exclusively used by the business activity.

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations. The overall effect of subsidies is contained within the Statement of Financial Performance by Business Activities.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 business “would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field”.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities. Consequently, any form of dividend payment is purely notional. Dividend payments to council are also restricted to those activities which do not levy special rates or charges (water, sewer, domestic waste management).

(iv) Notional Subsidy From Council

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis, or accepts a lower rate of return on its investment in the business unit than would be acceptable to a private sector competitor.

In accordance with the Code of Accounting Practice, this amount has been calculated as the dollar difference between the required and actual rates of return.

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwc.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

**Hornsby Shire Council
Special Purpose Financial Reports
Independent Auditors' Report**

Scope

We have audited the special purpose financial reports of **Hornsby Shire Council** for the year ended 30 June 2007, comprising the Statement by Council, Income Statements of Business Activities, Balance Sheets of Business Activities, and accompanying Notes to the Accounts. The financial statements include the accounts of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year. The Council is responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Council.

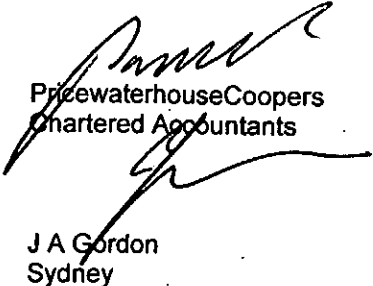
The special purpose financial reports have been prepared for distribution to the Council and the Department of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Department of Local Government or for any purpose other than for which the report was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with those Australian Accounting Standards adopted and the Local Government Code of Accounting Practice and Financial Reporting so as to present a view which is consistent with our understanding of the business activities of the Council and their financial position and the results of their operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit opinion

In our opinion, the Special Purpose Financial Reports of **Hornsby Shire Council** are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.


PricewaterhouseCoopers
Chartered Accountants

J A Gordon
Sydney

14 September, 2007

HORNSBY SHIRE COUNCIL
NET AVAILABLE WORKING FUNDS

30 JUNE 2007

	2007		2006	
	\$000	\$000	\$000	\$000
Cash Assets	38,107		38,434	
Less:				
Externally Restricted Assets	(28,545)		(29,881)	
Internally Restricted Assets	(7,519)		(7,018)	
		2,043		1,535
Plus:				
Other Current Receivables	5,426		4,752	
Current Assets - Inventories	877		880	
Current Assets - Other			1	
		6,303		5,633
Less:				
Bank overdraft				
Current Liabilities	(6,981)		(6,202)	
Externally Restricted Payables				
Current Loans	(2,565)		(2,348)	
Current Provisions	(12,635)		(12,427)	
		(22,181)		(20,977)
Net Current Assets Available		(13,835)		(13,809)
Add:				
Liabilities				
Current Loans	2,565		2,348	
Current Provisions	12,635		12,427	
		15,200		14,775
Net Current Assets Available as Working Capital		1,365		966

RESTRICTED ASSETS SUMMARY LISTING

INTERNALLY RESTRICTED ASSETS

Corporate Controlled

900-Employee Leave Entitlements

Corporate

936-Council Election

970-Hornsby Mall

979-Proceeds from George Street (Meriton)

985-Hornsby Quarry Loan Rate

985-Hornsby Quarry

998-Telecommunication Infrastructure

Corporate Systems Upgrade

925-Special Projects-Insurance Rebate

925-Special Projects-Centenary Celebrations

Community

987-Community Centres

940-Cherrybrook Youth

996-Centenary Publishing Grant

1002-Childcare Contribution

Environment

925-Special Projects-Liberty Swing for disabled

925-Special Projects-Dural St Playground

925-Special Projects-Parks Asset Group General

913-Skateboard Ramp - Brickpit Park

955-Revolving Energy Fund

988-Water Catchment:Epping Pool Water Treatment

989-Parks & Landscape: Mills Park

946-Capital Works Tennis Courts

Strategy

986-HR relocation & admin

953-Open Space Land (M2)

948-S94 Recoupment

990-Economic Development-Tourism

1001-StateCover Contribution

Works

911-Debt Retirement & Capital Projects

912-Mckell Park

914-Plant Replacement Reserve

938-Dartford Road

903-Berowra Aquatic Centre

905-Arcadia Tip

910-Land Acquisition

906-Bicycle Facilities

959-Road Closure

923-Hornsby Aquatic Centre

942-Design & Survey Equip Replacement

947-Police Parking Patrol Officers

945-Roselea Community Centre A/C

951-Integrated Land Use & Transport Study

925-Strategic Projects - Building Construction

996-SES Capital Contribution Restricted

997-Berowra & Kangaroo Point Pontoon & Ramp

Actual 2006/07					
Balance as at 30 June 2006	Movements to 30 Jun 07 Increase	Movements to 30 Jun 07 Decrease	Net Movements to 30 Jun 07	Balance as at 30 Jun 07	
\$'000	\$'000	\$'000	\$'000	\$'000	
INTERNALLY RESTRICTED ASSETS					
Corporate Controlled					
900-Employee Leave Entitlements	1,939	100	0	100	2,039
Corporate					
936-Council Election	70	185	0	185	255
970-Hornsby Mall	0	0	0	0	0
979-Proceeds from George Street (Meriton)	3,630	0	0	0	3,630
985-Hornsby Quarry Loan Rate	0	2,554	-2,554	0	0
985-Hornsby Quarry	0	0	0	0	0
998-Telecommunication Infrastructure	0	150	0	150	150
Corporate Systems Upgrade		153	0	153	153
925-Special Projects-Insurance Rebate		50	0	50	50
925-Special Projects-Centenary Celebrations	45	0	-45	-45	0
Community					
987-Community Centres	310	40	-12	28	338
940-Cherrybrook Youth	3	0	0	0	3
996-Centenary Publishing Grant	16	10	-11	-1	15
1002-Childcare Contribution	6	0	0	0	6
Environment					
925-Special Projects-Liberty Swing for disabled	0	17	0	17	17
925-Special Projects-Dural St Playground	0	20	0	20	20
925-Special Projects-Parks Asset Group General	0	150	0	150	150
913-Skateboard Ramp - Brickpit Park	11	0	0	0	11
955-Revolving Energy Fund	47	0	-41	-41	6
988-Water Catchment:Epping Pool Water Treatment	0	0	0	0	0
989-Parks & Landscape: Mills Park	10	0	-10	-10	0
946-Capital Works Tennis Courts	68	0	0	0	68
Strategy					
986-HR relocation & admin	0	0	0	0	0
953-Open Space Land (M2)	532	17	-6	11	543
948-S94 Recoupment	729	0	-220	-220	509
990-Economic Development-Tourism	19	35	0	35	54
1001-StateCover Contribution	30	40	0	40	70
Works					
911-Debt Retirement & Capital Projects	8	0	0	0	8
912-Mckell Park	10	0	-7	-7	3
914-Plant Replacement Reserve	364	0	0	0	364
938-Dartford Road	58	0	-50	-50	8
903-Berowra Aquatic Centre	0	30	0	30	30
905-Arcadia Tip	0	0	0	0	0
910-Land Acquisition	302	0	0	0	302
906-Bicycle Facilities	106	0	0	0	106
959-Road Closure	25	0	0	0	25
923-Hornsby Aquatic Centre	42	0	-8	-8	34
942-Design & Survey Equip Replacement	12	17	0	17	29
947-Police Parking Patrol Officers	104	0	0	0	104
945-Roselea Community Centre A/C	0	0	0	0	0
951-Integrated Land Use & Transport Study	0	0	0	0	0
925-Strategic Projects - Building Construction	50	0	-50	-50	0
996-SES Capital Contribution Restricted	0	36	-36	-1	-1
997-Berowra & Kangaroo Point Pontoon & Ramp	88	17	0	17	105

RESTRICTED ASSETS SUMMARY LISTING

	Balance as at 30 June 2006	Movements to 30 Jun 07 Increase	Movements to 30 Jun 07 Decrease	Net Movements to 30 Jun 07	Balance as at 30 Jun 07
	\$'000	\$'000	\$'000	\$'000	\$'000
A/C Epping Library	0	0	0	0	0
998-The Browsersy	50	0	-50	-50	0
999-Canoelands Road	12	0	0	0	12
991-BBQ Area for Somerville Park Centre	0	0	0	0	0
954-Advertising Bus Shelters	120	0	0	0	120
966-Council Admin Centre Works	0	0	0	0	0
967-Thornleigh Indoor Recreation	226	45	0	45	271
992-Local Road Improvements: Hannah Street	0	0	0	0	0
993-Traffic: Pembroke Street Cycleway	0	0	0	0	0
994-Traffic: Arcadia Road Galsto Pedestrian Refuge	0	0	0	0	0
995-Traffic: Hornsby Bike Plan	0	0	0	0	0
968-Proceeds from Orara St	225	0	-195	-195	30
977-Hornsby CBD Drainage Restricted Asset	1,077	330	0	330	1,407
978-Cherrybrook Aquatic Centre	0	0	0	0	0
980-Hornsby Mall Improvements	191	0	0	0	191
982-Building Construction Projects	0	0	0	0	0
984-Wharves/Jetties (Dangar Island)	58	0	-20	-20	38
TOTAL INTERNALLY RESTRICTED ASSETS	10,594	3,996	-3,315	681	11,275
Internal Loans					
Internal Loan Materials Handling Facility	-172	51	0	51	-121
Internal Loan - CBA Building Purchase	-2,515	0	0	0	-2,515
Bushfire Control Centre	0	0	0	0	0
Internal loan Energy Performance Contract No. 1	-889	0	0	0	-889
Internal loan Energy Performance Contract No. 2	0	0	-231	-231	-231
Total Internal Loans	-3,576	51	-231	-180	-3,756
NET INTERNALLY RESTRICTED ASSETS	7,018	4,047	-3,546	501	7,519
EXTERNALLY RESTRICTED ASSETS					
927-Esther Waite Donation	28	1	-8	-7	21
934-CRR - Catchments Remediation	308	2,404	-2,368	36	344
950-Domestic Waste	4,326	13,442	-13,021	421	4,747
933-S94 Restricted Assets	21,618	2,489	-3,872	-1,383	20,235
901-Unspent Grants Restricted Asset	2,140	995	-959	36	2,176
932-Maint of Developer Built Stormwater Assets	193	28	-19	9	202
962-Orara Street Works	553	0	-246	-246	307
929-Landcom-Road Construction	405	0	-200	-200	205
928-Subdivision Contributions	311	0	0	0	311
TOTAL EXTERNALLY RESTRICTED ASSETS	29,882	19,359	-20,693	-1,334	28,548
Externally Restricted Debtors	0	0	0	0	0
TOTAL RESTRICTED ASSETS	36,900	23,406	-24,239	-834	36,067

Litigation Summary

Administration Branch (Insurance)

Plaintiff / Location / File / Type	Action Date	STATUS	HSC Paid in 05 – 06 FY	Comments
File Ref: F2004/09354 Location: Hornsby CBD Matter: Public Liability	16 Aug 2001	FINALISED	Paid prev years	Allegedly fell on uneven footpath in Hornsby CBD. Council won case in Gosford District court. Plaintiff lodged appeal. Out of court settlement reached. Total nett cost to HSC: \$10, 000

Human Resources

Unfair Dismissal Case in the NSW IRC – Matter 2218/2006 re Shiell – went to conciliation and settled per Deed of Release on 25/10/06 – legal costs to Council \$6,855.

EHP

Case	Court	Costs 06/07	Comments – Results/Other Information eg fines, etc
Name: Amanda Benson & Alan Devaney Address: 27-29 Peebles Arcadia Matter: Land Modification File No: F2004/09193	Land & Environment Court	\$38,352.92 paid during 2006/07.	Notice was issued on November 2005 To Amanda Benson. Matter proceeded to Court on 4 April 2007. Defendant (Devaney) ordered to pay \$20,000 fine plus costs. Defendant (Benson) ordered to pay costs.
Name: Yelena Udy Address: 6 Belbowrie Close Galston Matter: Land Modification File NO: F2004/09193	Land & Environment Court	\$5,081.77 paid during 2006/07	Prevention Notice issued to Ms Yelena Udy. Ms Udy appealed the actions in the Notice in the Land & Environment Court. Court hearing occurred on 13 September 2007 with Court orders being imposed.

Traffic and Road Safety Branch

Name/Court Reference/Offence	Court Date/ Officer	Professional Costs	Results
Daryl Gregory Vernon Disobey No Stopping Sign	Mention 02.05.06 F.H Hearing 02.06.06 Adj 17.07.06		Fine \$175
David Noel Brown Stop on Path/Strip in Built up Area	Mention 30.05.06 D.K Hearing 03.07.06		Withdrawn
Yao Guo Stop in Loading Zone	Mention 29.06.06 D.K Hearing 28.07.06		Dismissed
James William Double Park	Mention 22.08.06 F.H		Withdrawn
Rahul Bindra Disobey No Parking Sign	Mention 22.08.06 N.C		Fine \$75.00 CC \$ 67.00
Amad Rahma Hardani Exceed Laden Mass Limit By > 3T < 4T	Mention 29.08.06 D.K		\$10 CC \$67
Marcatus Pty Ltd Park continuously for longer than permitted	Mention 29.08.06 C.P		\$196 Fine \$75 CC \$67
Rodney Allen Ladd Stop on/near Intersection	Mention 11.07.06 F.H		Fine \$75
Robert Ronald Barnes Stop on/near Intersection	Mention 11.07.06 D.B		Fine \$50 CC \$67
Rozita Minaei Disobey "Park in Bay Only" sign	Mention 18/07/06 DB		\$196 \$100 \$67
Gregory James Young Deposit Litter from Vehicle	Mention 27.06.06 G.K Hearing 07.08.06		Withdrawn
Larry Leslie Armytage Disobey No Stopping Sign	Mention 29.08.06 DB		Fine \$50 CC \$67
Glenda Ruth Simpson Stop on/near Intersection	Mention 31.08.06 DB		Fine \$80 CC \$67
Robert Martin Conley Not Stand Vehicle in Marked Space	Mention 31.08.06 CP		Fine \$75
Michael Kenneth Orourke Disobey No Stopping Sign	Mention 27.07.06 C.P Hearing 07.08.06		Fine \$152 CC \$67
George Herbert Lipschitz No Stopping	Mention 7.09.06 DK		\$100 fine
Craig Anthony Cosier Disobey No Stopping Sign	Mention 7.09.06 DK Hearing 13.11.06		Withdrawn
Vincent Bernard Curran Disobey "No Stopping Sign"	Mention 7.09.06 DB		Fine \$60 \$60 CC
Wan Hoi Lau Disobey No Stopping Sign	Mention 18.07.06		\$10 dismissed
Shayne Maree Fletcher Stop on/near Intersection	Mention 27.07.06 L.J		\$10 dismissed

Name/Court Reference/Offence	Court Date/ Officer	Professional Costs	Results
Megan Ryan Krekelberg Stop on/near Intersection	Mention 27.07.06 N.C		Fine \$175
Umesh S. Vaswani Disobey No Stopping Sign	Mention 05.01.06 F.H		Dismissed
Kampta Prasad Disobey No Stopping Sign	Mention 25.07.06 N.C		\$196 Fine \$175 CC \$67
Rodney Etherington Exceed Weight Limit	Mention 26.09.06 DK		\$10 Dismissed \$67 CC
Paul Daniel Manukonga Exceed Weight Limit	Mention 26.09.06 DK		Fine \$900
Donald Leslie Marshall Exceed weight limit	Mention 31.10.06 DK		Fine \$900 \$67 CC
Kathryn Jean Mullens Parallel Park Close Line/Strip	Mention 31.08.06 D.B		\$10 Dismissed
Warwick John Oliver Stop on naturestrip	Mention 7.09.06 FH		\$75.00 fine
Maher Chandab Exceed Laden Mass Limit By > 3T < 4T	Mention 29.08.06 D.K		Fine \$300 CC \$67
Paul Jones Exceed Weight Limit notice by – under 4T	Mention GW Hearing 13.10.06		Withdrawn
Real To Reel Pictures (NSW) Pty Ltd Stop in Loading Zone	Mention 05.09.06 D.K Hearing 17.10.06		Withdrawn
Danny Mona Exceed Laden Mass Limit by >1T < 2T	Mention 5.10.06 DK		Fine \$180 CC \$67
Pamela Beatrice Reeves Stop on Path/Strip in Built up Area	Mention 12.09.06 C.P		\$10 Dismissed
Celia M De Kuszaba – Dabrowski Parallel Park Close Line/Strip	Mention 12.09.06 T.B		\$10 Dismissed
James William Pollock Double Park	Mention 22.08.06 F.H		\$10 Dismissed
Maria Carolina Peters Disobey Park in Bays Only Sign	Mention 12.09.06 D.K		\$10 Dismissed
David Gordon Cumming Parallel Park Close Line/Strip	Mention 12.09.06 D.B		\$10 Dismissed
Shabnam Habibvand Disobey No Stopping Sign	Mention 12.09.06 F.H		Fine \$175 CC \$67
Michael Jeremy Scott Disobey No Stopping Sign	Mention 12.09.06 D.K		Fine \$175 CC \$67
Wayne Russell Vine Park for Longer than Permitted	Mention 31.08.06 T.B Hearing 24.10.06 04.12.06	\$990	Fine \$76 CC \$67

Name/Court Reference/Offence	Court Date/ Officer	Professional Costs	Results
Karan Singh Stop near intersection	Mention 19.09.06 FH		\$175 \$67
Lachlan Leigh Stanton Park close to dividing line	Mention 19.09.06 LJ		Dismissed
Edward Robert Minty Park on nature-strip	Mention 5.09.06 DB		Dismissed
Christian Uzodinma Eze Stand Vehicle in Area longer than Allowed	Mention 12.09.06 L.J Hearing 18.10.06		Withdrawn
Murray Douglas Smith Stop in Loading Zone	Mention 24.10.06 CP		Withdrawn
Paul Roda Exceed weight limit	Mention 24.10.06 DK		Fine \$350 CC \$67
Carol Lau Disobey No Stopping Sign	Mention 26.09.06 T.B		Fine \$175 \$67 CC
Stephen John Graham Exceed Laden Mass Limit By > 2T < 3T	Mention 26.09.06 D.K		Fine \$725
Niki Farahani Not Stand Vehicle in Marked Space	Mention 10.10.06 L.J		Fine \$73 CC \$67
Peter Gerard Moore Stop on/near Intersection	Mention 10.10.06 F.H		Fine \$30 CC \$67
Michael John Peter Tuffiin Stop in Bus Zone	Mention 17/10/06 T.B		\$196 Fine \$175 CC \$67
Business Network Services P/L Disobey No Stopping Sign	Mention 17/10/06 31/10/06 N.C Hearing 06.12.06		Withdrawn
Helen SUK FONG LO Double park	Mention 21/11/06 LJ		\$10 Dismissed
Emma-Louise Hepworth Disobey No Parking Sign	Mention 12.09.06 24.10.06 N.C Hearing 22.11.06		Withdrawn Section 10 Dismissed
Business Network Services Pty Ltd Disobey No Stopping Sign	Mention 17.10.06 31.10.06 N.C Hearing 06.12.06		
Miao Juan Lu Stop on/near Intersection	Mention 21.11.06 T.B		Fine \$175 CC \$67
Andrew Sinclair Exceed Laden Mass Limit By >2T<3T	Mention 21.11.06 F.H		\$196 Fine \$725 CC \$67
Vicky Mina Disobey No Stopping Sign	Mention 21.11.06 C.P Hearing 18.12.06		Fine \$50 CC \$67

Name/Court Reference/Offence	Court Date/ Officer	Professional Costs	Results
Alan Izadfar Stop in Loading Zone	Mention 31.08.06 Adj 12.10.06 T.B	\$500	S10 Dismissed CC \$ 67
Dayna Lea Newman Stop in Bus Zone	Mention 28.11.06 C.P		S196 Fine \$ 175 CC \$ 67
St George Concrete Pumping Service Exceed Laden Mass Limit by > 3T < 4T	Mention 24.10.06 D.K		S10 CC \$67
Philip Michael Barnett Stop on Path/Strip in Built up Area	Mention 05.12.06 F.H		Fine \$ 77 CC \$67
Australasian Conference Association Ltd Disobey No Stopping Sign	Mention 14.12.06 C.P Hearing 31.01.07 13.03.07		
Jonathan Arthur Kingston Disobey No Stopping Sign	Mention 12.12.06 T.B		Fine \$30 CC \$67
Jonathan Arthur Kingston Disobey No Stopping Sign	Mention 12.12.06 N.C		Fine \$30 CC \$67
Jonathan Arthur Kingston Disobey No Stopping Sign	Mention 12.12.06 N.C		Fine \$30 CC \$67
Sunita's Boutique Pty Ltd Stop on/near Intersection	Mention 28.11.06 F.H		Fine \$20
Faaulu Isaia Disobey No Stopping Sign	Mention 07.12.06 F.H		S10 Dismissed
Mark Lowe Exceed Laden Mass Limit by > 3T < 4T	Mention 19.12.06 D.K		\$800 Fine \$67 CC
Lisa Marie Jenkinson Not Park at 90 Degree Angle	Mention 19/12/06 D.K Hearing 31.01.07		Withdrawn
Margaret May Thomas Stop in Bus Zone	Mention 19.12.06 N.C		\$40 Fine \$67 CC
Fayez Taouk Exceed Laden Mass Limit By > 3T < 4T	Mention 19.12.06 D.K		\$923 Fine \$67 CC
Mark Stephen Flowers Park for Longer than Permitted	Mention 09.01.07 M.C.D		S196 Fine \$77 \$67 CC
Peter Lea Pollock Park for Longer than Permitted	Mention 09.01.07 C.P		S196 Fine \$77 \$67 CC
Katherine Lee Dunn Stop in Loading Zone	Mention 09.01.07 T.B		S10 Dismissed
Nicole Renee Barker Stop on/near Intersection	Mention 09.01.07 L.J		\$50 Fine
Austin Sammut Stop on Path/Strip in Built up Area	Mention 09.01.07 F.H Hearing 15.02.07		Withdrawn
Sacha Dyke Exceed Laden Mass Limit by > 1T < 2T	Mention 16.01.07 D.K		\$400 Fine \$67 CC

Name/Court Reference/Offence	Court Date/ Officer	Professional Costs	Results
Geum – Hee Hwang Disobey No Stopping Sign	Mention 16.01.07 C.P		\$177 Fine \$67 CC
Akiko Mojarrad Parallel Park Close to Line/Strip	Mention 16.01.07 T.B		\$10 Dismissed
Dennis James Bail Stop in Bus Zone	Mention 11.01.07 N.C		\$100 Fine \$67 CC
Hong Bo Chen Double Park	Mention 11.01.07 T.B		\$180 Fine \$67 CC
Matthew John Loftus Stand Vehicle longer than Allowed	Mention 11.01.07 M.C.D		\$70 Fine \$67 CC
Marguerite Elizabeth McCauley Disobey No Stopping Sign	Mention 28.11.06		Withdrawn
Selahattin Sevimli Parallel Park Close to Dividing Line/Strip	Mention 01.02.07 T.B		\$150 Fine \$67 CC
Lotus Indigo Kruse Disobey No Stopping Sign	Mention 11.01.07 Adj 01.02.07 T.B Hearing 27.02.07	\$550	Fine \$179 CC \$67
Peter John Adams Stop on/near Intersection	Mention 19.12.06 F.H Hearing 07.02.07		Withdrawn
Wei Hua Zhao Stop on Clearway	Mention 19.12.06 Forwarded Mention 13.02.07 L.J		\$175 Fine \$67 CC
Samantha Louise Ellis Disobey No Stopping Sign	Mention 20.02.07 N.C Hearing 02.04.07		Withdrawn – By Lawrence Nagy – Issued Incorrectly CC \$330
Marco Antonio Calizaya Disobey No Stopping Sign	Mention 20.02.07 N.C Hearing 04.04.07		Withdrawn – By Lawrence Nagy – Issued Incorrectly CC \$330
John Raymond Colwell Disobey No Stopping Sign	Mention 27.02.07 F.H		\$60 Fine \$67 CC
Kenneth Sutherland Owner Stand Vehicle in Area When Area Closed to Public	Mention 27.02.07 T.B Hearing 29.03.07		\$10 Dismissed
David Degiorgio Disobey No Stopping Sign	Mention 27.02.07 N.C Hearing 03.05.07 06.06.07	\$330	Fine \$179 CC \$67
Andrew Zeait Exceed Laden Mass of Road	Mention 24.04.07		Fine \$923 CC \$67
Craig Martin Hermes Stop near intersection (No traffic lights)	Mention 27.03.07		Fine \$150 CC \$67

Name/Court Reference/Offence	Court Date/ Officer	Professional Costs	Results
Robert McDonnell Disobey No Stopping Sign	Mention 27.03.07 Hearing 30.04.07	\$200	Fine \$110 CC \$67
Peter Adams Double Park	Mention 03.05.07		Fine \$175 CC \$67
James Robert Turnbull Stop in Loading Zone	Mention 17.05.07		Fine \$125 CC \$67
Narrissa Khazali Ardestani Stop on/near intersection	Mention 15.05.07		Fine \$150 CC \$67
John Ryall Disobey No Stopping Sign	Mention 21.06.07		Fine \$70 CC \$67
Ian Charles Corkill Light Traffic	Mention 26.06.07		Fine \$400 CC \$67
Micro-Sas Pty Ltd Disobey no stopping sign	Mention 26.06.07		S10 – Dismissed
Peter Joseph Do Rozario	Mention 26.06.07		S10 – Dismissed
Mark Andrew White	Mention 26.07.07		S10 – Dismissed
Shura Michiko Cunningham	Mention 26.07.07		Fine \$300 CC \$67
Bronwen Ruth Sidaway	Mention 26.07.07		Fine \$70 CC \$67
Karunal Vynateya Prakash Stop in Bus Zone	Mention 29.05.07		Fine \$70 CC \$67
Australian Conference Association Disobey No Stopping Sign	Mention 14.12.06 Hearing 31.01.07 13.03.07		S10 – Dismissed

PLANNING DIVISION

LITIGATION SUMMARY

FOR

2006 - 2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
084-02-03 717	MR R SURACE 2 Waratah Road, Berowra Prosecution for illegal clearing of heritage listed garden.	Class 5 Land & Environment Court	\$ 796.60	(\$7,812.50)	Defendant found guilty, ordered to pay Council's costs.
039-04-05 916	RADRAY CONSTRUCTIONS PTY LTD 15 Eyles Avenue, Epping S.E.P.P. No. 5 Appeal.	Class 1 Land & Environment Court	\$ 74,858.21	\$0.00	Appeal dismissed. Application refused. Council unsuccessful on costs.
059-04-05 936	S. D. MASTERPLAN 2C Chelmsford Road, Asquith Appeal against refusal of consent for community title subdivision of land.	Class 1 Land & Environment Court	\$192,445.60	(\$38,675.00)	Appeal dismissed. Section 56A Appeal lodged and dismissed. Costs awarded to Council.
089-04-05 966	HORNSBY RSL CLUB LIMITED 17 Ashley Street, Hornsby Appeal against refusal to issue development consent for demolition of heritage building.	Class 1 Land & Environment Court	\$ 5,847.27	\$0.00	Consent Orders granted. Appeal upheld.
021-05-06 989	DAVID ROAD PTY LIMITED 173-177 David Road, Castle Hill Appeal against deemed refusal of s.96(1A) application to modify development consent by deletion of condition No. 33.	Class 1 Land & Environment Court	\$ 1,217.55	\$0.00	Appeal upheld.
034-05-06 1002	TELSTRA CORPORATION LIMITED (ABN 33 051 775 556) 60-74 The Crescent, Cheltenham Appeal against refusal to issue development consent for installation of telecommunication equipment on existing building and new equipment cabin.	Class 1 Land & Environment Court	\$19,836.36	\$0.00	Appeal upheld.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
035-05-06 1003	FODOR INVESTMENTS PTY LTD 64-66 Norfolk Road, Epping Appeal against deemed refusal for development consent to demolish part of a building, erection of multi unit housing and strata subdivision.	Class 1 Land & Environment Court	\$	(\$1,357.00)	Appeal upheld.
037-05-06 1005	WINTER GROUP ARCHITECTS 105 Oxley Drive, Mt. Colah Appeal against deemed refusal for development consent to erect a second dwelling and subdivision into two lots.	Class 1 Land & Environment Court	\$ 17,014.82	\$0.00	Appeal dismissed.
043-05-06 1011	CLARON CONSTRUCTIONS PTY LTD 276-278 New Line Road, Dural Appeal to Court for Order directing Council remove Conditions 1 and 2 of development consent 1172/2005.	Class 4 Land & Environment Court	\$ 904.50	\$0.00	Appeal discontinued by applicant.
044-05-06 1012	JANUSZ USIEN 227 Ray Road, Epping Appeal against refusal of development consent for extensions, additional car parking spaces and amend condition 1 of existing consent.	Class 1 Land & Environment Court	\$	(\$1,022.10)	Appeal upheld subject to conditions.
047-05-06 1015	ACTION PAINT BALL PTY LIMITED Lot 22 Canoelands Road, Canoelands Appeal against deemed refusal to issue development consent for demolition of existing sheds, construction of colourbond building and use of site for a paintball facility.	Class 1 Land & Environment Court	\$ 48,662.15	\$0.00	Appeal upheld.
048-05-06 1016	PAMELA M. PARSONS 17A Lisgar Road, Hornsby Appeal against refusal to issue development consent for alterations and additions to existing dwelling including covered carport and subdivision of one allotment into two allotments.	Class 1 Land & Environment Court	\$ 14,462.58	(\$3,499.93)	Appeal dismissed.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
050-05-06 1018	PREMIER BUILDING GROUP 3X (No. 1) Lodge Street, Hornsby Appeal against refusal to issue development consent for staged construction for alterations and additions to existing bowling club, demolition of outbuildings and a new carpark.	Class 1 Land & Environment Court	\$ 49,060.36	\$0.00	Appeal dismissed.
53-05-06 1021	THE TURNBULL GROUP PTY LIMITED 271 New Line Road, Dural Appeal against deemed refusal to issue development consent for re-development of hotel.	Class 1 Land & Environment Court	\$ 39,341.35	\$0.00	Appeal upheld subject to conditions including trial period of 12 months.
055-05-06 1023	TELSTRA CORPORATION LIMITED (ABN 33 051 775 556) 16-24 Hannah Street, Beecroft Appeal against deemed refusal to issue a Building Certificate.	Class 1 Land & Environment Court	\$ 24,647.76	\$0.00	Appeal upheld subject to amended plans and Court Orders issued. Amended plans submitted, works to be completed by 14 May 2007. Concurrent case management with Optus Appeal (See 080-05-06 below).
056-05-06 1024	THE TYRCONNEL DEVELOPMENT CORPORATION PTY LIMITED 3 Netherby Street, Wahroonga Appeal against conditions of development consent to demolish a dwelling and subdivide one allotment into three allotments.	Class 1 Land & Environment Court	\$ 3,747.75	\$0.00	Applicant discontinued appeal.
057-05-06 1025	AVI RUBENSTEIN 2 City View Road, Pennant Hills Appeal against the deemed refusal to approve a s.96(2) application to vary condition No. 2 (Hours of Operation) and Condition No. 4 (Service from Bar) of the development consent.	Class 1 Land & Environment Court	\$ 45,968.20	\$0.00	Appeal upheld subject to 12 month trial and amended conditions of approval.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
058-05-06 1026	GRAHAM ROSS HORTICULTURAL CONSULTANTS PTY LTD 83 Beecroft Road, Beecroft Appeal against issue of Order under s.121B (Order No. 15) of EP&A Act 1979 to comply with conditions of development consent.	Class 1 Land & Environment Court	\$ 4,065.68	\$0.00	Notice withdrawn. Appeal discontinued.
059-05-06 1027	G. .R. T. & T. MACRI-GALLO 11A Galahad Close, Mt. Colah Appeal against refusal to issue development consent for erection of multi-unit housing of two dwellings.	Class 1 Land & Environment Court	\$ 200.00	\$0.00	Appeal discontinued.
060-05-06 1028	J. W. HEPBURN PTY LTD 32 Palmerston Road, Waitara Appeal against refusal to issue development consent for demolition of structures and erection of child care centre.	Class 1 Land & Environment Court	\$ 72,239.37	\$0.00	Appeal upheld.
063-05-06 1031	GORAN MILUTINOVIC 46 Sprigg Place, Mount Colah Appeal against refusal to issue development consent for erection of multi-unit housing and subdivision.	Class 1 Land & Environment Court	\$ 20,259.50	(\$250.00)	Appeal dismissed.
066-05-06 1034	JANICE PRIESTLEY & JOHANNA HENDERSON 8A Short Street, Thornleigh Appeal against refusal to issue development consent for erection of a dwelling and swimming pool.	Class 1 Land & Environment Court	\$ 10,922.09	\$0.00	Appeal upheld following submission of amended plans.
067-05-06 1035	URBAN PACIFIC (SOMERSET) PTY LIMITED 45 Somerset Street, Epping Appeal against deemed refusal to issue development consent for subdivision into two proposed allotments with proposed allotment 1 comprising 13 allotments under community title subdivision and private road.	Class 1 Land & Environment Court	\$ 24,684.16	\$0.00	Appeal upheld with consent. Development consent issued subject to conditions.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
068-05-06 1036	URBAN PACIFIC (SOMERSET) PTY LIMITED 45 Somerset Street, Epping Appeal against deemed refusal to issue development consent for subdivision into two proposed allotments with proposed allotment 2 comprising 10 allotments under community title subdivision and private road.	Class 1 Land & Environment Court	See 067-05-06	\$0.00	Appeal upheld with consent. Development consent issued subject to conditions.
069-05-06 1037	MR DAVID & MRS LEANNE HARRISON 10 Sutherland Road, Beecroft Appeal against issue of Order No. 2, under s.121B of the Environmental Planning and Assessment Act 1979, to remove unauthorised deck and screen.	Class 1 Land & Environment Court	\$ 4,025.00	\$0.00	Appeal withdrawn.
070-05-06 1038	S24 PROPERTIES PTY LIMITED 108 - 114 George Street, Hornsby Deemed refusal of development application for construction of a four storey building including one storey of retail space, three storeys of commercial office space and four basement levels of carparking.	Class 1 Land & Environment Court	\$ 5,490.01	\$0.00	Application approved by Council. Applicant discontinued appeal.
078-05-06 1046	ANTHONY KHOUDAIR 2 Kayla Way, Cherrybrook Appeal against refusal of section 96 amendment to development consent.	Class 1 Land & Environment Court	\$ 12,045.71	\$0.00	Appeal upheld. Consent Orders issued.
079-05-06 1047	DMITRI & JANELLE KHOMOUTOV 6 - 8 Wharf Street, Brooklyn Appeal against refusal of development consent for alterations and additions and construction of pool.	Class 1 Land & Environment Court	\$ 22,634.97	(\$1,760.00)	Appeal upheld subject to deferred commencement conditions amending application.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
080-05-06 1048	OPTUS MOBILE PTY LTD 16-24 Hannah Street, Beecroft Appeal against deemed refusal of Building Certificate.	Class 1 Land & Environment Court	\$ 37,801.43	\$0.00	Appeal upheld subject to amended plans and Court Orders issued. Amended plans submitted and works to be completed by 14 May 2007. Concurrent case management with Telstra Appeal (See 055-05-06 above).
081-05-06 1049	JAHANGIR DOODHA 28 Ramsay Road, Pennant Hills Appeal against deemed refusal to issue development consent for demolition of dwelling and erection of childcare centre.	Class 1 Land & Environment Court	\$ 38,498.15	(\$990.00)	Appeal upheld.
082-05-06 1050	YUEN YUEN PTY LIMITED 45 Wongala Crescent, Beecroft Appeal against deemed refusal to issue development consent for demolition of dwelling and erection of childcare centre.	Class 1 Land & Environment Court	\$ 33,662.79	(\$390.00)	Appeal upheld.
005-06-07 1055	N. C. COLOSIMO 12 Bartil Close, Epping Appeal against refusal to issue development consent for erection of dwelling and front fence.	Class 1 Land & Environment Court	\$ 13,107.59	\$0.00	Appeal dismissed.
006-06-07 1056	B. S. BOWERMAN 22 Singletons Road, Wiseman's Ferry Appeal against refusal to issue development consent for erection of a dwelling house.	Class 1 Land & Environment Court	\$ 19,573.87	(\$9,190.00)	Amended proposal submitted. Appeal upheld.
007-06-07 1057	S. DePASQUALE 24 Morsehead Avenue, Carlingford Appeal against refusal to issue development consent for demolition, subdivision and erection of two dwellings.	Class 1 Land & Environment Court	\$ 17,262.49	\$0.00	Appeal upheld.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
008-06-07 1058	K. P. CAMERON 7 Charlotte Road, Pennant Hills Appeal against refusal to issue development consent for erection of a dwelling house.	Class 1 Land & Environment Court	\$ 16,672.87	\$0.00	Appeal upheld following submission of amended plans and subject to consent orders for conditions of consent.
009-06-07 1059	ARDEN ANGLICAN SCHOOL 37 - 41 Oxford Street, Epping Appeal against refusal to issue development consent for use of existing premises as an educational establishment for Arden Anglican School.	Class 1 Land & Environment Court	\$ 44,232.46	(\$4,500.00)	Appeal upheld subject to deferred commencement condition. Section 56A Appeal lodged by Unilever.
010-06-07 1060	BUGEJA 27 Finlay Avenue, Beecroft Appeal against refusal to issue development consent for extensions to dwelling.	Class 1 Land & Environment Court	\$ 4,328.64	\$0.00	Appeal upheld by consent. Development consent issued subject to conditions.
011-06-07 1061	W. & I. BENNETT 16 Essex Street, Epping Appeal against refusal to issue development consent for Torrens Title Subdivision of an existing multi-unit housing development comprising two (2) attached dwellings into two (2) allotments	Class 1 Land & Environment Court	\$ 4,811.45	\$0.00	Matter discontinued by applicant.
012-06-07 1062	St Mary & St Sidhom Bishay Coptic Orthodox Church 444 Galston Road, Dural Class 4 action for Order to comply with development consent.	Class 4 Land & Environment Court	\$ 19,704.49	\$0.00	Callover 20 July 2007.
024-06-07 1076	DR GABRIEL SO 22 Essex Street, Epping Appeal against Order No. 1, issued by Council under S.121B of EP&AA, to cease use of premises for multi unit housing.	Class 1 Land & Environment Court	\$ 737.50	\$0.00	Appeal discontinued by applicant.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
029-06-07 1081	MR RODNEY LONG Nos. 901 - 903 Pacific Highway, Berowra Appeal against deemed refusal to issue s.96(1A) modification of condition No. 62 of consent regarding s.94 contribution.	Class 1 Land & Environment Court	\$ 17,639.77	\$0.00	Appeal dismissed.
030-06-07 1082	MR RODNEY LONG Nos. 901 - 903 Pacific Highway, Berowra Appeal against deemed refusal to issue s.96(1A) modification of condition No. 105 of consent regarding s.94 contribution.	Class 1 Land & Environment Court	See 029-06-07		Appeal dismissed.
031-06-07 1083	MR RODNEY LONG Nos. 901 - 903 Pacific Highway, Berowra Appeal against deemed refusal to issue s.96(1A) modification of condition No.33 of consent.	Class 1 Land & Environment Court	See 029-06-07		Appeal dismissed.
032-06-07 1084	MR FREDERICK FOSTER 38 Dudley Street, Asquith Appeal against refusal of development consent for erection of a dwelling.	Class 1 Land & Environment Court	\$ 6,568.40	\$0.00	Appeal dismissed.
033-06-07 1085	MR GARY PROWSE 14 Warrina Street, Berowra Appeal against refusal to issue development consent for subdivision of one lot into two lots and erection of dwelling.	Class 1 Land & Environment Court	\$ 14,277.28	(\$330.00)	Appeal Upheld
034-06-07 1086	PHILIP JOHN DALY 3 & 5 Turner Road, Berowra Appeal against refusal to issue development consent for demolition of existing structures and erection of eleven multi-unit dwellings.	Class 1 Land & Environment Court	\$ 21,705.72	\$0.00	Amended plans filed. Hearing for 19 July 2007.
035-06-07 1087	BEE VEE INVESTMENTS PTY LTD 24 Oxford Street, Epping Appeal against refusal to issue development consent for change of existing premises to a recreation facility.	Class 1 Land & Environment Court	\$	\$0.00	Section 82A Review submitted and Appeal to be withdrawn.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
036-06-07 1088	P. S. GRAHAM & ASSOCIATES 58 Sutherland Road, Beecroft Appeal against refusal to issue development consent for demolition of existing dwelling and subdivision of one lot into two lots.	Class 1 Land & Environment Court	\$ 13,975.84	\$0.00	Appeal upheld by consent and subject to conditions of approval.
037-06-07 1089	GLENDINNING MINTO & ASSOCIATES PTY LTD 45 New Line Road, West Pennant Hills Appeal against refusal to issue development consent for torrens title subdivision of one allotment into two allotments.	Class 1 Land & Environment Court	\$ 13,998.23	\$0.00	Appeal Upheld
038-06-07 1090	KEN WILLIS & ASSOCIATES 165 - 167 Pacific Highway, Hornsby Appeal against refusal to issue development consent for fitout and change of use to a medical centre.	Class 1 Land & Environment Court	\$ 9,676.70	(\$800.00)	Appeal upheld. Applicant's costs appeal unsuccessful.
039-06-07 1091	FRANK GALEA 124 Castle Hill Road, West Pennant Hills Appeal against refusal to issue development consent for demolition of existing dwelling and subdivision of one allotment into six allotments.	Class 1 Land & Environment Court	\$ 13,475.55	\$0.00	Appeal dismissed.
040-06-07 1092	VIGOR MASTERS PTY LTD 68 - 86 Hull Road, Beecroft Appeal against refusal to issue development consent for section 96(2) modification to use fill to shape the bank of the creek in the south east corner of the site.	Class 1 Land & Environment Court	\$ 8,890.32	\$0.00	Appeal discontinued by Applicant.
042-06-07 1098	CHIVERS PTY LIMITED & ORS 9 Canoelands Road, Canoelands Proceedings for order to cease unauthorised use of land and illegal landfill and to carryout rectification works	Class 4 Land & Environment Court	\$ 13,341.58	\$0.00	Hearing set for 13 August 2007 in conjunction with Class 1 appeal.
043-06-07 1099	MR JOHN & MRS MARY HAJINAKITAS 7 Brooklyn Road, Brooklyn Appeal against refusal to issue development consent for erection of dwelling.	Class 1 Land & Environment Court	\$ 12,371.70	\$0.00	Appeal discontinued by Applicant.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
044-06-07 1100	MS MARGARET ELLISON 5 Uralla Road, Dural Appeal against issue by Council of Order No. 12 under s.124 of LGA to control surface water run-off.	Class 1 Land & Environment Court	\$ 3,880.05	\$0.00	Order complied with. Appeal discontinued by applicant.
045-06-07 1101	MR R. & MRS S. COMBS 4 Saracen Road, Beecroft Appeal against deferred condition of development consent for erection of dwelling on proposed Lot 202.	Class 1 Land & Environment Court	\$ 7,918.27	\$0.00	Appeal upheld by consent.
048-06-07 1104	MR IAN CREAK 24 Welham Street, Beecroft Appeal against Penalty Infringement Notice to Local Court - Development without consent (Notice 7600792861).	Local Court	\$ 1,363.64	\$0.00	Appeal dismissed. Offence proved. Appellant fined \$10,000 plus Court costs of \$67 and Professional costs of \$1,500 (Total \$ 11,567)
049-06-07 1105	MR OMER TIMUR OTARAN 12 & 14A Brucedale Avenue, Epping Appeal against refusal to issue development consent for subdivision of two lots into three lots and erection of two single storey dwellings.	Class 1 Land & Environment Court	\$ 6,907.40	\$0.00	Appeal discontinued by Applicant.
055-06-07 1111	P. J. & N. H. TUCK 10 Lloyd Wright Way, Beecroft Appeal against Order under s.121B of Environmental Planning and Assessment Act 1979 for unauthorised building works	Class 1 Land & Environment Court	\$11,742.56	\$0.00	Order modified by Court.
056-06-07 1112	LYON PLUMBING 295-299 Pennant Hills Road, Thornleigh Prosecution for failure to comply with conditions of development consent 2187-2002 in respect to work hours on 9 December 2006 and 27 January 2007.	Local Court	\$	\$0.00	Matter heard ex-parte. Defendant found guilty and fined \$750 plus Court costs of \$67 and professional costs of \$350 (total \$1,167).

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
057-06-07 1113	SYDNEY METRO PROJECTS PTY LTD 295-299 Pennant Hills Road, Thornleigh Prosecution for failure to comply with conditions of development consent 2187-2002 in respect to work hours on 9 December 2006 and 27 January 2007.	Local Court	\$	\$0.00	Defendant pleaded guilty. Defendant found guilty and fined \$1,500 plus Court costs of \$67 and professional costs of \$500 (total \$2,067).
058-06-07 1114	SYDNEY METRO PROJECTS PTY LTD 295-299 Pennant Hills Road, Thornleigh Prosecution for failure to comply with conditions of development consent 2187-2002 in respect to work hours on 1 August 2006.	Local Court	\$	\$0.00	Defendant pleaded guilty. Defendant found guilty and fined \$5,000 plus Court costs of \$67 (total \$5,067).
059-06-07 1115	SYDNEY METRO PROJECTS PTY LTD 295-299 Pennant Hills Road, Thornleigh Prosecution for failure to comply with conditions of development consent 2187-2002 in respect to work hours on 8 August 2006.	Local Court	\$	\$0.00	Defendant pleaded guilty. Defendant found guilty and fined \$4,000 plus Court costs of \$67 (total \$4,067).
060-06-07 1116	SYDNEY METRO PROJECTS PTY LTD 24 Derby Street, Epping Prosecution for failure to comply with conditions of development consent 2187-2002 in respect to work hours on 15 August 2006.	Local Court	\$	\$0.00	Defendant pleaded guilty. Defendant found guilty and fined \$4,000 plus Court costs of \$67 and professional costs of \$2,500 (total \$6,567).
066-06-07 1122	C.N.P. BROS. PTY LIMITED 5 Sussex Street, Epping Prosecution for failure to comply with conditions of development consent 903/2006.	Local Court	\$ 1,006.55	\$0.00	Hearing set for 20 July 2007.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
067-06-07 1123	R. MAHALINGAM 5 Sussex Street, Epping Appeal against refusal of consent for demolition of existing dwelling and erection of two storey dwelling.	Class 1 Land & Environment Court	\$ 18,928.25	\$0.00	Hearing held 22 June 2007. Awaiting determination.
070-06-07 1126	LENA ANNE D'SOUZA 18 Wentworth Avenue, Waitara Appeal against refusal for consent to s.96(2) modification to existing development consent to increase number of places for child care centre	Class 1 Land & Environment Court	\$ 8,705.70	\$0.00	Hearing 12 September 2007.
071-06-07 1127	SUTERS ARCHITECTS PTY LTD 93-103 Pacific Highway, Hornsby Appeal against refusal for consent to demolish existing building, and erection of mixed use development of multi unit dwellings and commercial floorspace.	Class 1 Land & Environment Court	\$	\$0.00	Callover 10 September 2007.
072-06-07 1128	LESLIE CHIVERS 9 Canoelands Road, Canoelands Appeal against refusal for consent to use southern part of site for for wholesale plant nursery and ancillary works.	Class 1 Land & Environment Court	\$ 10,991.58	\$0.00	Hearing set for 13 August 2007.
073-06-07 1129	COPTIC ORTHODOX CHURCH BY SOLIMAN & SONS PTY LTD 444 Galston Road, Dural Appeal against refusal for consent to s.96(2) application to vary conditions of development consent by varying hours of operation and carparking.	Class 1 Land & Environment Court	\$ 2,452.90	\$0.00	Hearing on 27 June 2007. Decision reserved.
077-06-07 1133	DOMAIN APARTMENTS (SYDNEY) PTY LTD 295-299 Pennant Hills road, Thornleigh Proceedings for non-compliance with Order No. 15 under section 121B of the Environmental Planning and Assessment Act 1979 to comply with development consent.	Class 4 Land & Environment Court	\$	\$0.00	Callover on 13 July 2007.

PLANNING DIVISION LITIGATION SUMMARY 2006-2007

Ref. No.	Case	Court	Expenditure	Income	Result/Present Status
079-06-07 1135	MR E. TAKCHI 27 Loftus Road, Pennant Hills Appeal against refusal to issue development consent for erection of second dwelling to create multi-unit housing development and subdivision of one allotment into two allotments	Class 1 Land & Environment Court	\$	\$0.00	Callover 18 July 2007.
080-06-07 1136	I.G.S. ENTERPRISES PTY LIMITED Lot 1 DP 925054 & Lot 1 DP 925055 Fisherman's Point, Hawkesbury River Class 4 action seeking injunction to prohibit further development and carrying out of unauthorised building works	Class 4 Land & Environment Court	\$	\$0.00	Hearing on 18 June 2007. Injunction granted prohibiting any further development.

TOTALS \$ 1,185,589.27 (\$70,576.53)

LAND ACQUISITION

In addition to the above legal proceedings for development control, the following has been incurred for land acquisition.

095A-02-03 1050	HORNSBY SHIRE COUNCIL-v-VALUER GENERAL CSR LIMITED-v-HORNSBY SHIRE COUNCIL Quarry Road, Hornsby	Supreme Court & Land and Environment Court	\$ 66,134.10	\$0.00	
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TOTALS \$ 66,134.10 \$0.00

Freedom of Information Report

Freedom of Information (Fol)

No major issues have arisen during the year relating to compliance with FOI. Council continued to administer a Document Access Policy to facilitate access to information under Section 12 of the Local Government Act. Requests for Council Meeting recordings are now processed under Council's Document Access policy rather than under the FOI Act and a corresponding decrease in the number of FOI applications has been observed.

As mentioned above, the number of FOI requests received compared to last year has decreased slightly, however, these requests have become increasingly complex requiring a significant allocation of Council resources, with one applicant accounting for 40% of the total number of FOI requests received. In this regard it should be noted that the statistics below relate to original FOI Applications only, and do not include time expended in processing internal reviews or preparing for external reviews. None of the applications received this year required third party consultation.

Council received three applications for amendment of personal records during the period; however, in each of these three cases, the applicant failed to establish that the information requested to be amended included or concerned Personal affairs, and no amendments to Council records were made.

Council received seven requests for internal reviews during 2006/2007, of which four were completed during this period. Two of these resulted in further requests for external review. One of these was subsequently dismissed and Council is still awaiting a decision from the Administrative Decisions Tribunal in respect of the other.

There have been no inquiries by the Ombudsman, appeals to the District Court or appeals to the Supreme Court during the year.

FOI STATISTICS

Freedom of Information Act, 1989 No. 5 (NSW)

1/7/06 – 30/6/2007

SECTION A Numbers of new FOI requests – Information relating to the numbers of FOI requests received, those processed and those incomplete from the previous period.

FOI Requests		Personal	Other	Total
A1	New (including transferred in)	1	20	21
A2	Brought forward	-	-	-
A3	Total to be processed	1	20	21
A4	Completed	1	15	16
A5	Transferred out	-	-	-
A6	Withdrawn	-	4	4
A7	Total processed	1	19	20
A8	Unfinished (carried forward)	-	1	1

SECTION B What happened to completed requests? – (Completed requests are those on Line A4).

Result of FOI Requests		Personal	Other
B1	Granted in full	-	6
B2	Granted in part	1	3
B3	Refused	-	6
B4	Deferred	-	-
B5	Completed	1	15

Note: The figures on line B5 should be the same as the corresponding ones on A4.

SECTION C Ministerial Certificates – Number issued during period.

C1	Ministerial Certificates issued	Nil
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SECTION D Formal consultations – Number of requests requiring consultations (issued) and total number of FORMAL consultations for the period.

		Issued	Total number of people consulted
D1	Number of requests requiring formal consultation(s)	Nil	Nil

SECTION E Amendment of personal records – Number of requests for amendment processed during the period.

Result of Amendment Request		Total
E1	Result of amendment – agreed	Nil
E2	Result of amendment – refused	3
E3	Total	3

SECTION F Notation of personal records – Number of requests for notation processed during the period.

F3	Number of requests for notation	Nil
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SECTION G FOI requests granted in part or refused – Basis of disallowing access – Number of times each reason cited in relation to completed requests that were granted in part or refused.

Basis of disallowing or restricting access		Personal	Other
G1	Section 19 (application incomplete, wrongly directed)	-	1
G2	Section 22 (deposit not paid)	-	-
G3	Section 24(1)(a1) (diversion of resources)	-	-
G4	Section 25(1)(a) (exempt)	1	3
G5	Section 25(1)(b), (c), (d) (otherwise available)	-	-
G6	Section 28(1)(b) (documents not held)	-	2
G7	Section 24(2) (deemed refused, over 21 days)	-	-
G8	Section 31(4) (released to Medical Practitioner)	-	-
G9	Totals	1	6

SECTION H Costs and fees of requests processed – during the period (i.e.: those included in lines A4, A5 and A6)

	Assessed costs	FOI fees received
H1 All completed requests	\$1665 received in processing (\$2460 assessed)	\$630 in application fees

SECTION I Discounts allowed – Number of FOI requests processed during the period where discounts were allowed.

Type of Discount Allowed		Personal	Other
I1	Public Interest	-	-
I2	Financial hardship – Pensioner/child	-	-
I3	Financial hardship – Non-profit	-	-
I4	Totals	-	-
I5	Significant correction of personal records	-	-

SECTION J Days to process – Number of completed requests (A4) by calendar days (elapsed time) taken to process.

Elapsed Time		Personal	Other
J1	0-21 days	-	15
J2	22-35 days	-	4
J3	Over 35 days	1	-
J4	Totals	1	19

SECTION K Processing time – Number of completed requests (A4) by hours taken to process.

Processing hours		Personal	Other
K1	0-10 hours	-	19
K2	11-20 hours	1	-
K3	21-40 hours	-	-
K4	Over 40 hours	-	-
K5	Totals	1	19

SECTION L Reviews and appeals – Number finalised during the period.

L1	Number of internal reviews finalised	4
L2	Number of Administrative Decisions Tribunal reviews finalised	1
L3	Number of District Court Appeals finalised	nil

Details of Internal Review Results – in relation to internal reviews finalised during the period.

Basis of Internal Review		Personal		Other	
GROUNDS ON WHICH INTERNAL REVIEW REQUESTED		Upheld*	Varied*	Upheld*	Varied*
L4	Access refused	-	-	-	-
L5	Deferred	-	-	-	-
L6	Exempt matter	-	-	3	1
L7	Unreasonable charges	-	-	-	-
L8	Charge unreasonably incurred	-	-	-	-
L9	Amendment refused	-	-	-	-
L10	Totals	-	-	3	1



Hornsby Shire Council
296 Pacific Highway
Hornsby NSW 2077

Telephone 9847 6666
8.30am – 5.00pm Monday to Friday
www.hornsby.nsw.gov.au