



creating a living environment

2008-2009

Annual Report and Sustainability Report

Contact information

COUNCIL

General Enquiries 9847 6666

AQUATIC CENTRES

Cherrybrook 9980 7822

Epping 9876 5945

Galston 9651 2393

Hornsby 9847 6813

BRICKPIT INDOOR SPORTS STADIUM

Thornleigh 9481 9844

EARLY CHILDHOOD HEALTH CENTRES

Berowra 9456 2877

Brooklyn 9985 7717

Carlingford Court 9871 8691

Epping 9876 1438

Galston 9653 3928 / 9653 2256

Hornsby 9482 4026

Pennant Hills 9843 7952 / 9483 7953

LEISURE AND LEARNING CENTRES (50+)

Asquith, Brooklyn, Epping, Hornsby (Willow Park) and Pennant Hills.

Information / bookings . 9847 6531 / 9847 6050

LIBRARIES

Berowra 9456 3913

Epping 9868 1711

Galston 9653 1338

Hornsby 9847 6813

Pennant Hills 9481 9630

NURSERY AND PRESCHOOL CENTRES

Asquith 9477 3727

Cherrybrook 9481 0566

Hornsby 9477 2338

Somerville Park Early Childhood Education Centre 9869 7343

Westleigh 9875 1166

VISITOR INFORMATION CENTRE

Hornsby Park 9987 1809
(inside CWA building)

WASTE SERVICES

Thornleigh 9847 4856

YOUTH AND FAMILY CENTRE

Hornsby 9847 6585

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 the Manager, Administration Services on 9847 6608 or email hsc@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 and complaints handling policy are available in the policies section of the Corporate Documents page on Council's website 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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Act / General Regulation	Aspect	Reported within part
Section 428(1)	Completed by end November	1 - introduction
Section 428(2)(a)	Audited financial reports	5 - financial performance
Clause 132	Rates and charges written off	4 - legislative reporting
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Section 428(2)(e)	Summary of legal proceedings	4 - legislative reporting
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Clause 217(1)(a1)(i)-(viii)		
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Clause 217(1)(b)(i)-(v)	Senior staff total remuneration	4 - legislative reporting
Section 428(2)(h)(i)-(ii)	Contracts over \$150,000	4 - legislative reporting
Section 428(2)(i1)	Bushfire hazard reduction	3 - State of the Environment
Section 428(2)(j)	Multicultural programs	2 - principal activities
Section 428(2)(k)	Work on private land	4 - legislative reporting
Section 428(2)(l)	Contributions per section 356	4 - legislative reporting
Section 428(2)(m)	Human resources activities	1 - introduction
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Section 428(2)(r)	Such other information as the regulations may require	
Clause 217(1)(a)	Overseas visits	4 - legislative reporting
Clause 217(1)(c)	Children's programs	2 - principal activities
Clause 217(1)(d)(i)	Access and equity	1 - introduction
Clause 217(1)(d)(ii)	Category 1 business activities	5 - financial performance
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(vii) (ix)		
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Clause 217(1)(f)	<i>Companion Animals Act 1998</i> and <i>Companion Animal Regulation 1999</i>	4 - legislative reporting
Section 508(2) and section 508(A)	Special variation expenditure	5 - financial performance
Section 68 clause 10	<i>Freedom of Information Act 1989</i>	4 - legislative reporting
Section 33	<i>Privacy and Personal Information Protection Act 1998</i>	4 - legislative reporting
Section 93g(5)	<i>Environmental Planning and Assessment Act 1979</i>	3 - State of the environment
Section 428 (3)	Copy to the Minister	1 - introduction



Icy Pole Smile by Vicky Vincent
Third place in the People of Hornsby Shire Category of the 2009
Photographic Competition

PART A

Introduction

HORNSBY SHIRE COUNCIL ANNUAL REPORT AND SUSTAINABILITY REPORT 2008-09

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Introduction

In complying with the requirements identified in the *Local Government Act 1993*, Hornsby Shire Council presents this report identifying our achievements and challenges with respect to the objectives and performance targets set out in our 2008/09 - 2010/11 Management Plan.

For consistency, Hornsby Shire Council has again combined its Annual Report to the Department of Local Government with its Sustainability Report to provide a concise outline for the period 1 July 2008 to 30 June 2009.

This report has been written to the requirements identified in the Department of Local Government Circular 09-30 of 24 August 2009, document ID number A189196 in conjunction with the Checklist for Annual Reports provided on the website of the Division of Local Government's 'Local Government Reform Program - Promoting Better Practice' page.

This report has been prepared for the community and delivery to the Minister for Local Government (via the Department of Local Government) by 30 November 2009.

This report is segmented into five key parts:

1. Introduction

A brief overview of the achievements and challenges of Council's six divisions is presented.

2. Principal activities

Council's achievements are identified relative to the six themes developed by Council in its efforts towards creating a living environment.

3. State of the environment

Council's Sustainability Reporting requirements and related State of the Environment annual reporting requirements are presented in this part.

4. Legislative reporting requirements

The legislated reporting requirements that are not included in the narrative or financial parts of this document are addressed in this part.

5. Financial performance

Council's audited financial reports are in this part.

1. Message from Mayor

Dear resident,

It is hard to believe that it has almost been one year since the current Council was elected to office. The September 2008 local government elections saw five new Councillors elected as well as an ex-Councillor return to office. All bring a range of valuable skills and experience to the job and have made a difference in a number of areas since their election.

In October 2008, the Federal Government announced the creation of the Australian Council of Local Government. This coincided with an announcement of over \$800,000 for Council to expedite several infrastructure projects and a further \$2.5 million for the recycling of stormwater to irrigate three playing fields.

A great deal of progress has also been made in relation to Hornsby Quarry. Council won a significant case in the Supreme Court which saw ratepayers awarded a GST refund of \$2.3 million.

For the second time in 103 years, the keys to Hornsby Shire were presented, on this occasion, to the Hornsby RSL Sub-Branch in recognition of their outstanding service to the community.

In July, the Epping Traffic and Transport Lobbying Committee was formed with Parramatta City Council, and steps have been taken to collaborate with The Hills and Hawkesbury Councils to improve road and public transport infrastructure.

Council is pleased to be moving forward with a two-year trial of Closed Circuit Television (CCTV) in Hornsby Mall to help keep it a safe place for residents to shop, socialise and do business.

The public exhibition of the Hornsby Shire Housing Strategy has been extended until 17 July 2009 to provide residents with additional opportunities to provide feedback. The proposed strategy identifies opportunities to ensure an additional 2,600 dwellings will be provided over the next 10 years.

Everyone is looking forward to the launch of the new Hornsby and Ku-ring-gai Fire Control Centre at Cowan in time for what could be a challenging bush fire season.

Financial management is also on the agenda for Council to deal with the current financial climate and to plan for the future.

Council has worked hard to ensure the delivery of services and facilities is not greatly impeded by the difficult economic climate that is currently being experienced.

I look forward to seeing residents at one of the many exciting events that Hornsby Shire Council will be conducting in the months leading up to Christmas such as the Sunday Sessions and Movies Under the Stars.

Yours sincerely,



Nick Berman,
Mayor



2. Year in review - by division

2.1 Corporate and Community

Access and equity

Council adopted a Statement of Reconciliation which will appear on Council's website and be displayed in Council buildings and facilities throughout the Shire.

International Day of People with a disAbility was held in December and included an Auslan signage presentation with musical backing by students from Clarke Road Special School, Hornsby. After the performance, the school received an Access Award for services to children with a disability.

A Disability Discrimination Action Plan has been adopted by Council to implement changes to the built and sensory environment for people with a disability.

Council officers continue to participate in the Hornsby Homelessness Taskforce and recently submitted a grant application to the Mercy Foundation to further investigate the issue of homelessness within the Shire and explore possible solutions.

Over 200 people participated in Council's Over 55s Expo in August which was organised in partnership with Parramatta City Council.

The Hornsby and Ku-ring-gai Connectiveness Committee has been established with Ku-ring-gai Council to connect older people and people with

disabilities to services in the community which address social isolation.

Council's Home Modification and Maintenance Service received 800 referrals (requests for work) and completed 631 of them.

In October, the Northern Sydney Carer Support Service and Hornsby Shire Council celebrated and recognised the important work that carers do at Epping Leisure and Learning Centre.

Council's Pennant Hills and Hornsby Leisure and Learning Centres have had capital upgrades, including a new kitchen at Hornsby.

Council provided The Seniors' Aged Care Guide 2009 with other northern Sydney Councils and distributed the twenty first edition of the newsletter Mature Matters.

Fifty seven events took place as part of Council's Seniors Week month-long festival in March

The Hornsby community access bus is utilised most days of the week by a range of community groups to provide transport for people who are frail or aged or who are younger people with disabilities and their carers.

Council partnered with the Hornsby Aboriginal Community Network to host a NAIDOC (National Aboriginal and Islander Day Observance Committee) Week event in July that included a photographic presentation, Indigenous food, music, games and activities.

Youth

Council, with local service providers, is giving direct support to young people and their families at Hornsby Court to assist those who have never been to court before. Workers and volunteers direct young people to legal advice or refer them to local services to encourage positive integration and support with the view to preventing re-offending. Launched in September, funding for the project has been provided by the Federal Attorney General's National Community Crime Prevention Program. The patron of the project is Clifton Adolescent Family Solutions (CAFS), an initiative of Mission Australia.

Including and Involving Young People in Public Malls is a federally-funded Council project incorporating the production of art by local young people and the creation of a draft set of youth protocols for the Hornsby Mall. The intent is to emphasise the positive contribution that young people make to public space and to engage 'trouble makers' in a supportive way to encourages pro-social outcomes. In January, Music in the Mall attracted over 300 people and permanent sound equipment has since been installed in the mall as part of the project.

Council and the Roads and Traffic Authority (RTA) hosted 40 parents and young people at a Learner Driver Workshop in August to educate parents and teenagers about the processes of getting a drivers' licence and to provide support for parents regarding the issues created when teaching children to drive.

In July and August, Council, with the Department of Education and Training, ran workshops in relaxation and stress management for more than 100 Year 12 students preparing for the Higher School Certificate.

Hornsby Shire parents attended two free one-day seminars at The Manly Drug Education and Counselling Centre to discuss drug and alcohol issues, work out strategies to improve communication with their children and develop their own support networks with other parents. This project was an initiative of the Hornsby Community Drug Action Team.

For the first time, Council operated a Youth Week grant program with funding received from the Department of Community Services. A ranking committee, made up of 15 young people and three Council representatives, decided which groups should receive funding and how much each should receive. A total of 12 events took place during Youth Week 2009 including a 'rock the block' band competition that attracted over 500 young people.

Council's Youth Services Team has continued to provide a program for local same sex attracted young people aged 15 to 24 via free educational and fun workshops in partnership with Twenty10. Over 250 young people have participated in the program which includes dinners out, movie nights, games nights, trivia nights, guest speakers and more.

2.2 Environment Division

Domestic waste diversions

Domestic waste collections recorded a 54 percent diversion from landfill (to re-use and recycling) and provided two e-waste and chemical collection events resulting in 66 tonnes of e-waste and 65 tonnes of chemicals being removed from the waste stream.

Clothing Exchange program

A fun event to reduce, re-use and recycle fashion where clothing items are swapped for tokens which are in turn exchanged for another participant's clothes was held in April. Over 140 women attended the event which was undertaken in partnership with Anglicare. Surveys indicated that 59 percent of guests acquired positive messages about recycling with 97 percent indicating they would share these recycling and re-use messages with family, friends and neighbours.



Clothing Exchange

Recycled art competition

Returned to Glory was an art competition and exhibition where Council collaborated with Hornsby Art Society to invite local artists to submit work which demonstrated the concept of resource recovery. A total of 49 entries were received across the five categories of 3D/sculpture art, functional art, wearable art, mixed media and junior art (ages up to 18 years) and prizes were awarded.

Over 700 people visited the exhibition which was held in June to coincide with World Environment Day. A photographic exhibition (of the artworks) has also been developed and will be shown in Hornsby Library.



Returned to Glory Recycled Art Competition entrant Ulric Steiner

2.3 General Manager's Division

Council provides numerous events across the Shire to acknowledge the area's diversity and build community harmony while nurturing community pride and a sense of belonging. Council's events showcase community talent and celebrate what the Shire has to offer. Events are fun, free (or at small cost), accessible by residents of the Shire and contribute to the positive image of Hornsby Shire.

The major annual events of 2008/09 were:

Photo Competition May 2008 and June 2009 - showcased the photographic talent of the Shire's residents whilst demonstrating the beauty of the Shire. There were 144 entries in 2009, down on the previous year where 210 entries were received.

Knit in July 2008 - at Hornsby Library where over 100 keen residents knitted squares for the charity 'Wrapped with Love'. This event has seen an increase in the number of knitted squares donated and an increase in participants in library-run knitting groups.

Great Debate August 2008 - a free competition for local high schools to compete against each other over five days in Council Chambers. Unfortunately, participation in this Shire-wide event has decreased steadily over the last five years. This year's winner was Barker College with Normanhurst Boys the runner-up.



2009 Photo Competition 1st place - *Street Scene Hornsby* by Francis Keogh

Country and Garden Fair September 2008 - Council's largest free event for the community. Held at Fagan Park, this year's event promoted a family-friendly focus with a Dorothy the Dinosaur live shows and additional activities, entertainment and market stalls on the day. Attendance increased from 5,000 in 2007 to 7,000 in 2008.

Garden Competition September 2008 - participation in this Shire-wide event continued to decrease this year with only 39 gardens entered. Wet weather slowed the judging process where the three chauffeured judges took approximately 27 hours to visit the 39 gardens from Dangar Island to North Epping to Glenorie.

OneWorld Multicultural Festival November 2008 - a free event which featured multicultural dance and music performances, international cuisine and community information stalls. Historically, a Friday evening event, this year it was moved to Saturday evening which resulted in an increase in the number of stall holders and attendees. Approximately 2,000 residents enjoyed the celebration.

Christmas Cheer December 2008 - a free event to showcase homes that display Christmas cheer via house and garden decorations. Households that entered were eligible to win family movie passes and addresses were published in local newspapers and on Council's website so the community could go and view the displays.



Free Australia Day celebrations at Koala Park

Australia Day January 2009 - numerous free activities were held for community members across the Shire. Council gave residents free entry to the iconic Koala Park in West Pennant Hills as well as free entry to Hornsby Pool. There were sausage sizzles, jumping castles, face painting and more at Hornsby Park and Hornsby Mall while the historic Netherby Homestead and rural museums were open at Fagan Park, Galston.

Citizen of the Year and Young Citizen of the Year January 2009 - An event at Pennant Hills Community Centre as part of Council's Australia Day Citizenship Ceremony where Joshua McBeath was awarded Young Citizen of the Year, while Bill Bradley and Wendy Escott shared the Citizen of the Year award.



Movies under the Stars

Movies under the Stars February and March 2009 - four G-rated movies were shown for free on large outdoor screens at parks across the Shire. This year, Alvin and the Chipmunk characters met the audience at Asquith Park and, despite the wet weather, the Youth Zones, with activities for teenagers, proved popular.

Monthly citizenship ceremonies Monthly-Citizenship ceremonies are held at Pennant Hills Community Centre. On average, 100 new citizens and their families participate in the one and a half hour ceremony each month.

Media and advertising

Over 120 unique press releases were distributed to local, metropolitan and specialist media this year in addition to:

Mayor's columns in

- *Hills News* (weekly)
- *The Bush Telegraph* (fortnightly)

- *Hornsby and Upper North Shore Advocate* (monthly)
- *Northern District Times* (monthly)
- *Hills Rural News* (monthly)
- *Dooral Roundup* (monthly)
- *Bushland Buzz* (monthly)
- *The Glenorian* (monthly)
- *Epping Civic Trust Newsletter* (monthly)
- *Living Heritage* (monthly)

- Over 100 media statements (responses to journalists questions)
- Over 220 unique display advertisements in local newspapers
- Weekly Council column advertisements in
 - *Hornsby Advocate*
 - *Northern District Times*
 - *Hills News*
- *Bushland Shire News* (four editions per annum)
- Annual Report to the Community distributed with the rates notices and via Council venues across the Shire
- Over 220 new resident's kits were distributed this year

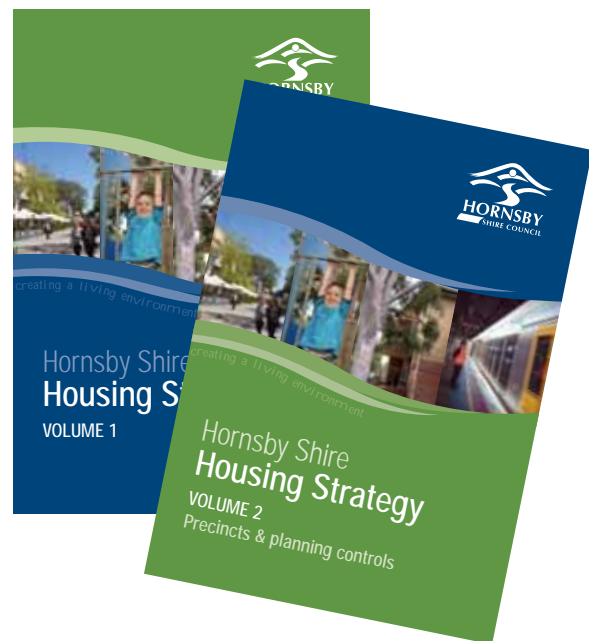
2.4 Planning Division

Town planning

In 2008/09 Council exhibited two major planning studies which were prepared to assist meet employment and housing obligations into the future. The Ku-ring-gai and Hornsby Subregional Employment Study assessed the 'supply side' of the region's employment lands and the 'demand side' needed to meet the State Government target of 9,000 new jobs in the Hornsby local government area by 2031. The Study concluded that there is sufficient capacity within Council's employment lands to meet employment targets without the need to rezone additional lands. However, some amendments to planning controls are required to facilitate the promotion of the areas as a place to live and work.

The Hornsby Shire Housing Strategy identifies potential precincts suitable for rezoning to permit multi-unit housing to assist meet the State Government target of 11,000 additional dwellings in Hornsby Shire by 2031. Twenty-five potential precincts in close proximity to shops and transport are identified in the Strategy. The exhibition of the Housing Strategy resulted in approximately 1,600 public submissions which will assist Council in making a decision concerning the progression of the Strategy and any amendments required.

Council has progressed well in the drafting of new planning controls in accordance with the State Government's Standard Instrument Local Environmental Plan (LEP). Council's draft Comprehensive LEP was expected to be exhibited in 2010 and submitted to the State Government for finalisation in 2011; however, revised timeframes have been announced by the Department of Planning. Council will continue to work with the Department of Planning to progress the new planning controls based on revised timeframes. In the interim, strategic studies will be implemented through the existing LEP.



The Housing Strategy

Volume 1 : Process and methodology for precinct identification
Volume 2 : Precincts, key principles, housing form, yield and draft 5 storey controls



Interactive CD of the Strategy

Available to the community upon request.

2.5 Strategy Division

Corporate Strategy Branch

The primary purpose of this branch is to ensure that Hornsby Shire Council is a strategy-driven organisation which works to determine and respond to the changing needs of the people of Hornsby. To do this, the branch needs both an internal and external focus.

Corporate projects undertaken in 2008/09 include implementing an internal performance reporting system, developing compliance plans to minimise risk for some Council operations such as the aquatic centres, and commencing integrated planning and reporting.

The branch also continued its focus on engaging the community to inform organisational decisions via surveys and focus groups. A large community research project was undertaken to gauge community opinion on a range of topics. The results of this major consultation project are available from the corporate documents section of Council's website.

Economic development activities undertaken in the year included preliminary work on reviewing Council's Section 94 Developer Contributions Plan and progressing the compulsory acquisition of four parcels of land in Beecroft. Further, landscape and footpath improvements at Hornsby Westside and Epping were planned and implemented in consultation with local businesses, and an Outdoor Dining Code was developed to stimulate economic activity in those areas.

Human Resources Branch

The Human Resources (HR) Branch aims to assist the organisation in the achievement of its strategic objectives through the provision of professional services and support systems. These services and systems enable the organisation's managers and team leaders to effectively and efficiently lead and manage their people. The branch also aims to be customer focused and is organised into four teams that enable HR staff to concentrate on achieving specific outcomes in particular HR discipline specialities. The teams are:

- Learning and Development
- Occupational Health and Safety
- Payroll Services
- Human Resources Administration

Led by the Manager, Human Resources, the Human Resources Branch has also worked with management and staff to achieve continuous improvement in the various policies, systems and procedures that underpin good leadership and people management.

Strategy development

While the Branch works predominately at the administrative and operational levels of HR management, significant effort at the strategic level has been undertaken by branch staff over the reporting year. A five year Human Resources Strategic Plan was approved in late 2008 and implementation of various strategic improvement actions commenced across the remainder of the 2008/09 year. Key among those actions was a comprehensive, independent review of Council's remuneration and reward systems, as well as a review of Council's recruitment and selection policies and procedures.

Workplace relations

The environment within Hornsby Shire Council continues to be a harmonious one, where staff, management and unions have worked hard to maintain a positive working relationship. The HR branch has continued to be diligent in keeping abreast of the potential industrial implications arising from the internal and external environments, and advising the organisation accordingly. These implications remain at the forefront of strategic HR planning.

There has been no time lost due to industrial disputation in the reporting year.

Work experience

Work experience was supported by placement of 13 work experience students from TAFE and local high schools throughout Council's various divisions. Council has again been recognised for its support for the vocational education of local high school students by the Hills Schools Industry Partnership Program.

Equal Employment Opportunity

In 2008/09, the Equal Employment Opportunity (EEO) Committee's primary task was to review its constitution and continue to implement actions identified within its EEO Management Plan.

A key focus this financial year was undertaking disability awareness training for staff.

2.6 Works Division

Global financial stress in 2008/09 impacted local government operations as Council's own budget funding position came under pressure and Council's workforce was extended due to unexpected Federal Government economic stimulus packages which delivered funding for 'shovel-ready' projects to be completed in strict conditions and short timeframes.

Several major structures in the Shire, predominantly the Hornsby Aquatic Centre and the pedestrian overbridge in Hornsby, caused concern with urgent remedial work being required to ensure public safety and to maximise the effective life of critical public assets. It will be necessary for Council to replace both of these significant structures in the very near future. Funding options for replacement of these items will be investigated during 2009/10.

Council's Asset Maintenance Programs and its Building, Footpath and Local Roads Improvement Programs were generally maintained at traditional levels while critical review of expenditures in all areas allowed modest budget savings to be realised without reduction of services.

Investigations continued in relation to rising water levels, embankment stability and future uses of the former CSR Quarry in Old Mans Valley, Hornsby.



Improvements were undertaken to Coronation Street, Hornsby

3. Highlights of the year

Waste Management Services' Waste and Sustainability Centre

Council obtained a property in Thornleigh's industrial area for future use as shopfront for residents to obtain advice about waste management issues including developments, how to recycle, drop off for selected household items and information about re-use or disposal of household waste. The centre will also host workshops on home composting, worm farming and other waste avoidance and re-use initiatives. It is proposed that the centre will operate after normal business hours and at least one Saturday per month to be more accessible to working residents.

Human Resources

Although much of 2008/09 focused on service delivery and the finalisation of the HR Strategic Plan for Council, the branch also achieved other successes including an increase in internal training capability to approximately 90 percent of staff; implementation of a reasonable suspicion process for Alcohol and Other Drugs in the Workplace; provision of a one day Health Fair for Council staff, Wellness in an Hour Day; and development of an OH&S risk assessment and management training DVD and associated training package which was co-funded by Council's industry based insurer, StateCover.

Spring into Arts 2008

Spring into Arts was a pilot arts marketing project initiated by Hornsby Shire Council in 2008.

Consultation with the arts and cultural community in Hornsby Shire revealed that, while there were significant community arts and cultural activities, there were limited marketing and promotion of these activities. The Spring into Arts showcase calendar looked to connect the creators to a Shire-wide audience. The A3 poster with a calendar of events on one side and event details on the other, was distributed to over 45,000 households across the Hornsby Shire with their rates instalment notice.

4. The Shire of Hornsby

Hornsby Shire has over 156,000 residents and is located in Sydney's northern suburbs - about 25 kilometres from the Sydney GPO. Hornsby Shire is bounded by Gosford City and the Hawkesbury River in the north and north-east, Cowan Creek in the east, the Ku-ring-gai Council area, the City of Ryde and Parramatta City in the south and The Hills Shire in the west.

Hornsby Shire includes the suburbs and rural localities of Arcadia, Asquith, Beecroft, Berowra, Berowra Creek, Berowra Heights, Berowra Waters, Berrilee, Brooklyn, Canoelands, Carlingford (part), Castle Hill (part), Cheltenham, Cherrybrook, Cowan, Dangar Island, Dural (part), Epping (part), Epping North, Fiddletown, Forest Glen, Galston, Glenhaven (part), Glenorie (part), Hornsby, Hornsby Heights, Laughtondale, Maroota (part), Middle Dural (part), Milsons Passage, Mount Colah, Mount Kuring-gai, Normanhurst, Pennant Hills, Singletons Mill, Thornleigh, Wahroonga (part), Waitara, Westleigh, West Pennant Hills (part) and Wisemans Ferry (part).

Hornsby Shire is a predominantly rural and residential area, with some commercial and industrial land use. Hornsby Shire encompasses a total land area of 510 square kilometres, of which two-thirds is national park and reserves. Most of the land in the northern section is rural. The Shire has three major centres, with Hornsby being the major centre and Epping and Pennant Hills being secondary centres. There are also many suburbs, villages, islands and river communities. Most residential areas are established suburbs, except for Castle Hill, Cherrybrook and Dural, which have developed in more recent decades.

Hornsby is named after Police Constable Samuel Horne.

The Aboriginal heritage of the Hornsby Shire region was at least 15,000 to 20,000 years old by the time European settlers arrived in 1788. The local tribes were the Ku-ring-gai and Darug people, who called the Hawkesbury River 'Vhen Ruphen'.

Many of the place names in Hornsby Shire are derived from Aboriginal words. It was Sir Henry Copeland who named Ku-ring-gai Chase after one of the local tribes, while 'chase is an English word meaning an enclosed land where animals are kept for hunting.

Geologically, the Shire is located on the Hornsby Plateau which rises from the south to its highest point at Cowan. The Plateau is cut by steep gullies and has several drowned valleys, such as Berowra and Cowan Creeks.

About 10 percent of the Shire is zoned and used for urban development, 14.6 percent for rural purposes, 4.8 percent for open space, and the remainder is national park or nature reserve.

The Bushland Shire is also the Cyberspace Shire, as revealed in census figures from the Australian Bureau of Statistics. These figures from 2006 show that about 51 percent of people in the Shire use the Internet, which is much higher than the national average of 36 percent. The use of a home computer was also above the national rate - 56 percent in the Shire compared to the Australian average of 48.6 percent.

5. Hornsby Shire Council

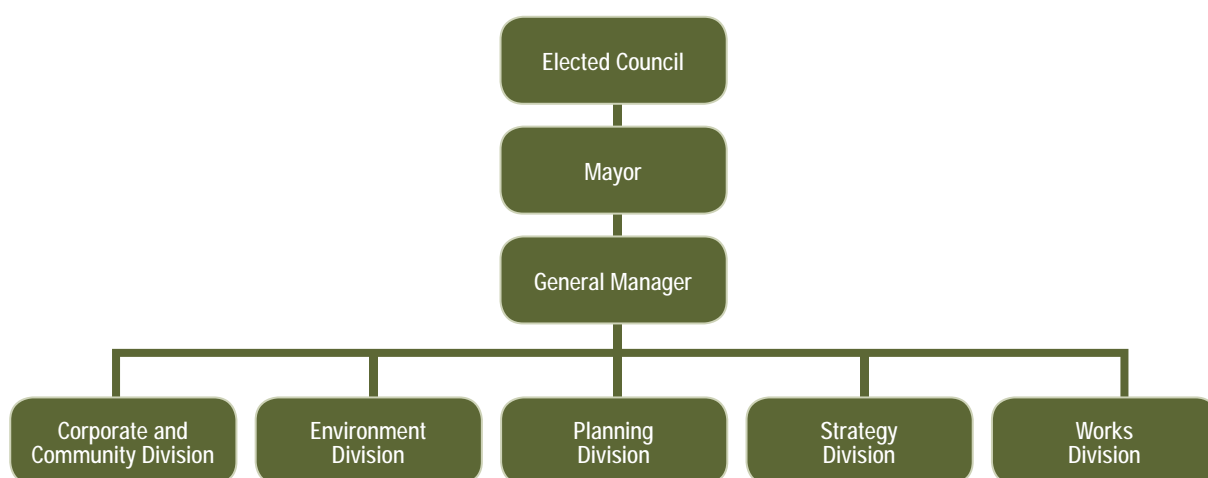
The elected Council for Hornsby Shire consists of ten Councillors comprising a popularly elected Mayor and three Councillors representing each of the three wards. The Councillor's role is to direct and control the affairs of Council according to the *Local Government Act 1993* and other relevant legislation. Councillors are elected to represent the interests of residents and ratepayers, provide leadership and guidance to the community and encourage communication between Council and the community. The Mayor presides at Council meetings and is the public face of Council.

Hornsby Shire Council is managed by an executive team led by the General Manager. Five executive managers support the General Manager and it is their role to manage the divisions:

- Corporate and Community
- Environment
- Planning
- Strategy
- Works

The Management Plan documents Council's principal instruction to its organisation and is aligned to the six themes developed by Council in order to continue its efforts towards creating a living environment. The strategic themes are:

1. Working with our community
2. Conserving our natural environment
3. Contributing to community development through sustainable facilities and services
4. Fulfilling our community's vision in planning for the future of the Shire
5. Supporting our diverse economy
6. Maintaining sound corporate and financial management

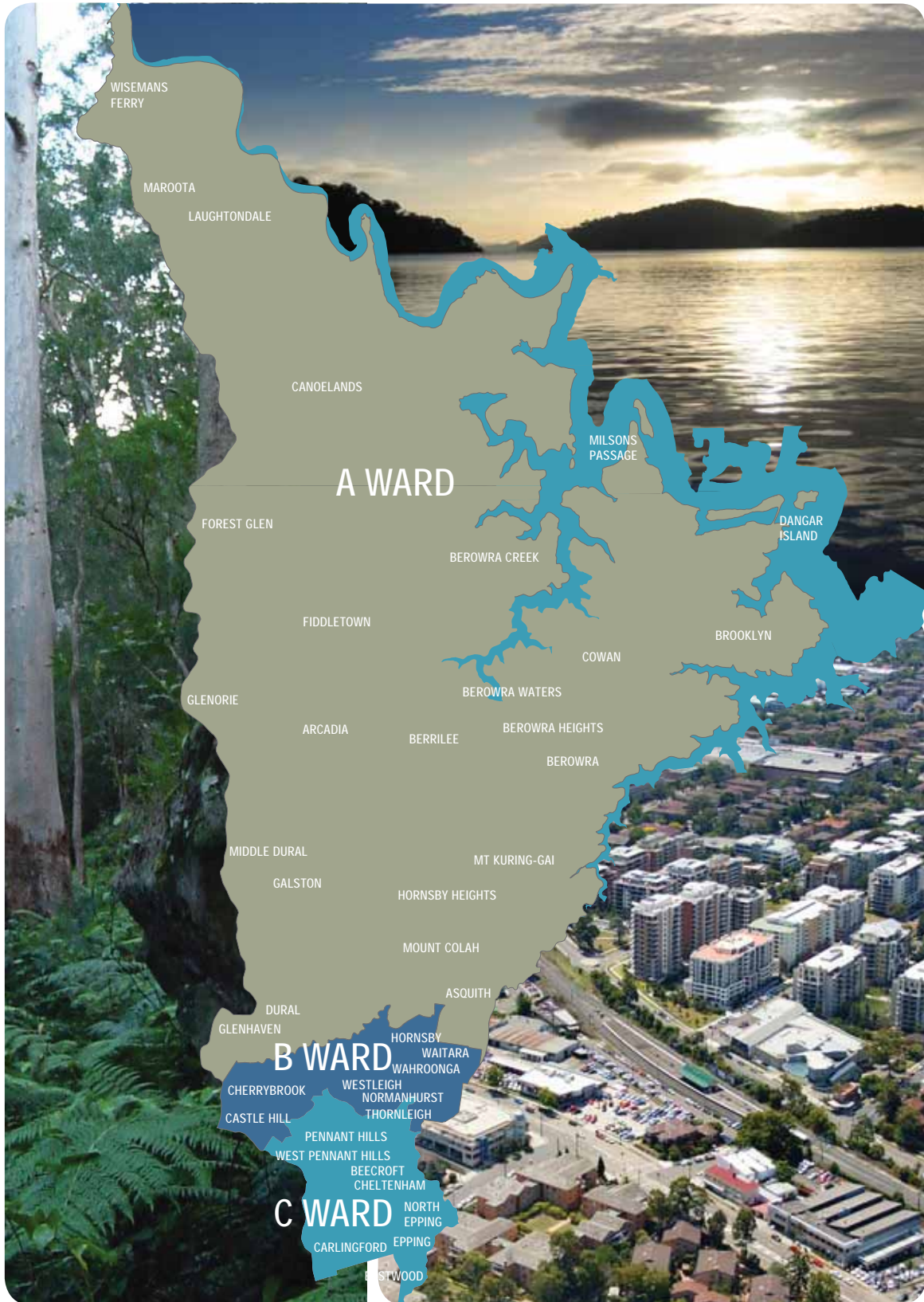


Roles and responsibilities of Hornsby Shire Council

Hornsby Shire Council provides various services to the residents, ratepayers and visitors to the Shire, including:

- Planning and managing the urban environment
- Managing the bushland
- Creating local habitats
- Providing environmental and waste education
- Collecting residential and commercial waste
- Providing a recycling service
- Responding to pollution incidents
- Prosecuting polluters
- Sweeping the streets
- Planting trees and eliminating noxious weeds
- Monitoring water quality
- Preserving heritage sites
- Inspecting food premises
- Assisting State Emergency Services
- Providing grants to community organisations
- Celebrating Australia Day
- Holding community events such as the Country and Garden Fair and multicultural festival, OneWorld
- Providing community safety programs
- Controlling the keeping of companion animals
- Assisting local organisations and committees
- Building and maintaining local roads and footpaths
- Providing street signs
- Renewing residential and commercial areas
- Providing and maintaining parks and sportsgrounds
- Building skateparks
- Providing playgrounds
- Providing and operating aquatic centres
- Providing and operating an indoor sports facility
- Providing bicycle routes
- Providing local libraries
- Lending books, CDs and other information
- Providing community centres
- Listening to community views
- Advocating for, and on behalf of, the community
- Holding citizenship ceremonies
- Providing civics education for schools
- Managing community assets
- Planning for the future of the Shire
- Providing child care
- Building and maintaining recreation facilities
- Maintaining stormwater pipes and pits
- Delivering road safety education to schools
- Enabling equitable access to local parking
- Responding to significant local emergencies
- Providing services for seniors, young people and those with a disability
- Acting to impound abandoned vehicles

6. Wards and Councillors



A Ward Councillors

A Ward consists of the following suburbs: Arcadia, Asquith*, Berrilee, Berowra, Brooklyn, Canoelands, Castle Hill*, Cowan, Dangar Island, Dural*, Fiddletown, Forest Glen, Galston, Glenhaven*, Glenorie, Hornsby*, Hornsby Heights, Laughtondale, Maroota, Middle Dural, Mt Colah, Mt Kuring-gai, Singletons Mill, Wahroonga*, Waitara*, Wiseman's Ferry (*Ward boundaries pass through these suburbs, meaning they belong to more than one ward).



Cr Wendy McMurdo, Cr Steve Russell, Cr Mick Smart

6.1 A Ward

Cr Wendy McMurdo

Wendy McMurdo was elected as a Greens representative to Hornsby Shire Council in March 2004. As a member of the NSW Greens, she supports the principles of social justice and equity, ecological sustainability and grassroots democracy. Since her election Wendy has promoted strong links between the community and Council, and strongly supported Council's sustainability initiatives, in particular through her work as Chair of the Brooklyn and Berowra Creek Estuary Management Committees and the Bushland Management Advisory Committee, and as a member of the Sustainable Action Committee. She also represents Hornsby residents on the Sydney Coastal Councils Group and the Local Government Advisory Group, and has been elected to the Executive of both groups. Wendy looks forward to continuing to work closely with the community, particularly on issues of sustainability and climate change adaptation.

Cr Steve Russell

Steve Russell has lived in and around Hornsby Shire for over 30 years and is employed in a senior managerial role after selling his business of 26 years in 2000. He was elected to Hornsby Shire Council in 1999 and served until 2004. During his earlier time

on Council he was instrumental in having the septic tank licence fee abolished. He lobbied Sydney Water to have Galston, Glenorie, Brooklyn and Cowan moved up their priority lists for connection to mains sewerage. Brooklyn is now completed but Galston, Glenorie and Cowan have slipped back down the list. He vows to continue this fight. Steve is a great advocate for the rural area and the many sporting clubs in the Shire. He believes there is an urgent need for workable plans for Hornsby Westside and Berowra Pool and will work toward developing them.

Cr Mick Smart

Mick Smart has lived in the Hornsby Shire for the over 18 years. He and his wife, Helen, live in Berowra Heights with their two sons, who are aged seven and nine. Mick has run Berowra Pool Shop since 2001 and has been an active member of Apex. In recent years he has been involved in the running of the Berowra Woodchop, one of the Shire's major annual events. Mick chose to run for Council to improve facilities within the Shire. He is looking to work with residents and Council to develop real solutions to the community's problems. He believes it is possible to make achievable goals and see them through. Mick believes his experience in the pool industry will be of great benefit in seeing Council deliver a pool for Berowra.

B Ward Councillors

B Ward consists of the following suburbs: Asquith*, Castle Hill*, Cherrybrook*, Dural*, Glenhaven*, Hornsby*, Normanhurst*, Pennant Hills*, Thornleigh*, Wahroonga*, Waitara*, Westleigh (*Ward boundaries pass through these suburbs, meaning they belong to more than one ward).



Cr Dilip Chopra, Cr Steve Evans, Cr Bruce Mills

6.2 B Ward

Cr Dilip Chopra

Dilip Chopra was born and educated in Delhi before working as a gemologist. He arrived in Australia in 1988 and has lived in Hornsby since 2001. Dilip is the joint treasurer of the United Indian Association (UIA), Vice-President elect of the Hornsby Indian Seniors Group and is a committee member of the Hornsby Shire Seniors Advisory Committee. Dilip chose to run for Council to build on the hard work and achievements of the former Council. He believes Council should continue to support small business – a critical course of action in generating local employment. Dilip is a supporter of multiculturalism, which he believes greatly adds to the rich culture of the Hornsby Shire. He also believes Council must continue to work with the community in meeting residential housing targets to ensure that the quality of life is preserved in Hornsby Shire.

Cr Steve Evans

Steve Evans, a resident of Hornsby Shire for over 50 years, was elected as a Councillor in March 2004 and was elected Deputy Mayor in March 2007. He resides in Westleigh and is a member of Hornsby and District Chamber of Commerce and Industry, Cherrybrook Victory Christian Church and

the Westleigh Progress Association. Steve plans to continue to work for the best outcomes on major projects such as Hornsby Quarry, the Housing and Employment strategies and sensible development of Hornsby Westside. He will continue to pursue the maintenance of Council's high level of sound financial management. He also supports and promotes water conservation and hopes to work towards a more transparent Council.

Cr Bruce Mills

Bruce Mills lives in Cherrybrook and is married with three children. Bruce holds degrees in Economics and Law, as well as a Master of Commerce, and has held a variety of senior management roles in multinational firms. Bruce feels privileged to represent B Ward, which he sees as the economic engine of Hornsby Shire, given its mix of the Hornsby CBD, commercial areas and the road and rail transport interface between the rest of the metropolitan area and the northern approaches to Sydney. Councillor Mills is looking forward to addressing the need of Hornsby Shire's working families for an integrated housing, employment and local transport strategy that maximises the opportunities in B Ward for local jobs, delivers community recreation and sporting facilities, and encourages the establishment of sustainable transport solutions.

C Ward Councillors

C Ward consists of the following suburbs: Beecroft, Carlingford, Cheltenham, Cherrybrook*, Eastwood, Epping, Normanhurst*, North Epping, Pennant Hills*, Thornleigh*, West Pennant Hills (*Ward boundaries pass through these suburbs, meaning they belong to more than one ward).



Cr Robert Browne, Cr Michael Hutchence, Cr Andrew Martin

6.3 C Ward

Cr Robert Browne

Robert Browne was born locally and has lived in our Shire for most of his life. He has lived in C Ward for over 25 years and has served our community in various capacities for more than 20 years. Robert was first elected to Council in 1999 and served as Mayor from 1999 to 2000. During his time on Council, Robert has been an active chair and member of many important committees particularly in the areas of environment and sustainability, development, heritage, roads and transport, employment and infrastructure facilities. Robert strongly believes in the development of a long term vision for our Shire through greater emphasis on forward planning within the framework of a sustainable future. His priorities for this term are many but the most challenging include Council's Housing and Employment Strategies, Hornsby Quarry, Pennant Hills Road and the planning for more community, cultural and sporting facilities.

Cr Michael Hutchence

Michael Hutchence has been a resident of Hornsby Shire for over 21 years. He has been educated locally in Carlingford and at Hornsby and is currently studying Business Management at Macquarie University. After several years in the pharmaceutical industry, Michael chose to pursue his passion for technology and telecommunications by setting up an information technology and telecommunications consultancy business. This business is now successfully servicing clients around the country.

Having worked in business from a young age, Michael has developed the organisational and personal skills required to deal with multiple and complex tasks systematically and efficiently. Michael's sense of social responsibility is reflected in his desire to make a difference in local government by listening to what people want for their community and translating those wishes into action. Michael is looking forward to working with the team of Councillors and helping Hornsby Shire Council to operate as an organisation that truly reflects the community it represents.

Cr Andrew Martin

Andrew Martin came to Australia from the UK in 1996. In the UK he was involved with local community and environmental issues. He has recently moved to the Hornsby area and lives with his wife in Beecroft. Andrew graduated from Swansea University in Wales in 1986 with a Bachelor of Science (Computer Science). He has spent 20 years working in the IT industry. A member of the Greens NSW since 2000, Andrew currently works as the administrator of the party's finances and membership. Andrew's priorities as a Councillor are to set clear boundaries for metropolitan areas, taking into account urban infrastructure (particularly public transport), quality of life, the unique topography of the Sydney Basin, the need to retain agricultural land and resist its redevelopment and the importance of localised food production. Andrew also recognises the importance of arts and music in the community and the role that Council can play in promoting them.



PART B

Principal activities

HORNSBY SHIRE COUNCIL ANNUAL REPORT AND SUSTAINABILITY REPORT 2008-2009

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Principal activites

To report in accordance with the *Local Government Act 1993 section 428(b)*, following is a comparison of actual performance against projected performance of Council's principal activities.

Performance in this part is categorised in accordance with the operational response in Council's Management Plan 2008/9 - 2010/11 where the actions, initiatives and achievements are aligned to Council's six strategic themes:

- | | |
|--|---|
| 1. Working with our community | 5. Supporting our diverse economy |
| 2. Conserving our natural environment | 6. maintaining sound corporate and financial management |
| 3. Contributing to community development through sustainable facilities and services | |
| 4. Fulfilling our community's vision in planning for the future of the Shire | |

Hornsby Shire Council is committed to creating a living environment for residents, ratepayers and visitors to the Shire.



1. Working with our community

1.1 Works

Council's Works Division undertook extensive community consultation in developing and implementing the upgrading of several streets in the Hornsby CBD West Side.

1.2 Bushcare

This year marks 20 years of Hornsby Bushcare, a program that has been recognised as one of the Top 25 Australasian Ecological Restoration Projects by the Global Restoration Network. Council's Bushland and Biodiversity team attained the National Trust Heritage Award for its Bar Island conservation work, helped 125 residents plant 1,110 trees across three National Tree Day sites, and helped plant 550 plants at 21 schools for Schools National Tree Day.

Council's Bushland and Biodiversity team hosted numerous community events for over 1,089 participants in addition to training 213 people at Bushcode workshops, giving away 4,255 plants at community open days, educating 150 people at the annual Bushcare workshop, teaching 52 participants at two Gardens for Wildlife workshops and producing 40,401 plants at Council's Community Nursery using 2,636 hours of volunteer time.

Bushcare activities were provided to 110 Glenorie Public School students and 12 interpretative signs were prepared regarding the Turpentine-Ironbark Forest for Glenorie Public School, Cherrybrook Technology High School, John Purchase Public School (Cherrybrook), Thornleigh West Public School, Waitara Public School and Clarke Road Special School (Hornsby).



National Tree Day at Cheltenham Oval

1.3 Youth

Council's Youth Services Team and Environment Division ran programs at Galston's newly launched skate park to increase positive engagement with young people. Since doing so, anti-social behaviour has reduced dramatically.



Galston Skate Park (Photo credit: Darran Franks)

1.4 Corporate and community

A selection of events, services and initiatives offered by Council's Corporate and Community Division this year included the:

- Adoption of the Disability Discrimination Action Plan
- Provision of Live Life! activities for Seniors' Week
- Distribution of a draft set of youth protocols for the Hornsby Mall
- Establishment of a Youth Week Ranking Committee to distribute funding
- Adoption of Council's first Cultural Plan

1.5 Encouraging cultural diversity

Council officers continue to support and attend meetings of the Northern Sydney Region Chinese Community Network (NSRCCN). A local Mandarin-speaking seniors' group was formed that currently meet twice a week. Council officers attend NSRCCN meetings, visit seniors' groups and provide information about funding opportunities and activities.

Over 30 Mandarin-speaking seniors participated in a multicultural morning tea organised by Council. The event, designed to create a relaxed environment for Mandarin-speaking seniors to access information and make connections with each other, featured guest speakers from the Department of Health and information stalls.

Council officers also presented information about Hornsby Shire Council at a session organised by the Cherrybrook Chinese Community Association to target new migrants and help them understand Council's structure and the services provided to the community.

Council organised workshops for culturally and linguistically diverse groups about preparing grant applications for Council's Community Donations Program. The workshops also provided an opportunity to learn about the Translating and Interpreting Service and Community Development Support Expenditure funding. Local groups representing Chinese, Korean, Iranian, Indian, Spanish, and south eastern Asian communities attended.

The Federal Government recently announced a new initiative titled Diverse Australia Program - Everyone Belongs to replace the previous Harmony Day Program. To promote cultural diversity and inclusive communities, Council organised the distribution of resources about the program and an information display at Hornsby Library. The resources included fact sheets on anti-discrimination and brochures about the Anti-Discrimination Board. These brochures were available in multiple languages.

To celebrate Refugee Week, Council, with Aknoon Persian Cultural Group and Kuring-gai Local Area Command of NSW Police Force, organised an event to raise the awareness of issues associated with the refugee community in Hornsby Shire. More than 200 people attended and enjoyed a diverse array of entertainment.

1.6 Settlement Services Program

Hornsby Shire Council provides a Settlement Services Program that offers support to new migrants. Since December 2008, the project has assisted over 100 people to learn about Australian culture through workshops, cooking demonstrations and information sessions.

1.7 Providing for the needs of children

Council continues to own and operate five long-day care centres located at Hornsby, Asquith, Westleigh, Eastwood and Cherrybrook. The centres provide care and education 51 weeks of the year to children aged from six weeks to six years old. The centres maintain a state licence from the Department of Community Services and Federal Accreditation rating.

The centres are licensed to provide care and education to 231 children daily with approximately 396 families enrolled throughout Council's centres weekly. The centres provide support to families through parenting programs, resources, libraries and individual support and advice on their children's developmental needs and issues.

Council childcare centres provide care to 6 children with high ongoing support needs. These children are supported in care through additional staffing support and funding provided by both state and federal governments.

In 2009, Council closed a 40 place childcare centre in the Cherrybrook area and reopened a new larger 68 place centre within the area. Council transitioned approximately 65 families to the new centre and enrolled an additional 37 new families. Fifteen extra staff were recruited for the new centre which is located adjacent to Council's Cherrybrook Community and Cultural Facility.

In addition to the new childcare facility, the complex was refurbished and extended to provide an additional space for Cherrybrook Chinese Community Group.

1.8 Child Protection Week

Council, in partnership with the Ku-ring-gai Local Area Command of the NSW Police Force and the Hornsby/Waitara Community Hub, organised a Children's Health and Safety Information Night as part of National Child Protection Week. Guest speakers from Kidsafe, the NSW Police Force, the NSW Fire Brigade and the Department of Community Services presented information on home and playground safety, road safety and child/parent relationships. Families, including parents, grandparents, carers and expecting parents, attended the event which was held at Council's Youth and Family Centre in Hornsby.

Also during Child Protection Week, an information display board was set up at Hornsby Library to educate families about child protection issues and local services for children.

1.9 Children and Family Services Directory

The Hornsby Shire Council Children and Family Services Directory has been updated for 2008/2009. This directory is available on Council's website and serves as a resource for service providers and the community to assist in locating appropriate services.

1.10 Positive Parenting Program

Hornsby Shire Council, in partnership with the Child and Adolescent Parenting Program of the Northern Sydney and Central Coast Area Health Service, organised a series of parenting programs titled the Positive Parenting Program. The programs consisted of seminars with each seminar focusing on different topics. The topics were core principles of positive parenting, instilling confidence in children and raising competent and resilient children. The programs were designed to assist parents and carers to learn positive ways of promoting their child's development. The seminars also provided a supportive environment for parents and carers to discuss issues and concerns related to parenting. Over 200 parents and carers attended each of the three seminars.

1.11 Anti-bullying workshop

Hornsby Shire Council, in partnership with the Child and Adolescent Parenting Program of the Northern Sydney and Central Coast Area Health Service, organised anti-bullying training for local parents and carers. Topics included: how to identify bullying behaviour, how bullying affects children and strategies for helping the children who have been bullied or who are exhibiting bullying behaviour. The training was designed to assist parents and carers to deal with bullying as well as providing an opportunity for parents to discuss the issues involved. The workshop was fully booked and attended by over 30 local residents who provided positive feedback.

2. Conserving our natural environment

2.1 Bushland and biodiversity

Council's Bushland and Biodiversity team conducted wetland restoration of Crown land at One Tree Reach, Wisemans Ferry under the Tide to Table grant. This improved vegetation, enhanced water quality and enriched biodiversity. Work included restoration of the bushland, fencing and re-vegetation to filter the wetland. Council officers and consultants also surveyed over 50 species of native fauna including 35 species of birds and three threatened bats.

Ninety hectares of bushland was restored this year by 850 Bushcarers who volunteered 28,000 hours. 120 hectares of bush was regeneration across 60 sites in the Shire by contract labour. The second edition of native plant and weeds Look-alikes booklet was published and fox control was undertaken with Sydney Regional Fox Control Program partners.

Council's Bushland and Biodiversity team has also:

- Achieved two green offsets supporting both development and the environment
- Completed three vegetation mapping projects to provide reliable information for conservation and development for remnant trees of southern rural district of Hornsby Shire; remnant trees of urban district of Hornsby Shire and native vegetation communities of Hornsby Shire 2008 update
- Undertaken a Biodiversity Planning Provisions Review
- Managed a corporate weeding day for the staff and management of Hills M2, owned by Transurban, as part of their sponsorship of the Beecroft, Chilworth and Castle Howard Reserves
- Upgraded three fire trails

2.2 Works

Council's Works Division completed a two year project to connect Council properties in Brooklyn to the sewer at a cost of \$160,000 and continued the practice of recycling materials excavated by Council in normal infrastructure construction and maintenance operations.

2.3 Aboriginal heritage

Following a visit to Bar Island in February 2008, Hornsby Aboriginal and Torres Strait Islander Consultative Committee (HATSICC) raised concerns that the boat landing site for the island and the track to the cemetery and old cottage ruins required people to walk across a shell midden. HATSICC considered this to be undesirable for cultural reasons and were concerned that it placed the midden in danger of being damaged. Council's Bushland and Biodiversity planning and management team worked hard to secure funding to remedy the situation. They earned a grant from Waterways NSW for the provision of a pontoon/jetty at the location of the old jetty. A further grant was received under the Caring for our Country scheme to construct an alternative track that will avoid the need to traverse the midden. The track will be located at a site which is the subject of consultation between the Bushland and Biodiversity team and the Guringai Tribal Link.

3. Contributing to community development through sustainable facilities and services

3.1 Waste and Sustainability Centre

Council obtained a property in Thornleigh's industrial area to be developed as a Waste and Sustainability Centre. The centre will provide additional services and easier access to residents while providing waste education and drop off resources. It is being redeveloped as a working demonstration of a sustainable building.

3.2 Award of a new long term waste collection contractor

Council has awarded a new contract for long term domestic waste collection services. It will provide better management of the service and allow Council officers to react and rectify issues more quickly and accurately than the current system allows. This new contract will commence in early 2010 and will ensure that the existing high attention to customer service is increased.

3.3 Greenstyle

Greenstyle aims to encourage local businesses to be involved and to facilitate environmental initiatives for residents. The program will also undertake restoration of creeklines and bush corridors on adjoining public land. Council launched Greenstyle with Ku-ring-gai and Willoughby Councils. Achievements to date include:

- 200 participants attended five Greenhome workshops
- 102 residents joined Greenstyle in Hornsby Shire
- 10,000 hits on www.greenstyle.org.au and the unofficial YouTube site
- Two free workshops provided about improving garden biodiversity
- 29 events held at Council's Earthwise cottage
- 289 participants attended 18 free guided bushwalks

Council's Earthwise cottage is now more sustainable through retrofitting a disabled bathroom, a water tank, sensor lights, a no-dig permaculture garden, a frog pond and an extension to the nursery to increase the capacity for plant giveaways.

3.4 Works

Council's Works Division has worked hard to contribute to community development through sustainable facilities and services by:

- Gaining a licence to pump excess water from the Hornsby Quarry pit to reduce the risk of rock face collapse
- Maintaining over 400 community buildings including community halls, kindergartens, baby health centres, recreation buildings, commercial properties and public amenities
- Replacing rotted piles and restoring failed sections of seawall at Brooklyn Wharf
- Undertaking critical remedial works to extend the effective life of Hornsby Aquatic Centre and George Street Pedestrian Overbridge

3.5 Public works report

There are over 614 km of sealed roads and 40 km of unsealed roads in the Shire and more than 413 km of paved footpaths. Council has:

- Six sealed public car parks
- A pedestrian overbridge
- Four minor road bridges
- 51 major culverts

Council also maintains

- Five public wharves
- Seven floating pontoons
- Three boat launching ramps
- Two loading docks

Hornsby has an extensive drainage system comprising over 18,300 pits and 390 km of pipelines.

Hornsby Shire has:

- 174 parks
- 12 garden parks
- 55 separate playing fields
- Over 135 playgrounds.

Council also has over 400 buildings, including 183 community-based buildings. The estimated replacement value of these buildings is over \$161 million.

The table below summarises the condition of Council's transport, drainage and building assets and funding requirements currently identified to maintain them in a satisfactory condition.

Public Works Report				
Category	Condition at end of 30/6/09	Estimate of cost to bring to satisfactory standard	Estimate of cost to maintain standard	Maintenance program for 2008/09
Drainage assets				
Stormwater drainage systems	System capacity upgrading required for known problem locations. Structural condition of pits and pipelines currently being determined; 10 percent (preliminary assessment) unsatisfactory.	\$6,200,000 for system capacity upgrade. \$12,000,000 for pits and pipelines upgrade.	\$1,200,000	\$1,172,000
Building assets				
Public buildings	Building Maintenance System has been developed and is now being applied progressively to building assets across the Shire.	\$500,000	\$2,000,000	\$1,527,800
Transport assets				
1. Roads				
Urban and rural local sealed	Satisfactory. Pavement reconstruction works required for approximately 0.4 percent of the 577 km road network.	\$1,814,000 - pavement reconstruction only	\$4,465,000	\$4,324,900
Regional sealed	Satisfactory. Pavement upgrading works required for approximately one percent of the 38 km road network.	\$400,000	\$360,000	\$818,861
Rural - unsealed	Satisfactory for the 42 km unsealed road network.	Nil	\$350,000	\$494,200
2. Footpaths	Generally satisfactory with reconstruction works required for about one percent of the 413 km paved footpath network annually.	Nil	\$854,000	\$863,000
3. Car parks	Satisfactory.	Nil	\$18,000	\$19,000
4. Bridges and culverts	Satisfactory.	Nil	Included in urban sealed local road maintenance.	
5. Wharves and jetties	Generally satisfactory.	\$300,000 – reconstruction or upgrading of jetties and pontoons at Brooklyn, Wisemans Ferry and Berowra Waters and construction of a new jetty at Bar Island.	\$180,000	\$291,000

Transport Assets

Roads

Council maintains 614 km of sealed roads (477 km of urban sealed local roads, 10 km of local rural sealed roads and 38 km of sealed regional roads) and 40 km of rural unsealed local roads. A detailed condition survey of these roads was undertaken in 1994 - 1995. The condition of the road network is considered to be satisfactory with the following distribution:

Road condition								
Very poor			Poor		Fair		Good	
YEAR	Length	%	Length	%	Length	%	Length	%
2008/09	2.3 km	0.4	2.4 km	0.4	94.2 km	15.3	515.3 km	83.9

The one percent of the sealed road network, identified as being in 'very poor' condition, will require reconstruction. Strategies developed estimate the cost at \$2.217 million (2.7 km @ \$820,000 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 10 years has been adopted by Council.

Council's Pavement Management System is currently utilised to determine the annual program 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 approx. 410 km, or 99.3 percent, 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 one percent of the network is reconstructed annually when 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 remarking of parking bays, signage maintenance and any resealing required.

Bridges and culverts

Council's one pedestrian overbridge, four minor road bridges and 51 major culverts are all in satisfactory structural condition. Generally, only routine maintenance is required and maintenance costs for these structures are included in the roads budgets above. Recent concerns in relation to the structural integrity of the (George Street) pedestrian overbridge were addressed by the undertaking of minor works. The pedestrian overbridge is operating at capacity in peak hours, and consideration should be given to its replacement in the near future with a structure that will enhance the link between the east and west sides of Hornsby, and facilitate access to public transport

Wharves and jetties

Council maintains five public wharves, seven floating pontoons, three boat launching ramps and two loading docks. Monthly inspections and maintenance are carried out on all facilities and 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 \$300,000 will be required in the near future to bring these facilities to an appropriate standard including the jetty at Bar Island which was found to be in a dangerous state and subsequently dismantled.

Maintenance allocations for these facilities cover routine maintenance and minor repairs. Periodic major repairs and upgrading works require specific additional funding.

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 seven years. Stormwater Catchment Management Plans for each of the Shire's 14 major catchments, comprising 55 sub-catchments, have been 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 upgrade is estimated at \$38 million.

Council undertakes extensive maintenance of its drainage system. This ranges from routine works such as clearing blockages and the repair of damaged structures to the upgrading of pits and structures and channel stabilisation to ensure the existing system operates at maximum efficiency.

Over a period of approximately 12 years, Council is attempting to accumulate sufficient funding to undertake Stage 1 of Hornsby CBD stormwater drainage upgrading which is estimated to cost \$4.6 million. In challenging financial circumstances, this fund will be difficult to build to the required sum.

Public buildings

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

During the 2008/09 period, work continued on establishing the Building Maintenance System to link with Council's Councils Online system. Asset Management Plans have now been developed for 90 percent of Council's public buildings.

Community centres and halls

Council has given delegated care, control and management of 15 public halls or facilities to the following community committees:

1. Beecroft Community Centre, 111 Beecroft Road (Corner Wongala Crescent), Beecroft.
2. Cherrybrook Community Centre, Shepherds Lane, Cherrybrook.
3. Cowan Community Centre, Cowan Oval, corner of Bujwa Bay Road and Chandler Avenue, Cowan.
4. Dangar Island Community Centre, The Park, Dangar Island.
5. Epping Community Centre, 9 Oxford Street, Epping.
6. Epping West Community Centre, corner of Dent and Downing Streets, Epping.
7. Galston Community Centre, 37 Arcadia Road, Galston.
8. Glenorie Community Centre, Old Northern Road, Glenorie.
9. Gumnut Community Centre, corner of Gumnut Place and New Line Road, Cherrybrook.
10. Mount Kuring-gai Community Centre, 5 Church Street, Mount Kuring-gai.
11. Pennant Hills Community Centre, corner of Yarrara and Ramsay Roads, Pennant Hills.
12. Roselea Community Centre, 645 Pennant Hills Road, Carlingford.
13. Thornleigh Community Centre, corner Phyllis and Central Avenues, Thornleigh.
14. Women's Rest Centre, Hornsby Park, Pacific Highway, Hornsby.
15. Epping Creative Centre, 26 Stanley Street, Epping.

4. Fulfilling our community's vision in planning for the future of the Shire

4.1 Hornsby Shire Housing Strategy

The housing target set down by the State Government presents a major challenge for Hornsby Shire. Council must plan for an adequate supply of houses to meet State Government requirements based on a predicted growing and ageing population, while protecting bushland, property values, existing residential character and not overburdening roads and services. The Hornsby Shire Housing Strategy was prepared to help meet that challenge. In selecting suitable areas for consideration for additional housing, Council considered issues such as proximity to shops and transport, economic feasibility, housing choice, and the absence of environmental constraints. The community has provided valuable feedback on the work undertaken to date, and the Strategy will be further refined after consideration of submissions received during the exhibition period.



Housing Strategy Community Drop-in Session

4.2 Hornsby Quarry

Following the compulsory acquisition of Hornsby Quarry, Council has received legal advice concerning the acquisition process and the payment of compensation to CSR Limited. In accordance with the advice, Council's legal team is progressing various legal actions.

Council has been successful in the Supreme Court of NSW, seeking documents considered by the Valuer-General in determining the value of the quarry. Following a review of the documents, Council has commenced further action in the Supreme Court to seek to recover monies paid for the acquisition of the quarry.

Council also appealed to the Administrative Appeals Tribunal to recover the GST component of the compensation paid to CSR. Council was successful in receiving \$2.4 million which has been set aside for the future management of the quarry.

4.3 Transport planning strategy

Council's Traffic and Road Safety Branch is in the process of developing a transport planning strategy, including a Shire transport model, to enable the planning and assessment of future housing and employment proposals with regard to sustainable transport objectives.

4.4 Bushland and biodiversity

Council has prepared a new draft Hornsby-Ku-ring-gai Bushfire Risk Management Plan for 2010 to 2015 with the Hornsby Ku-ring-gai Bushfire Management Committee and held nine community information barbecues to plan for the risk of bushfires.



Beecroft-Cheltenham Link Track launch with Hills M2, Transurban.

With funding and support provided by Hills M2, owned by Transurban, Council opened the Beecroft-Cheltenham Link Track network featuring six new information signs and a series of walking tracks linking Beecroft, Chilworth and Castle Howard Reserves.

Other walking tracks constructed include the new Terrys Creek Walking Track and the Bar Island walking track.

Council constructed a new pedestrian bridge at The Lakes of Cherrybrook and has commenced investigations for the provision of a mountain bike track in the Shire.

4.5 Works

Council's Works Division has worked hard to fulfil our community's vision in planning for the future of the Shire in that it:

- Completed streetscape improvements in Hornsby CBD (Westside)
- Maintained Council's network of 613 km of sealed and 36 km of unsealed local roads
- Maintained Council's 413 km network of footpaths
- Constructed nine new sections of footpaths
- Initiated planning for the extension of The Brickpit Indoor Sports Stadium at Thornleigh to provide another two courts to meet increasing demand for public indoor sports facilities

5. Supporting our diverse economy

5.1 Outdoor Dining Code

Enquiries from café and restaurant operators rolled in after Council endorsed the draft Outdoor Dining Code for public exhibition. With town centres of Hornsby and Epping undergoing streetscape improvements that will encourage outdoor dining, the Employment and Economic Development Taskforce welcomed such changes as the first of many to encourage business development in Hornsby Shire.

The taskforce was first established in 2008 to provide a coordinated, holistic approach to economic development in the Shire by providing strategic direction, guidance and advice to Council on matters relating to employment and economic development. The taskforce's primary objective for this term of Council is to encourage an increase in business activity that will lead to jobs growth in the Shire.

5.2 Hornsby Westside program

The footpath on the southern side of Coronation Street is being replaced with new pavers, a bicycle rack will be installed, mature trees are being planted and parking spots will be redesigned with moveable bollards to allow outdoor dining in the future.

Traffic lights with pedestrian crossings will be installed at the intersection of Coronation Street and the Pacific Highway and Coronation Street intersection will be upgraded with dedicated left and right hand turn lanes onto the Pacific Highway.

5.3 Oxford Street, Epping

Hornsby Shire Council is undertaking streetscape works to improve the vitality of Oxford Street in Epping following extensive consultation with the community. The works include:

- Reconstruction of the footpath with clay pavers
- Installation of bollards between parked cars and the footpath
- Planting of new trees
- Installation of new lighting with heritage-style posts

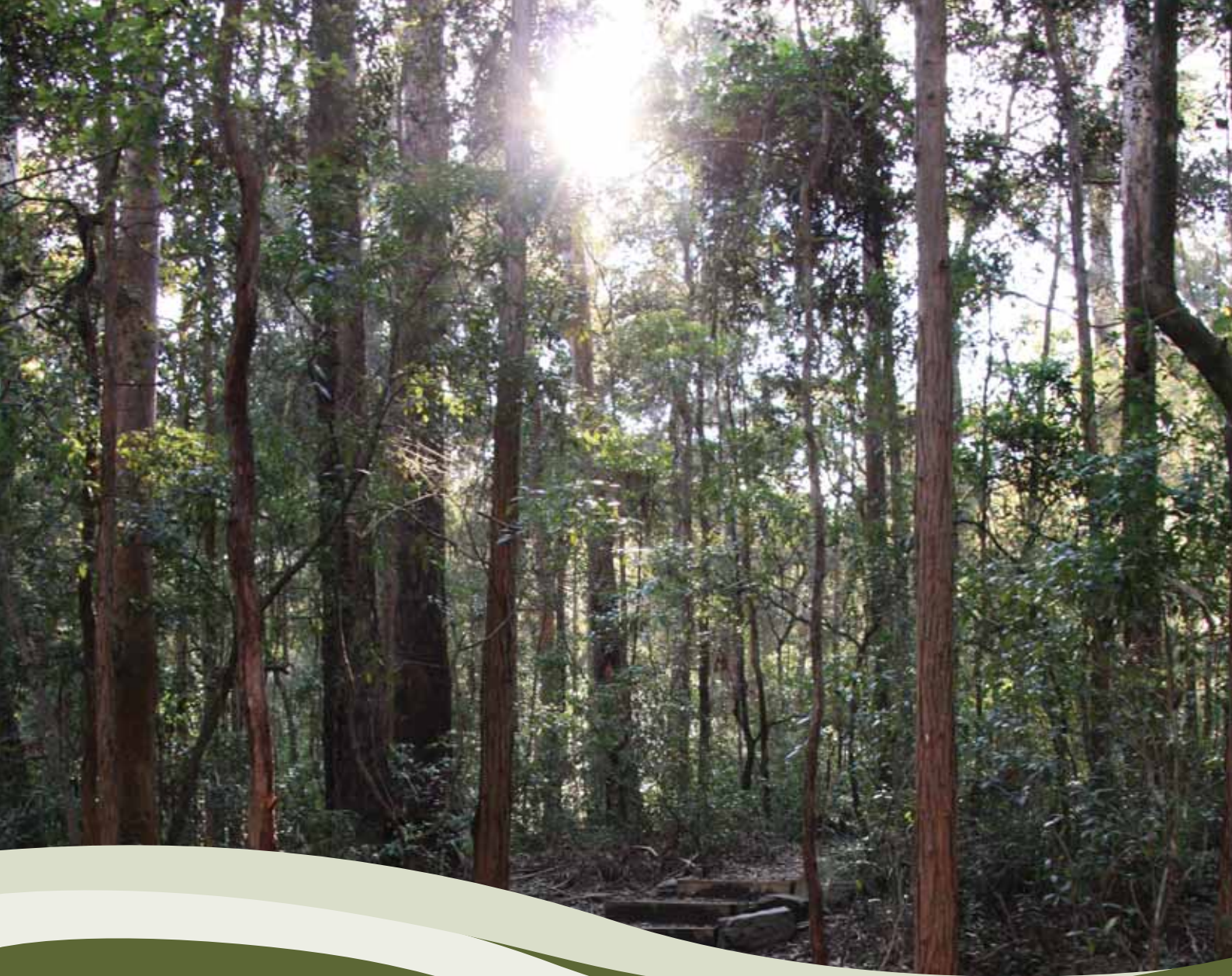
The work originated from the need to reconstruct the pavement of the road as it had reached the end of its life. The footpaths were in poor condition and required reconstruction to make them safe for the public in the years to come.

6. Maintaining sound corporate and financial management

6.1 Bushland and biodiversity

Council's Bushland and Biodiversity team has received grants for the following projects:

- Bar Island midden restoration and new walking track – total project budget of \$35,010 from the Caring for our Country Community Coastcare Program
- Rebuilding the Bar Island Jetty – total project budget of \$60,000 under the Maritime Infrastructure Program
- Great North Walk Links – total project budget of \$72,000 from Metrogreenspace
- Building Bushfire Resilient Communities – total project budget of \$90,000 from the National Disaster Mitigation Program
- Promoting Habitat Connectivity Through partnerships in Hornsby Shire – grant of \$100,000 from the Environmental Trusts



PART C

State of the environment

HORNSBY SHIRE COUNCIL **ANNUAL REPORT AND SUSTAINABILITY REPORT** 2008-2009

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State of the environment

The 2008/09 State of the Environment (SoE) Report highlights that Council is making good progress towards sustainability in corporate and community action, waste reduction, bushland protection, 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 across various environmental and social issues.



1. The 2008/09 State of the Environment in Hornsby

During 2008/09 Council moved closer to achieving its performance indicator targets.

Through implementation of actions set out in the Sustainable Energy Strategy, Council further reduced its greenhouse gas emissions by 31 percent of 1995/96 levels and assisted the community to reduce its emissions by 3.2 percent of 1995/96 levels. Some of the actions included:

- Auditing Council's energy performance contracts
- Implementing actions arising from the Sustainable Fleet Management Study
- Working with businesses to improve their energy performance

Council has implemented a number of water saving projects in its aim to reduce water consumption by 21 percent based on Council's average water consumption between 1999 and 2001. These projects have included:

- Harvesting water to irrigate sports ovals
- Monitoring the top 10 water usage sites with Sydney Water
- Completing an Every Drop Counts Business Program Diagnostic Review

1.1 Catchment Remediation Rate

Council's Catchment Remediation Rate (CRR) projects have again contributed to improved water quality in the Shire. Almost half of the monitored waterways can be classified as good when compared to the national guidelines (Australian and New Zealand Environment Conservation Council [ANZECC] Guidelines). The CRR projects prevent a significant amount of pollution from entering the waterways.

1.2 Biodiversity Strategy

Council is committed to protecting and improving its local natural environment through its Biodiversity Strategy, on-ground bush regeneration work and a large volunteer Bushcare Program. Council also provides free native plants to ratepayers four times a year and is encouraging local nurseries to provide local native stock to residents for their gardens. A larger area of bushland is in the active care of the community and Council compared to last year.

1.3 Waste collection

Domestic waste collections recorded a 54 percent diversion from landfill and provided two e-waste and chemical collection services resulting in 66 tonnes of e-waste and 65 tonnes of chemicals being removed from the waste stream. A number of waste education programs were delivered such as composting workshops, a recycled art competition and a clothing exchange.

2. Regional State of the Environment Report

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.

Environmental Performance Indicators

GRI indicator	Environmental performance indicators	2007/08 Result	Trend
EN10	Percentage of water consumption reduction achieved through Council's initiatives for its own operations – target 20 percent by 2011	These figures will be reported in 2011	–
	Percentage of water consumption reduction achieved through Council's initiatives for the community – target 18 percent by 2011		–
EN11	Percentage of area of bushland in the active care of the community and Council compared to the total bushland under Council's management – target 12.2 percent	10.9%	✓
EN13	Area of bushland (ha) on private land lost to development – target no net loss of bushland	2.81ha (3ha have been revegetated)	✗
EN13	Habitats protected or restored – number of bushcare volunteers	850	✓
EN18	Percentage of greenhouse gas emission reduction achieved through Council's initiatives for its own operations – target 30 percent by 2010	31%	✓
	Percentage of greenhouse gas emission reduction achieved through Council's initiatives for the community – target 5 percent by 2010	3.2%	✗
EN22	Percentage of domestic material by weight collected by Council going to landfill – target 42 percent or less	46%	✓
EN22	Tonnes of recycling diverted from landfill – target 18,492 tonnes or more	20,367T	✓
	Tonnes of green waste diverted from landfill – target 14,340 tonnes or more	17,805T	✓
EN25	Percentage of monitored healthy waterways within the Shire – target 50 percent	47%	✗
EN26	Impact of environmental initiatives (number of programs implemented in progression to sustainable corporate governance) – target 30 programs	32	✓

KEY: ✓ Towards sustainability ✗ Away from sustainability – No trend

3. Environmental sustainability

3.1 Program

Council has implemented many programs to ensure that it has its own house in order in terms of environmental performance. Thirty-two programs have been implemented in progression towards sustainable corporate governance such as:

- Green Procurement
- Carbon Neutral Feasibility Study
- Climate Change Adaptation Program
- Triple Bottom Line decision making
- Fleet Management Study
- Business Energy Savings Program
- Sustainable Total Water Cycle Management
- Waste minimisation
- Stage 2 of the Energy Performance Contract

The Sustainable Procurement Committee at Hornsby Shire Council is currently working to ensure that sustainable procurement becomes standard practice. Staff responsible for purchasing have been provided with training to ensure sustainability criteria is addressed during the purchasing and tendering process. A sustainable procurement staff education day was held in August 2008 showcasing several key suppliers and their sustainable product range.

3.2 Advancing Greenhouse Purchasing and Carbon Neutrality Framework

Council developed an Advancing Greenhouse Purchasing and Carbon Neutrality Framework which is a generic framework for local government organisations looking to further sustainable procurement within their organisation. This has been circulated to NSW councils for their use. Following this, a Sustainable Procurement Policy was endorsed by Council in April 2009 and a training course was conducted for several key staff in April 2009 to ensure that the policy is put into practice.

3.3 GreenHome Program

The Australian Conservation Foundation (ACF) partnered with Hornsby Shire Council to deliver a series of community workshops focused on sustainable living as part of the GreenHome Program. The workshops were aimed at engaging the community to achieve direct energy and water savings in the home. ACF started the GreenHome Program in 2005 as a pioneering environmental education program working with the community to find individual and collective solutions to environmental issues. From tips on saving energy and reducing waste to calculating ecological footprints, GreenHome encompasses all aspects of sustainable living. The program used a variety of education tools including media, humour, real life case-studies, relatable presenters and professional adult learning techniques. Over 200 households were engaged in the program. The total greenhouse gas savings from participants' efforts is estimated to be 208 tonnes of carbon dioxide (ACF, 2009).

4. Human settlement

The challenges presented by sustainable planning include the balancing of conflicting land use issues. For example, in the provision of housing, Council must have regard to the Shire's environmental and community needs. Consideration needs to be given to issues such as appropriate urban form and design, conserving environmentally sensitive areas, accommodating population growth and catering for community desires. Additionally,

recent years have shown a relatively weak local demand for commercial and industrial development and a high demand for residential housing. This has meant increased pressure to redevelop or rezone commercial and industrial land entirely for residential purposes, thereby challenging future local employment opportunities.



Thornleigh industrial area

5. Heritage

Hornsby Shire Council was the 2008 Winner of the Keep Australia Beautiful Sustainable Cities Award for Best Heritage Management by a Metropolitan Council. In 2009, Council acknowledged the efforts of property owners, individuals and groups involved in restoration works and conservation efforts by presenting them with certificates and plaques at a Council meeting and publishing the winners in the Bushland Shire News.

Bar Island is a small island located near the junction of Berowra and Marramarra Creeks within the Hawkesbury-Nepean River. It has been listed on the Register of the National Estate. Council has been working to conserve the island's Aboriginal and European heritage including the cemetery, former church and school. Council previously restored the chimney (the only remaining part of St John's Church), graves and memorial, as well as bushland and saltmarsh and addressed erosion.

The current project was undertaken as a result of the Hornsby Aboriginal and Torres Strait Islander Consultative Committee concerns about impacts of island visitors on the Aboriginal midden. Council obtained a Caring for our Country Community Coastcare grant to undertake midden restoration with the Guringai Tribal Link and the local community.

In this remote location visitors arrive by boat and climb up the midden to visit the island. This disturbance has allowed weeds to invade. Although many previous tracks had been closed and erosion controlled, the current project re-routed remaining unnecessary tracks away from the midden, constructed a new track to direct visitors and linked it to an existing track leading to the historic sites.

The track route and design was planned and implemented with the traditional Guringai owners and the project has been implemented with advice from the local historian and other stakeholders from the Brooklyn community. Assisted bush regeneration occurred in the surrounding woodland and saltmarsh and restored areas were protected by installing the new track and brush matting of old tracks.



Bar island cemetery

6. Waste

In 2008/09, 46 percent of the material collected from the domestic waste collection service was sent to landfill. This is similar to the results for 2007/08. There have been a number of minor changes that could have affected this result including a small growth in population and a general trend that indicates that waste generation per household has increased since the previous year. Until additional waste treatment technologies and facilities are available it is unlikely that further significant increases will be achieved past this point.

Through use of the Bin Crew (Council's three bin characters), Council has been encouraging its residents to reduce the amount of waste they send to landfill through the following strategies:

- Providing two electronic waste and chemical collections per year
- Increasing the promotion of the waste events education program for workshops on composting, green cleaning and recycling tours
- Managing an annual clothing exchange
- Offering free wood chipping days

In conjunction with Hornsby Art Society the 'Returned to Glory' Recycled Art Competition and Exhibition provided an opportunity to celebrate the re-use and recycling of waste in Hornsby Shire through art. Local artists were invited to submit work which demonstrated the concept of resource recovery – turning waste into a resource – through the use of recovered waste products and materials.

In the past year Council obtained a property in Thornleigh industrial area to be developed as a Waste and Sustainability centre to provide additional services and easier access to residents. The centre

will be refurbished and developed as a waste education and drop-off centre, as well as being a working demonstration of a sustainable building.

A Clothing Exchange Program was introduced in 2008 as a fun way to reduce, re-use and recycle items of clothing. The aim was for residents of Hornsby Shire to consider the environmental impact of purchasing new clothes before going shopping and to realise that swapping clothing is a viable option to reduce and re-use their clothes whilst updating their wardrobes. Over 140 women attended the event which was undertaken in partnership with Anglicare.

Council advertised for tenders to provide our long term domestic waste collection services. The new contract will allow for better management of the service allowing Council staff to react and rectify issues more quickly and accurately than the current system allows. This enhancement will ensure that the existing high attention to customer service is increased. The new contract will commence early in 2010.

Council is continuing to encourage the safe re-use of on-site waste water in unsewered areas of the Shire and minimising the impact on the potable water supply. Additional inspections have been undertaken this year to continue the sewer connection program at Brooklyn and Dangar Island. More than 90 percent of properties now are connected to the new sewerage system. A large proportion of properties on Berowra Creek were inspected in 2009 through a program run in conjunction with Council's Waste and Water Catchments Teams. There have been a total of 433 septic inspections completed with an average of 108 inspections per quarter during the last year.

7. Water

Hornsby Shire Council's Water Conservation Policy would not be effective without community support. To this end, the policy sets a goal for the community to reduce its water use by 18 percent by 2011 against the average of community water use over the years 1999 to 2001. Council's programs to educate the community are making progress in this area. Total water consumption in the Hornsby LGA (units, flats and houses combined) was reduced from 12,600 ML in 1998-99 to 10,311 ML in 2007-08, despite a population increase. On the whole, the community has made a substantial effort to reduce their water consumption. Council is awaiting water consumption data on the Hornsby LGA for 2008-09 from Sydney Water.

Council's corporate target is to achieve a 21 percent water consumption reduction by 2011 against the average of Council's water use over the years 1999 to 2001. Council's corporate water consumption for 2007-2008 (152,838 kLs) was a significant decrease on the previous financial year 2006-07 (200,508 kLs).

Council has implemented a number of water saving projects including:

- Greenway Park Stormwater Harvesting Project - harvested water is used to irrigate two sports ovals. This is expected to reduce annual water consumption of mains water by 13 to 19 mega litres
- Epping Stormwater Re-use and Energy Efficiency Project – recycling of stormwater at three major public ovals located at Epping and Eastwood and the installation of energy efficient measures at four ovals using funding of \$2.4 million obtained from the Federal Government under the Regional and Local Community Infrastructure Program
- Council-wide attendance at the Sydney Water Speakers Program
- Entered a Memorandum of Understanding in August 2008 with Sydney Water for the permanent monitoring of the top 10 water usage sites to understand water usage patterns and maintain low leakage across the Shire
- Compiled an Analysis of Potable Water Consumption for the Hornsby Local Government Area (LGA) for 1998 to 2008
- Successfully completed an Every Drop Counts (EDC) Business Program Diagnostic Review
- Provided rainwater tank and greywater re-use workshops to assist residents to install rainwater tanks and re-use greywater within their homes

7.1 Monitoring the health of streams and estuaries

In 2008/9, Council's Water Catchments Team continued long term health monitoring the Shire's streams and estuaries. The calculation method for the target indicator changed this year to better reflect the concentration of monitoring at impacted sites. The measured ratings for 2008/9 were good at 47 percent of sites and poor at 53 percent of sites when compared to the national ANZECC Guidelines.

Rising population and urbanisation increases water contamination pressures, while ongoing and more effective environmental education and stormwater remediation technologies result in improved water quality. The calculated water quality ratings are very dependent on chosen sampling sites.

Poor ratings predominantly occur as a result of excessive nitrogen nutrient from large volumes of sewage treatment plant discharges into Berowra and Calna Creeks. Poor ratings can also occur at sites located downstream of intense urban or rural activities. Sites with 'good' ratings are located in areas of the least human disturbance and are located further downstream of land development or in estuary areas strongly flushed by tides.

Council has continued to monitor and manage the cleaning of existing and new stormwater improvement assets, general upgrades and repairs and associated maintenance (such as bush regeneration) of surrounding areas as an ongoing function of the catchment remediation program. Council conducted 70 metres of creek remediation and stabilisation works on Tedbury Creek in Pennant Hills. The NSW Coastal Conference Award 2008 for Local Government was won by Hornsby Council for the implementation of the Berowra Creek Estuary Management Plan. Council also won the Stormwater Industries Association award for Excellence in Stormwater Software Development for a stormwater harvesting model. Catchment education occurred

via community catchment tours, displays at festivals and visits to schools.

The principal objective of installing stormwater treatment measures is to improve the quality of stormwater entering Hornsby Shire's waterways by removing pollutants and, in some instances, retaining stormwater flows. In 2008/09, 11 catchments remediation capital works projects were initiated and completed.

These works involved the construction and/or installation of:

- Two end-of-pipe bioretention systems
- Five stream remediation / waterways stabilisation projects
- One in-line gross pollutant trap
- Two streetscape rain gardens
- Four bioretention tree pits
- One large stormwater harvesting and re-use project.

Council's Lower Hawkesbury Estuary Management Plan and Program provides an integrated and strategic approach to the management of estuarine assets. These assets are protected through the implementation of strategies which incorporate:

- Planning - ensuring planning instruments include best practice and provisions for sustainable development
- Research - undertaking programs to monitor estuarine health and prepare for climate change
- Education- engaging local communities and schools through estuary awareness activities
- Compliance - encouraging riverside settlements to implement sustainable practices
- On-ground works - installing infrastructure and undertaking regeneration programs to protect estuarine assets.

8. Atmosphere

Council has a community greenhouse emission reduction target of 5 percent from its 1995/96 emission levels by the year 2010. It has achieved a reduction of 3.2 percent at the end of the 2009 financial year through the implementation of a variety of programs including:

- The Business Energy Savings Program which aids businesses in implementing energy saving measures within their business operations
- Waste reduction programs such as mulch chipping days, workshops on composting and recycling tours
- Earthwise@home – offering workshops (in partnership with the Australian Conservation Foundation's GreenHome Program) on
- Energy saving
 - Promoting government rebates for insulation and solar hot water
 - GreenPower



Council has continued to implement actions contained within its Sustainable Energy Strategy further reducing its own greenhouse gas emissions by 31 percent compared to its 1995/96 emission levels. These actions have included:

- Distribution of HVAC Predictive Maintenance program for Council's libraries
- Improvement of Hornsby Library's Cogeneration System
- Commencement of an audit of Council's Energy Performance Contracts
- Investigation of options for carbon neutrality
- Commencement of a re-inventory of Council carbon dioxide emissions by reviewing several data management software options
- Continuation of implementation of actions arising from the Sustainable Fleet Management Study
- Re-establishment of the Sustainable Procurement Committee

In 2007 Hornsby Shire Council partnered with the International Council for Local Environmental Initiatives (ICLEI) to pilot a program to be delivered to councils across Australia on climate change adaptation. This project coincided with the work undertaken by the Sydney Coastal Councils' Group and the CSIRO on climate change vulnerability mapping. From the available information and involvement in the program with ICLEI, Council developed five issues briefs for:

1. Extreme heat and health effects
2. Bushfires
3. Accelerated ecosystem loss
4. Extreme storm events
5. Sea level rise

The production of the issues briefs has aided the development of a Climate Change Adaptation Strategic Plan.

8.1 Climate Change Adaptation Strategic Plan

The Climate Change Adaptation Strategic Plan focuses on five key impact areas identified as relevant for Hornsby Shire; heat, bushfires, ecosystems, rainfall and sea level rise.

The plan identifies and quantifies potential climate change impacts on the natural and built environments of the Shire. Highly vulnerable attributes such as people, properties and infrastructure have been identified and subsequently a climate change risk assessment has been conducted. The risk assessment process was specially tailored to suit the impacts of climate change and was inclusive of a sustainability assessment. This step allows Council to optimise allocation of resources for effective and efficient implementation of adaptation actions.

The top 12 impacts and associated actions have been assessed to have level 'A' priority ranking, indicating that the actions are an 'extreme' priority. The level 'A' ranking also indicates that the action is expected to yield highly sustainable outcomes. It should be noted that each of the top 12 impacts and associated actions has equal weighting and is not ranked within the level 'A' prioritisation.

The preparation of the Plan is consistent with the requirements of Council's Sustainable Energy Strategy 2006-2010. The Plan provides Council with a strategic direction for the identification and management of potential climate change impacts on the natural and built environments within the Shire.

9. Bushland and biodiversity

Hornsby Shire Council is known as the Bushland Shire because of its extensive bushland areas and scenic amenity. Bushland areas cover almost 75 percent of the Shire, with approximately 5,750 hectares managed by Council. This includes the 3,830 hectare Berowra Valley Regional Park that is jointly managed by Hornsby Shire Council and the Department of Environment, Climate Change and Water (DECCW).

Council's bushland regeneration program consists of 50 long term sites predominantly on Council-owned land but also sites on Crown land and DECCW land that are co-managed with Hornsby Shire Council (Berowra Valley Regional Park). Additional bushland regeneration sites are taken on under grant projects and when other external funding is available. Approximately 90 percent of the sites are contracted out to bush regeneration companies, whose work varies from restoring small degraded urban bushland remnants to the mitigation of weed sources that threaten larger and more pristine bushland reserves.

The pressures on native vegetation in Hornsby Shire have remained constant. However, due to changes to threatened species legislation and better identification of vegetation communities, the number of threatened plant communities in the Shire has increased. Hornsby Shire has many noxious and environmental weeds. Urban development, exotic gardens, stormwater run off and the fragmentation of bushland all contribute to an environment which favours introduced flora and fauna species. There are 100 noxious weed species listed for Council. Not all of them have been recorded in the area, but are listed as noxious if they were present.

Rabbits in the rural and urban areas and Indian Mynahs around commercial and suburban areas contribute to the increase in feral animal numbers in the Shire. The fox populations in the area appear to be decreasing following the ongoing implementation of the Regional Fox Control Program which commenced in 2000.

Bushland of the Hornsby Shire area has an underlying geology of Hawkesbury Sandstone and Winnamatta Shale. It has high biodiversity values with over 1,000 native vascular plants, 338 native vertebrate species and a countless number of invertebrates. In 2008, vegetation mapping was reviewed and updated identifying 34 native vegetation communities with 28 of these communities being significant at national, state, regional and local levels. Council has declared 33 bushland conservation reserves as Wildlife Protection Areas and has undertaken fauna surveys within eight of these areas to gain a better understanding of the Shire's wildlife and habitat values.

Council is committed to protecting and improving its local natural environment through its Biodiversity Strategy, on-ground bush regeneration work and a large volunteer Bushcare Program. Council also provides free native plants to residents four times a year and is working to encourage local nurseries to provide local native stock to residents for their gardens. Council's Bushland and Biodiversity Management Team run the Gardens for Wildlife workshop series which educate residents about developing biodiversity such as building frog ponds, creating native gardens and identifying

10. Soil landscape

bird species. In addition, Hornsby Shire Council along with Ku-ring-gai and Willoughby councils, are running a program called Greenstyle. This is a joint grant project aiming to assist residents to make their homes and gardens more eco-friendly. Three Greenstyle advisors have been employed to assist residents to get started, commencing with a personal home and garden assessment, followed by advice, support, free workshops and access to a range of suppliers and products to help residents improve their home and lifestyle.



Native plants at the community nursery ready for the plant giveaway program

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 on-site sewage management approval process.

Due to a large number of complaints received concerning sediment and soil erosion, a streamlined approach was taken by Council introducing a site care report. The report is a simple but effective template that is filled out by an officer and given as a written directive to the builder or owner of the property being developed. When the officer re-inspects and the works are not carried out, a fine or notice can then be issued. Due to large building sites causing concerns relating to dust, developers are now required to show evidence of compliance with the *Protection of Environment Operations Act 1997* levels for solid particle emissions.

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.

11. Noise

11.1 Construction noise

Hornsby Shire Council has reviewed its conditions of consent and procedure relating to construction noise in close proximity to potentially affected receivers (such as residential dwellings). Council now requires Development Applications to have a noise management plan indicating how they will achieve acceptable noise levels for the course of their project. This may include:

- Implementing temporary acoustic barriers
- Controlling the timing of large noise events
- Notification to affected residents
- Submission of noise readings taken to the certifier and Council for analysis

The Department of Environment, Climate Change and Water's Construction Noise Guideline has been utilised in the development of the above procedure and relevant conditions.

11.2 Barking dogs

To address noise associated with barking dogs, Council has implemented a staged approach. When the initial complaint is received, Council officers will usually suggest ways to help the dog owner quieten the dog, such as:

- Attending obedience training
- Keeping the dog inside at the usual times of nuisance
- Covering visual triggers (if they bark at movement)
- Suggesting the use of barking collars

Should subsequent complaints be received, Council officers may request that a diary be completed by the complainant and Council will undertake patrols of the residence at the times of offence. If necessary, Council will issue a Nuisance Order to the dog owner.



12. Bushfire hazard reduction and management

Fire management is undertaken in cooperation with the Department of Environment, Climate Change and Water, community fire units, local bushfire brigades and the NSW Fire Brigades.

There were 599 permits to burn issued to residents predominately within the rural area of the Hornsby Shire to facilitate preparing homes for bushfire events by reducing the amount of fallen vegetation on private property.

Fifteen specific sites were treated manually to manage fuel loads along the bushland/urban interface; this area covered over one hectare totalling 1.2 kilometres in length along interface areas.

Three kilometres of fire trails were maintained through slashing works and 600 metres of fire trail were upgraded through concreting and resurfacing.

Twenty-eight bushfire hazard complaints were received by Council and referred to the NSW Rural Fire Service (RFS) for assessment.

Thirty-four hazard reduction certificates were issued under the Bushfire Environmental Assessment Code by the NSW RFS for residents to undertake prescription burning or clearing activities to facilitate vegetation and fuel management.

Thirteen prescription burns were undertaken within the Hornsby Ku-ring-gai Bushfire Management Committee area as part of the 2008/09 Fuel Management Program covering 67.8 hectares of land.

This year was very wet making broad area prescription burns difficult to undertake due to local weather conditions and the availability of RFS volunteers. An increased focus on community education and more areas targeted for manual works are continuing as a result of environmental constraints restricting the prescription burn program. The new Bushfire Risk Management Plan has mapped most of Hornsby Shire as having an 'extreme' risk of bushfire, and with climate change, the risk is likely to increase through time.

12.1 Bushfire Risk Management Plan

The Hornsby Ku-ring-gai Bushfire Management Committee (BFMC) is responsible for preparing, coordinating, reviewing and monitoring the Bushfire Risk Management Plan for the Local Government Areas of Hornsby and Ku-ring-gai. The BFMC is a legislative committee formed under the *Rural Fires Act 1997*. The committee consists of a range of stakeholders including land managers, fire authorities and community organisations that ensure the whole community has a say on bushfire management activities.

The Bushfire Risk Management Plan facilitates a coordinated across-tenure approach to bushfire risk mitigation and provides a consistent framework and platform of risk assessment. The plan is a comprehensive document that maps and describes the level of bushfire risk across an area; it identifies the assets at risk and establishes treatment options to safeguard those assets and areas. The plan is used to determine such things as where mechanical clearing or hazard reduction burns are conducted, which areas require specialised fire protection and which areas need to be targeted for community education.

An integral part of the plan is community consultation. Local residents adjoining bushland areas and special interest groups such as managers of nursing homes and schools were invited to comment on the plan. Invitations and information on the consultation were extended through letterbox drops, mail outs, media releases and the Hornsby Ku-ring-gai Risk Management Plan website. Over 300 people took the opportunity to participate in the development of the plan by attending.



Local newspaper bushfire awareness promotion



PART D

Legislative reporting requirements

HORNSBY SHIRE COUNCIL ANNUAL REPORT AND SUSTAINABILITY REPORT 2008-2009

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Legislative reporting requirements

Council's annual reporting requirements are set out in the *Local Government Act 1993* (section 428) and the *Local Government (General) Regulation 2005* (clauses 132, 217 and 224).

Current legislative requirements for annual reporting are included in the Division of Local Government Annual Report Checklist which has been used in the preparation of this report. An abridged version of the checklist follows the contents page of this report and identifies where each element is addressed.

While most legislative reporting requirements are addressed in the narrative and financial sections of this report, those that are not are addressed here in section 4.

Index of *Local Government Act 1993* and the *Local Government (General) Regulation 2005* annual reporting requirements

Act / General Regulation	Aspect	Reported within part
Section 428(1)	Completed by end November	1 - introduction
Section 428(2)(a)	Audited financial reports	5 - financial performance
Clause 132	Rates and charges written off	4 - legislative reporting
Section 428(2)(b)	Performance comparison	2 - principal activities
Section 428 (2)(c)(i)-(xi)	State of the environment	3 - State of the environment
Clause 218 - 226		2 - principal activities
Section 428(2)(d)	Condition of public works	2 - principal activities
Section 428(2)(d)(i)-(iii)	Public works report	2 - principal activities
Section 428(2)(e)	Summary of legal proceedings	4 - legislative reporting
Section 428(2)(f)	Mayoral and Councillor fees, associated policy, and total amounts spent	4 - legislative reporting
Clause 217(1)(a1)(i)-(viii)		
Section 428(2)(g)	Senior staff numbers	4 - legislative reporting
Clause 217(1)(b)(i)-(v)	Senior staff total remuneration	4 - legislative reporting
Section 428(2)(h)(i)-(ii)	Contracts over \$150,000	4 - legislative reporting
Section 428(2)(i1)	Bushfire hazard reduction	3 - State of the Environment
Section 428(2)(j)	Multicultural programs	2 - principal activities
Section 428(2)(k)	Work on private land	4 - legislative reporting
Section 428(2)(l)	Contributions per section 356	4 - legislative reporting
Section 428(2)(m)	Human resources activities	1 - introduction
Section 428(2)(n)	Equal employment opportunity	1 - introduction
Section 428(2)(o)	Delegated functions	4 - legislative reporting
Section 428(2)(p)	Controlling interest	4 - legislative reporting
Section 428(2)(q)	Partnerships and joint ventures	4 - legislative reporting
Section 428(2)(r)	Such other information as the regulations may require	
Clause 217(1)(a)	Overseas visits	4 - legislative reporting
Clause 217(1)(c)	Children's programs	2 - principal activities
Clause 217(1)(d)(i)	Access and equity	1 - introduction
Clause 217(1)(d)(ii)	Category 1 business activities	5 - financial performance
Clause 217(1)(d)(iii)	Category 2 business activities	5 - financial performance
Clause 217(1)(d)(iv)	Category 1 business activities expenses	5 - financial performance
Clause 217(1)(d)(v)	Competitive neutrality	5 - financial performance
Clause 217(1)(d)(vi)	Competitive neutrality	5 - financial performance
(vii) (ix)		
Clause 217(1)(d)(viii)	Category 1 performance	5 - financial performance
Clause 217(1)(e)	Stormwater management	5 - financial performance
Clause 217(1)(f)	<i>Companion Animals Act 1998</i> and <i>Companion Animal Regulation 1999</i>	4 - legislative reporting
Section 508(2) and section 508(A)	Special variation expenditure	5 - financial performance
Section 68 clause 10	<i>Freedom of Information Act 1989</i>	4 - legislative reporting
Section 33	<i>Privacy and Personal Information Protection Act 1998</i>	4 - legislative reporting
Section 93g(5)	<i>Environmental Planning and Assessment Act 1979</i>	3 - State of the environment
Section 428 (3)	Copy to the Minister	1 - introduction

1. Donations program

1.2 Contributions under section 356

Requests for donations totalling \$219,099 were received this year under the Donations Program. The program granted \$40,845 to 40 organisations.

	Organisation	Funded amount
1.	Sa Rang Bang Korean Community	\$200.00
2.	Lorna Hodgkinson Sunshine House	\$250.00
3.	Australian Chinese Community Association	\$300.00
4.	Chinese Family Group	\$400.00
5.	1st Cherrybrook Scouts	\$500.00
6.	1st Hornsby Scouts	\$500.00
7.	Chinese Elderly Welfare Association Inc.	\$500.00
8.	Combined Probus Club of Cherrybrook Inc.	\$500.00
9.	Computer Pals for Seniors - Hornsby	\$500.00
10.	Dial a Mum	\$500.00
11.	Epping Scout Group	\$500.00
12.	Galston District Eisteddfod	\$500.00
13.	Hornsby Legacy Widows Club	\$500.00
14.	Hornsby Rosemary Legacy Club	\$500.00
15.	Normanhurst Scout Group	\$500.00
16.	Scouts Australia NSW - Benowie District	\$500.00
17.	The Shack Youth Outreach	\$500.00
18.	Wisemans Ferry and District Community Health and Resource Centre	\$500.00
19.	Cherrybrook Chinese Community Association	\$600.00
20.	Hornsby and District TPI Social and Welfare Club	\$600.00
21.	Self Help for the Hard of Hearing Australia Inc	\$600.00
22.	The Wisemans Ferry Sunshine Group Inc	\$600.00
23.	Australian Ling Lang Church	\$735.00
24.	Easy Care Gardening Inc	\$800.00
25.	Hornsby Community Church	\$1,000.00
26.	Studio ARTES Northside Inc	\$1,000.00
27.	Sydney Korean Women's Association	\$1,000.00
28.	Hornsby Ku-ring-gai Police and Community Youth Group	\$1,100.00
29.	Parkinson's NSW Hornsby Ku-ring-gai Support Group	\$1,160.00
30.	Indian Seniors Group Hornsby	\$1,200.00
31.	Migrant LINK Australia Ltd	\$1,200.00
32.	SEVA International Inc	\$1,200.00
33.	Pennant Hills Neighbour Aid Inc	\$1,250.00
34.	Hornsby Ku-ring-gai Volunteer Coordinators' Forum	\$1,400.00
35.	Hornsby Ku-ring-gai Association Action for Mental Health	\$1,500.00
36.	Hornsby Area Residents for Reconciliation	\$1,750.00
37.	Hornsby Ku-ring-gai Domestic Violence Network	\$2,000.00
38.	Mayor's Youth Trust Fund	\$3,000.00
39.	Hornsby Art Gallery	\$4,000.00
40.	Emergency Relief Fund	\$5,000.00

2. Companion animals

2.1 Lodgement of pound data collection returns with the Department of Local Government

Data report lodged with department on 19 July 2009.

2.2 Lodgement of data relating to dog attacks with the department

Data lodged with department through NSW Companion Animals Register as per amended requirements commencing February 2009. Total of 46 listed on register up to 30 June 2009.

2.3 Amount of funding spent relating to companion animal management and activities

Total amount spent: \$395,983.32

2.4 Companion animal community education programs carried out

1. Provided Council information sheets regarding:
 - Microchipping and registration
 - Responsibilities of dog owners
 - Controlling nuisance barking
 - Noise nuisance from barking dogs
 - Cat information
 - Wildlife Protection Areas

2. Provided school education sessions – *Dog Safety* provided as part of the program on local government for students in years 3 and 4. Sessions introduce students to identifying dog behaviour, how to behave around dogs, what not to do around dogs and how to safely meet and greet a dog that is under effective control with a handler. Students are provided with opportunities to practice 'meeting' a dog and scanning for microchips
3. Made promotional visits to pet shops and veterinary surgeries with the provision of information packs to be given to new owners
4. Provided *Chip's* education resources and the *Scoop Up the Poop* program including letterbox leaflets, stickers, reward and warning cards
5. Provided Council-identified pooch pouches free of charge
6. Attended at nursery open days providing individual advice, information and education resources

2.5 Strategies in place to promote and assist in the desexing of dogs and cats

1. Promoted through information sheets and Council's website
2. Encouraged desexing prior to registration – allowing extra time to have animals desexed to enable owners to receive the benefit of the reduced registration fee
3. Promoted National Desexing Network
4. Promoted RSPCA programs

2.6 Strategies in place to comply with the requirement under Section 64 (*NSW Companion Animals Act 1998*) to seek alternatives to euthanasia for unclaimed animals

Strategies undertaken by Council's Pound service provider – Thornleigh Veterinary Hospital.

- Thorough investigation using all available databases to find owners
- Contacting animal rescue organisations
- Sending animals to welfare organisations
- Suitable animals provided for sale at the pound

2.7 Off-leash areas provided

Hornsby Shire has five 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 areas are:

1. Asquith Park, Rotherwood Street, Asquith
2. Crossroads Reserve, corner of Turner and Berowra Waters Roads, Berowra Heights
3. Greenway Park, Shepherds Drive, Cherrybrook
4. Rofe Park, Galston Road, Hornsby Heights
5. Ruddock Park, Eucalyptus Drive, Westleigh

Two other sites are also available. At both of these sites dogs must be kept on a leash during organised sport and games. These are:

1. Epping Oval, Norfolk Road, Epping (Penalties apply for dogs running onto turf wicket square)
2. Woods Street Reserve, Woods Street, North Epping

2.8 Use of Companion Animals Fund money

Companion animals funding received from the Department of Local Government Companion Animals Register Funding: \$73,206

Salary and Wages	\$ 82,173.28
Other employee expenses	\$ 2,337.57
Materials and equipment	\$ 758.64
Legal expenses	\$ 4,000.00
Pound contract expenses	\$ 154,786.56
Internal corporate costs	\$ 51,728.04
Total expenditure	\$ 395,983.32

3. Litigation summaries

3.1 Planning Division/land acquisition - litigation summary for 2008-2009

Class 1 - Land and Environment Court

Case	Expenditure	Result/status
REGAL LIVING PTY LTD 232 New Line Road, Dural Appeal against refusal of housing for aged or differently-abled persons including 35 apartments and associated carparking.	\$38,799.00	25 July 2008: Appeal dismissed.
DW and B TOWNSEND 7 Chilworth Close, Beecroft Appeal against refusal of dwelling and garage.	\$ 25,630.00	4 September 2008: Application approved subject to significant design changes.
ROGER KEITH BROOKES 16-24 Robert Road, Cherrybrook Appeal against refusal of a torrens title subdivision of one lot into fifteen lots and the construction of a public road.	\$ 10,148.00	3 July 2008: Appeal upheld.
MR K and MRS T BROWN 43 Carters Road, Dural Appeal against refusal of establishment of a home industry, construction of fencing and installation of rainwater tank.	\$ 2,697.00	6 June 2008: Appeal upheld.
MR K and MRS T BROWN 43 Carters Road, Dural Appeal against deemed refusal of Section 96(2) application for approved addition - garage, in-ground swimming pool, cabana, tennis court and retaining walls.	Tax invoice not received as at 30/6/09	9 April 2008: Section 34 conference. Agreed conditions prepared.
DAVID ROAD PTY LTD 175, 173-177 David Road, Castle Hill Appeal against refusal of demolition of existing heritage listed building (Glenowen).	\$ 41,411.00	14 November 2008: Appeal dismissed.
MRS AM AYOUB 22A Sydney Road, Hornsby Heights Appeal against refusal of use of existing garage.	\$ 6,101.00	1 July 2008: Appeal upheld with amendments.
JFT CONSTRUCTIONS PTY LTD 37A Hampden Road, Pennant Hills Appeal against Council's deemed refusal of demolition of dwelling house and erection of dwelling - non-compliance.	\$ 9,412.00	14 July 2008: Court approved development subject to consent orders.

Case	Expenditure	Result/status
TIM DEWHURST 118 Franklin Road and 13 Ridgement Close, Cherrybrook Appeal against refusal of subdivision of one lot into 11 lots.	\$ 38,392.00	10 December 2008: Appeal upheld.
BUILDING CODE CERTIFICATIONS PTY LTD 63 Quarry Road, Dural Appeal against refusal of a shed for use with a communications facility.	\$ 24,366.00	18 September 2008: Appeal upheld. Consent orders.
K L WILLIS 42 Manor Road, Hornsby Appeal against refusal of Section 96 application - modification of condition No. 42 (building envelope location).	\$5,794.00	29 July 2008: Appeal upheld.
K L WILLIS 42 Manor Road, Hornsby Appeal against refusal of a building certificate.	\$5,842.00	29 July 2008: Appeal upheld.
LYNETTE DRAKE 68 Eastcote Road, North Epping Appeal against refusal of a building certificate.	\$ 32,220.00	2 February 2009: Works completed in accordance with Court Orders and a building certificate issued.
VIGOR MASTER PTY LTD Lot X DP 415517, Lot 883 DP752053. reserved for future public requirements, 216 and 220 New Line Road, Dural Appeal against refusal of subdivision of two lots into 18 and creation of one community lot for access purposes.	\$ 17,517.00	13 October 2008: An agreement reached between the parties. Appeal upheld.
K L WILLIS 30 and 32 Hall Road, Hornsby Appeal against deemed refusal of Section 96(1A) modifications to conditions Nos. 50 and 51.	\$6,648.00	25 September 2008: An agreement reached between parties.
MRS MB HOLM and MR SE HOLM 1431-1433 Old Northern Road, Glenorie Appeal against Council's refusal to issue a building certificate for the erection of three unauthorised sheds.	\$16,184.00	10 March 2009: Consent Orders issued.
TELSTRA CORPORATION Rofe Park Playing Fields - 100X Galston Road, Hornsby Appeal against refusal of Installation of a mobile phone tower and equipment shelter.	\$12,549.00	28 October 2008: Directions.
ALLAN JUST 22 Warandoo Street, Hornsby Appeal against deemed refusal of alterations and additions to existing dwelling, retain existing pool, demolition of existing pool shed and erection of a cabana.	\$78,085.00	5 May 2009: Appeal dismissed.

Case	Expenditure	Result/status
<p>S and M HOLM 1431-1433 Old Northern Road, Glenorie</p> <p>Appeal against refusal of use of existing buildings for home industry and intensive horticulture, alterations to a rural structure, new front fence and entry gates, water storage tanks, solar panels and ancillary works.</p>	\$63,346.00	10 March 2009: Consent orders issued.
<p>ANDRE ELHAYAK 96 Ray Road, Epping</p> <p>Appeal against deemed refusal of demolition of existing dwelling and erection of a childcare centre.</p>	\$3,725.00	22 October 2008: Appeal discontinued.
<p>JOYCE TAUFAN 6 Sunden Way, North Epping</p> <p>Appeal against refusal of a dwelling - impact upon significant trees.</p>	\$7,838.00	31 October 2008: Court issued consent subject to conditions.
<p>SOLIMAN and SONS PTY LTD 444 Galston Road, Dural</p> <p>Appeal against refusal of Section 96(2) application to vary condition No. 71 (hours of operation).</p>	\$7,735.00	30 August 2007: Consent orders issued.
<p>GELDER 58 Pembroke Street, Epping</p> <p>Appeal against refusal of proposed alterations and additions to heritage building and change of use to childcare centre for 50 children and a caretaker's dwelling.</p>	\$ 6,723.00	24 November 2008: Appeal discontinued by applicant.
<p>SOLIMAN and SONS PTY LTD 444 Galston Road, Dural</p> <p>Appeal against conditions of consent Nos. 64A, 65A, 67C-67F and 84 imposed on the Section 96(2) application.</p>	\$31,165.00	3 December 2008: Appeal upheld.
<p>MORISON Proposed Lot 11, 66-88 Castle Howard Road, Beecroft</p> <p>Appeal against deemed refusal of a dwelling house.</p>	\$31,999.00	6 May 2009: Agreement reached at Section 34 conference for consent to be granted to the amended plans subject to agreed conditions.
<p>MORISON Proposed Lot 12, 66-88 Castle Howard Road, Beecroft</p> <p>Appeal against deemed refusal of a dwelling house.</p>	\$17,232.00	15 June 2009: Consent orders issued.
<p>INDUSTRIAL PARKS OF AUSTRALIA 22-24 Beaumont Road, Mount Kuring-gai</p> <p>Appeal against deemed approval of DA/1690/2007/B.</p>	\$7,857.00	1 April 2009: Appeal upheld.
<p>HAMMOND SMEALLIE and CO 8 Rosemead Road, Hornsby</p> <p>Appeal against refusal of torrens title subdivision of one lot into two.</p>	\$11,436.00	13 November 2008: Appeal discontinued.

Case	Expenditure	Result/status
IGS ENTERPRISES PTY LTD Lot 1 DP 9205054, Lot 1 DP 925055 Fishermans Point, Berowra Creek Appeal against refusal of proposed recreation facility/boatshed and pontoon (floating).	\$56,629.00	13 June 2009: Court of appeal matter. Adjourned for 10 weeks until September 2009 to allow owner to seek consent from Department of Lands to prepare a new DA.
ATR CONSTRUCTIONS 37 Beaumont Road, Mount Kuring-gai Appeal against deemed refusal of a new industrial complex comprising four industrial units and Strata subdivision. First use, signage, associated landscaping and ancillary works.	\$41,108.00	17 March 2009: Appeal upheld.
VIGOR MASTER PTY LTD 68-86 Hull Road, Beecroft Appeal against deemed refusal of subdivision of approved Lot 5 into Lot 5a and Lot 5b with boundary adjustment between Lots 6 and 7 within approved Community Title Subdivision.	\$12,366.00	13 February 2009: Appeal discontinued.
MRS OLGA WALLIS 2 Schofield Parade, Pennant Hills Appeal against refusal of Section 96 application -alterations and additions.	\$12,152.00	24 April 2009: Proceedings discontinued by applicant.
VIGOR MASTER PTY LTD 68 – 86 Hull Road, Beecroft Appeal against refusal of subdivision of one lot (approved Lot 8) into two lots (increasing the total number of lots to nine).	\$16,488.00	12 May 2009: Notice of discontinuance filed with Court by applicant.
DAVID STUART GALE 18 Fairburn Avenue, West Pennant Hills Appeal against refusal of subdivision of one lot into two for an existing multi-unit housing.	\$12,017.00	1 May 2009: Appeal upheld. Consent Orders issued.
SOREN HOLM and MERCEDES HOLM 1431-1433 Old Northern Road, Glenorie Appeal against refusal of Section 96 (1A) application to change the use of the approved rural workers dwelling to a staff amenities building, installation of a wastewater management system and amendment of Condition No. 1.	\$5,773.00	10 March 2009: Consent Orders issued.
SOREN HOLM and MERCEDES HOLM 1431-1433 Old Northern Road, Glenorie Appeal against refusal of Section 96(1A) modification to approved agricultural shed location.	\$18,820.00	10 March 2009: Appeal discontinued. Costs awarded to Council for \$8,000.
RADRAY CONSTRUCTIONS 15 Eyles Avenue, Epping Appeal against refusal of demolition of two existing dwellings and construction of a Seniors' Living development comprising 17 self-care dwellings with associated basement carparking and landscaping.	\$10,927.00	24 June 2009: Callover.

Class 4- Land and Environment Court

Case	Expenditure	Result/status
IGS ENTERPRISES PTY LTD Lot 1 DP 925054 and Lot 1 DP 925055 Fishermans Point, Hawkesbury River Appeal against alleged unauthorised building works.	Tax invoice not received as at 30/6/09	13 May 2008: Draft consent orders issued.
SOLIMAN and SONS PTY LTD 444 Galston Road, Dural Appeal against non-compliance with development consent (Coptic Church).	\$8,140.00	3 December 2008: Class 1 decision - Appeal upheld. Received advice not to proceed. No further action.
POOLWERX PYMBLE 43 Orana Street, Hornsby Appeal against unauthorised storage of pool chemicals.	\$1,715.00	9 April 2008: Inspection by Council Officer revealed that chemicals have been removed. Order complied with.
MRS AM AYOUB 22A Sydney Road, Hornsby Heights Appeal against use of unauthorised garage and driveway.	\$1,948.00	1 July 2008. Appeal upheld with amendments.
MR A SARKIS 23 Hewitt Avenue, Wahroonga Non-compliance with Orders requiring the fencing of two swimming pools and the removal of an unauthorised shipping container.	\$1,059.00	3 June 2009: Council's solicitor sent a letter of demand requiring the Order to be complied with by 22 June 2009. Works have now commenced. Orders not complied with. Action to continue.
DAVID WILKINS 16C Osborn Road, Normanhurst Third party appeal challenging the validity of DA Consent No. 432/2008.	Tax invoice not received as at 30/6/09	3 June 2009: Development Application approved by Council subject to conditions.

Local court

Case	Expenditure	Result/status
LENA D'SOUZA 18 Wentworth Avenue, Waitara Non-compliance with DA/2025/2005 conditions of consent and Plan of Management.	\$10,017.00	13 February 2009: Breaches upheld and fines issued.
SOON JEON 76 Yarrara Road, Pennant Hills Non-compliance with conditions of development consent DA/1877/2007.	\$765.00	29 July 2008: Dismissed - no prima facie evidence.
KOUBOUZIS 5 Sunnyvale Road, Mid-Dural Development without consent. Land modification: Clean up and Prevention Notice.	\$2,850.00	18 July 2008: Defendant found guilty of all offences. Fine and costs awarded.
JE HALLIWELL Shop 2, 135-137 Pacific Highway, Hornsby Development without consent. Illegal 'Discount Chemist' sign.	\$1,844.00	18 September 2008: Defendant found guilty of offence and fined \$2,500 plus \$1,873 for court and legal costs.
ASHLEY WONG 88 Casuarina Drive, Cherrybrook Unauthorised alterations and additions without development consent.	Tax invoice not received as at 30/6/09	3 November 2008: The CAN notice has been withdrawn as Council's witness has passed away and there is insufficient evidence to proceed.
CHRISTIAN PERRIN 14 Killaloe Avenue, Pennant Hills Failure to comply with order in regard to a dividing fence.	\$2,011.00	18 September 2008: Order now complied with. Court ordered defendant to pay Council's legal and court costs.
MR M HONER and MS L PLANK 294 Galston Road, Unlawful building work.	\$1,341.00	3 September 2008: Matter withdrawn as terms of notice complied with and DA lodged.
E-CON GROUP PTY LTD 32 Rosemead Road, Hornsby Appeal against issue of PIN - Pollute Waters POEO.	\$2,302.00	20 January 2009: Appeal withdrawn due to invalid appeal to the District Court.
MR G G WANG 27 Woodvale Avenue, North Epping Development without consent - landform modification. Council instigating proceedings against owner.	\$1,165.00	3 December 2008: Matter closed. Defendant provided sufficient reason for works without consent.
COLIN HYLAND 6 Killaloe Avenue, Pennant Hills Development without consent - shed/office erected at rear of property.	\$2,661.00	23 October 2008: Owner found guilty - fined \$5,000 and \$2,023 in legal and court costs. Payment plan will be entered into.

Case	Expenditure	Result/status
JOSEPH ISIDORO GANGEMI 2 Wayfield Road, Glenhaven Appeal against issue of PIN - unsafe swimming pool.	Tax invoice not received as at 30/6/09	Matter adjourned until 14 September 2009.
MR V PARATHAN AND MRS R PARATHAN 15 Manuka Circle, Cherrybrook Appeal against issue of PIN - noisy alarm.	\$758.00	3 February 2009: Instructed Solicitor to withdrawn PIN in accordance with advice received.
STREBOR ENTERPRISES PTY LTD 8/827 Old Northern Road, Dural Non-compliance with condition 5 of development consent DA 2066/1999 - designated parking areas are being used for storage and display of work and materials.	Tax invoice not received as at 30/6/09	22 June 2009: Local Court hearing. Defendant found guilty of offence - no conviction recorded. No fine, but \$1,000 costs awarded.
MR I CREAK 240-242 Pennant Hills Road, Thornleigh Illegal occupation of premises without consent for a vehicle showroom.	Tax invoice not received as at 30/6/09	1 September 2009: Local Court hearing (Plea: Not guilty).
VIGOR MASTER PTY LTD 68-86 Hull Road, Beecroft Unauthorised removal of trees within a Blue Gum High Forest.	Tax invoice not received as at 30/6/09	6 May 2009: Legal proceedings discontinued due to an ambiguous consent and related consent plans. \$3,000 penalty notice issued.
MR R J BURKE 5425 Old Northern Road, Wisemans Ferry Unauthorised construction of portal frame shed without approval.	Tax invoice not received as at 30/6/09	Awaiting issue of Court Attendance Notice (CAN).
Subtotal	\$785,707.00	

3.2 Land acquisition

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

Case	Court	
HORNSBY SHIRE COUNCIL-v-VALUER GENERAL CSR LIMITED-v-HORNSBY SHIRE COUNCIL Quarry Road, Hornsby	Supreme Court and Land and Environment Court	\$ 324,585.00
Subtotal		\$ 324,585.00
Total Planning Division / land acquisition		\$ 1,110,292.00

3.3 Environment Division litigation register

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

Case	Court	Costs 08/09	Result/status
Amanda Benson and Alan Devaney Illegal Land Modification.	Land and Environment Court	\$2,028.81	Court orders granted
Helen Higgins - Own dog that rushes at/attacks/bites, harasses, chases person or animal.	Hornsby Local Court	\$3,100.00	Court orders granted
Craig Travenar – Dog not under effective control.	Hornsby Local Court	\$900.00	Matter withdrawn with no further Costs
Total		\$6028.81	

3.4 Works Division - Traffic and Road Safety Branch

Litigation summary July 2008 – June 2009

Name/ Court reference / Offence	Offence	Court date/ Officer	Results
Adlo Gino Jose Bayona Disobey No Stopping sign - School Zone	Mention 12.06.08 Hearing 4.08.08	\$165.00	Council withdrawn
Daile Joy Byrne Disobey Park In Bays Only sign	Mention 10.07.08 Hearing 09.09.08	\$330.00	S10 - Dismissed
Ma Lynette Nonato Koopmans Disobey No Stopping sign	Mention 29.04.08 Hearing 14.07.08	NA	Council Withdrawn
Craig Anthony Cosier Disobey No Stopping sign	Mention 31.07.08 Hearing 10.10.08	NA	Withdrawn
Emil John Lizars Double park	Mention 31.07.08 Hearing 10.10.08	\$165.00	S10 – Dismissed Court costs \$73
Bradley Allen Young Disobey No Stopping sign	Mention 31.07.08 Hearing 17.10.08	\$80.00	S10 – Dismissed
International Commodity Holdings Disobey No Stopping sign	Mention 31.07.08 Hearing 17.10.08	NA	S10 – Dismissed
Donald Richard Spencer Exceed laden mass	Mention 18.09.08 Hearing 5.12.08	\$500.00	S10 - Dismissed
Susan Bolton Park continuously for longer than allowed	Mention 25.9.08 Hearing 5.11.08	NA	Withdrawn
Robert James Webeck Stop in parking area for disabled without current disability permit displayed	Mention 27.11.08	NA	Dismissed Court costs \$73
Faraj Faraj Exceed laden mass of road	Mention 4.12.08	NA	Fine \$200 Court costs \$73

Name/ Court reference / Offence	Offence	Court date/ Officer	Results
Michael William Duff Double park	Mention 2.10.08 Hearing 19.12.08	\$100.00	Fine \$185 Court costs \$73
Jun-Yin Gu Park in area longer than permitted	Mention 16.10.08 Hearing 05.01.09	NA	Fine \$50 Court costs \$73
Raymond Brian Armstrong Disobey No Parking sign	Mention 09.10.08 Hearing 21.01.09	\$165.00	S10 – Dismissed
Raymond Leslie Cooney Exceed laden mass of road	Mention 16.10.08 Hearing 16.01.09	\$330.00	Fine \$500 Court costs \$73
Adam Jeffrey Currie Exceed laden mass	Mention 16.10.08 Hearing 23.02.09	\$165.00	Fine \$954
Adam Jeffrey Currie Exceed laden mass	Mention 16.10.08 Hearing 23.02.09	\$165.00	Fine \$954
Alex Vidiniotis Deposit litter from vehicle	Mention 27.11.08 Hearing 02.03.09	\$330.00	Fine \$200 Court costs \$73
Douglas Chalmers Disobey No Stopping sign – school zone	Mention 08.01.09 Hearing 01.04.09	\$220.00	S10 - Dismissed
Grzegorz Dabrowa Stop in loading zone longer than allowed	Mention 12.02.09 Hearing 30.03.09	NA	S10 - Dismissed
Zeljko Peter Vugrinec Stop in loading zone	Mention 04.12.08 Hearing 30.03.09	NA	S10 - Dismissed
Henricus Andreas M Ovelgonne Disobey No Stopping sign	Mention 08.01.09 Hearing 06.04.09	\$200.00	S10 - Dismissed
David Victor Rupert Stop on path/strip in built up area	Mention 12.02.09 Hearing 17.04.09	\$165.00	Court costs \$73
Andrew Chun Yu Yuen Stop within 10 metres of an intersection without traffic lights	Mention 12.02.09 Hearing 17.04.09	\$200.00	Court costs \$73
David Victor Rupert Stop on path/strip in built up area	Mention 12.02.09 Hearing 17.04.09	\$165.00	Court costs \$73
Jacqueline D McCormick Disobey No Parking sign	Mention 15.01.09 Hearing 21.04.09	NA	Withdrawn
Derrick Cartwright Exceed laden mass of road	Mention 29.01.09 Hearing 20.04.09	\$330.00	Court costs \$73
Said Ibrahim Rostay Stop within 10 Meters of an Intersection	Mention 12.02.09 Hearing 08.05.09	\$330.00	Court costs \$73
Armando Dos Santos Camacho Disobey No Stopping sign	Mention 19.02.09 Hearing 22.05.09	\$165.00	Court costs \$73
Calvin Colin Booth Exceed laden mass of road	Mention 19.02.09 Hearing 22.05.09	\$165.00	Court costs \$73
Thomas Edward Lewis Kenyon Stop on path/strip in built up area	Mention 7.05.09 Hearing 28.05.09	NA	Fine \$100 Court costs \$73
Philip Bruce Pearce Stop on Path/Strip in built up area	Mention 29.01.09 Hearing 29.05.09	\$165.00	Court costs \$73
Australian Performance Reality Services Pty Ltd Disobey No Stopping sign	Mention 12.03.09 Hearing 05.06.09	NA	Council withdrawn
Subramaniam Paramasivam Parallel Park Close to Dividing Line/Strip	Mention 29.01.09 Hearing 09.06.09	\$165.00	Court costs \$73
Benjamin Michael D'ARCY Not parallel park in direction of travel	Mention 09.04.09 Hearing 26.06.09	\$330.00	Fine \$135 Court costs \$73

4. Major contracts

The following contracts over \$150,000 were awarded by Council during the financial year 2008/2009.

Contractor	Nature of goods/services supplied	\$ Amount pa	Term of contract
Aston and Burke Pty Ltd, Pave-rite Constructions Pty Ltd, De Vries Concreting and Excavations Pty Ltd	Construction and reconstruction of vehicular crossings and footpaths	\$500,000	1 year
AMFM Constructions Pty Ltd	Berowra District Fire Control and Emergency Centre	\$3,127,027	Lump sum contract
Classic Group Pty Ltd	Construction of alterations and additions to Community centre and 72 place childcare and multipurpose facility at Greenway Park	\$3,574,323	Lump Sum contract
SRS Roads Pty Ltd	Sprayed bitumen surfacing	\$500,000	1 year
Nepean Motor Group, The Kloster Group, Alto Group, Brian Hilton Toyota, Alto Group, Chatswood Toyota, Suttons, Hornsby Nissan, Denlo Subaru, Sundell Motors	Acquisition of vehicles	Est \$1,700,000	2 years
Advant Constructions Pty Ltd	Advant Constructions Pty Ltd Fagan Park entry building Construction	\$279,360	Lump sum contract
TJ Mathews Plumbing Services Pty Ltd, Dolphin Plumbing Pty Ltd	Plumbing Services	\$500,000	2 years
Tropic Asphalts Pty Ltd	Patching of road pavements in full depth asphalt	\$306,000	1 year
Sydney Water Corporation Monitoring Services	Laboratory services	\$225,000	3 years
Envirocivil Pty Ltd	Maintenance of stormwater assets	\$600,000	3 years
Dragonfly Environmental Pty, Australian Bushland PTY Ltd, Sydney Bush Regeneration Pty Ltd	Landscape maintenance and bush regeneration	\$360,000	3 years
Jaddfe Pty Ltd	Berowra Oval water harvesting scheme	\$150,850	1 year
Kizan (T/A A and J Paving Pty Ltd)	Minor asphalt works	\$260,000	1 year
Stabilised Pavements of Australia Pty Ltd	Stabilisation of road pavements	\$400,000	1 year

5. Freedom of Information Act 1989

In the last financial year 1,051 Document Access applications and 47 Freedom of Information (FOI) applications were processed by Council. One FOI application was carried forward into the next financial year. This represents a consistency in the number of applications to access information when compared with the 2007/2008 financial year in which there were 1023 Document Access applications and 41 FOI applications.

The legal requirements for the provision of information to the community and the preservation of privacy in relation to information that Council holds are competing priorities which can sometimes be in conflict. Council's Document Access Policy and published Privacy Notification give important criteria on the procedures adopted by Council to balance these competing priorities.

There were six FOI requests made in relation to personal affairs in the last financial year. Eleven internal reviews of FOI determinations were completed in the last financial year.

SECTION A Number of new FOI applications

How many FOI applications were received, discontinued or completed?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
A1 New	-	6	40	40	40	46
A2 Brought forward	-	-	1	2	1	2
A3 Total to be processed	-	6	41	42	41	48
A4 Completed	-	6	30	37	30	43
A5 Discontinued	-	0	9	4	9	4
A6 Total processed	-	6	39	41	39	47
A7 Unfinished (carried forward)	-	-	2	1	2	1

SECTION B Number of discounted FOI applications

Why were FOI applications discontinued?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
B1 Request transferred out to another agency (s.20)	-	-	-	-	-	-
B2 Applicant withdrew request	-	-	3	3	3	3
B3 Applicant failed to pay advance deposit (s.22)	-	-	3	1	3	1
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1))	-	-	3	-	3	-
B5 Total discontinued	-	-	9	4	9	4

SECTION C Number of completed FOI applications

What happened to completed FOI applications?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
C1 Granted/available in full	-	1	14	24	14	25
C2 Granted/available in part	-	2	8	8	8	10
C3 Refused	-	3	1	2	1	5
C4 No documents held	-	-	7	3	7	3
C5 Total completed	-	6	30	37	30	43

SECTION D Number of FOI applications (granted or otherwise available in full)

How were the documents made available to the applicant?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
D1 Provided to the applicant	-	1	14	24	14	25
D2 Provided to the applicant's medical Practitioner	-	-	-	-	-	-
D3 Available for inspection	-	-	-	-	-	-
D4 Available for purchase	-	-	-	-	-	-
D5 Library material	-	-	-	-	-	-
D6 Subject to deferred access	-	-	-	-	-	-
D7 Available by a combination of any of the reasons listed in D1D6 above	-	-	-	-	-	-
D8 Total granted or otherwise available in full	-	1	14	24	14	25

SECTION E Applications granted or otherwise available in part

How were the documents made available to the applicant?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
E1 Provided to the applicant	-	2	8	8	8	10
E2 Provided to the applicant's medical Practitioner	-	-	-	-	-	-
E3 Available for inspection	-	-	-	-	-	-
E4 Available for purchase	-	-	-	-	-	-
E5 Library material	-	-	-	-	-	-
E6 Subject to deferred access	-	-	-	-	-	-
E7 Available by a combination of any of the reasons listed in E1-E6 above	-	-	-	-	-	-
E8 Total granted or otherwise available in part	-	2	8	8	8	10

SECTION F Refused FOI applications

Why was access to the documents refused?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
F1 Exempt	-	3	1	2	1	5
F2 Deemed refused	-	-	-	-	-	-
F3 Total refused	-	3	1	2	1	5

SECTION G Number of FOI applications refused or otherwise available in part only

Why were the documents classified as exempt?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
Restricted documents:	-	-	-	-	-	-
G1 Cabinet documents (Clause 1)	-	-	-	-	-	-
G2 Executive Council documents (Clause 2)	-	-	-	-	-	-
G3 Documents affecting law enforcement and public safety (Clause 4)	-	-	-	-	-	-
G4 Documents affecting counter terrorism measures (Clause 4A)	-	-	-	-	-	-
Documents requiring consultation:	-	-	-	-	-	-
G5 Documents affecting intergovernmental relations (Clause 5)	-	-	-	-	-	-
G6 Documents affecting personal affairs (Clause 6)	-	5	4	5	4	10

Why were the documents classified as exempt?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
G7 Documents affecting business affairs (Clause 7)	-	-	1	1	1	1
G8 Documents affecting the conduct of research (Clause 8)	-	-	-	-	-	-
Documents otherwise exempt:	-	-	-	-	-	-
G9 Schedule 2 exempt agency	-	-	-	-	-	-
G10 Documents containing information confidential to Olympic Committees (Clause 22)	-	-	-	-	-	-
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	-	-	-	-	-	-
G12 Documents relating to threatened species conservation (Clause 24)	-	-	-	-	-	-
G13 Plans of management containing information of Aboriginal significance (Clause 25)	-	-	-	-	-	-
G14 Private documents in public library collections (Clause 19)	-	-	-	-	-	-
G15 Documents relating to judicial functions (Clause 11)	-	-	-	-	-	-
G16 Documents subject to contempt (Clause 17)	-	-	-	-	-	-
G17 Documents arising out of companies and securities legislation (Clause 18)	-	-	-	-	-	-
G18 Exempt documents under interstate FOI Legislation (Clause 21)	-	-	-	-	-	-
G19 Documents subject to legal professional privilege (Clause 10)	-	-	3	3	3	3
G20 Documents containing confidential material (Clause 13)	-	-	-	-	-	-
G21 Documents subject to secrecy provisions (Clause 12)	-	-	-	-	-	-
G22 Documents affecting the economy of the State (Clause 14)	-	-	-	-	-	-
G23 Documents affecting financial or property Interests of the State or an agency (Clause 15) G24 Documents concerning operations of agencies (Clause 16)	-	-	1	1	1	1
G25 Internal working documents (Clause 9)	-	-	-	-	-	-
G26 Other exemptions (e.g., Clauses 20, 22A and 26)	-	-	-	-	-	-
G27 Total applications including exempt documents	-	5	9	10	9	15

SECTION H Number of Ministerial Certificates issued (S.59)

How many Ministerial Certificates were issued?	Previous year	Current year
H1 Ministerial certificates issued	0	0

SECTION I Formal consultations

How many formal consultations were conducted?	Number consulted	
	previous year	current year
I1 Number of applications requiring formal consultation	5	3
I2 Number of persons formally consulted	10	5

SECTION J Amendment of personal records

How many applications for amendment of personal records were agreed or refused?	Number of applications for amendment of personal records	
	previous year	current year
J1 Agreed in full	-	-
J2 Agreed in part	-	1
J3 Refused	-	3
J4 Total	0	4

SECTION K Notation of personal records Section M – fee discounts

How many applications for notation of personal records were made (s.46)?	Number of applications for notation	
	previous year	current year
K1 Applications for notation	0	0

SECTION L Fees and costs

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	Personal		Other	
	previous year	current year	previous year	current year
L1 All completed applications	\$6240	\$6480	\$3863.50	
Council's legal costs associated with FOI applications	\$37,750.78		Nil	

SECTION M Fee discounts

How many fee waivers or discounts were allowed and why?	Personal		Other		Total	
	previous year	current year	previous year	current year	previous year	current year
M1 Processing fees waived in full	-	-	-	-	-	-
M2 Public interest discounts	-	-	-	3	-	3
M3 Financial hardship discounts – pensioner or child	-	1	3	-	3	1
M4 Financial hardship discounts – non profit organisation	-	-	-	-	-	-
M5 Total	0	1	3	3	3	4

SECTION N Fee refunds

How many fee refunds were granted as a result of significant correction of personal records?	Number of refunds	
	previous year	current year
N1 Number of fee refunds granted as a result of significant correction of personal records	0	0

SECTION O Days taken to complete request

How long did it take to process completed applications? (Note: calendar days)	Personal		Other		total	
	previous year	current year	previous year	current year	previous year	current year
O1: 0-21 days – statutory determination period	-	5	15	26	15	31
O2: 22-35 days – extended statutory determination period for consultation or retrieval of archived records (S.59B)	-	-	3	3	3	3
O3: Over 21 days – deemed refusal where no extended determination period applies	-	1	11	3	11	4
O4: Over 35 days – deemed refusal where extended determination period applies	-	-	1	5	1	5
O5: Total	0	6	30	37	30	43

SECTION P Processing time: hours

How long did it take to process completed applications?	Personal		Other		total	
	previous year	current year	previous year	current year	previous year	current year
P1 0-10 hours	-	4	24	33	24	37
P2 11-20 hours	-	2	5	4	5	6
P3 21-40 hours	-	-	-	-	-	-
P4 Over 40 hours	-	-	1	-	1	-
P5 Total	0	6	30	37	30	43

SECTION Q Number of reviews

How many reviews were finalised?	Number of completed reviews	
	previous year	current year
Q1 Internal reviews	2	11
Q2 Ombudsman reviews	-	-
Q3 ADT reviews	1	1

SECTION R Results of internal reviews

What were the results of internal reviews finalised?	Personal		Other		total	
Grounds on which the internal review was requested	Original agency decision					
	upheld	varied	upheld	varied	upheld	varied
R1 Access refused	-	-	6	2	6	2
R2 Access deferred	-	-	-	-	-	-
R3 Exempt matter deleted from documents	-	-	-	-	-	-
R4 Unreasonable charges	1	-	-	-	1	-
R5 Failure to consult with third parties	-	-	-	-	-	-
R6 Third parties views disregarded	-	-	-	-	-	-
R7 Amendment of personal records refused	1	1	-	-	1	1
R8 Total	2	1	6	2	8	3

6. Privacy and Personal Information Protection Act 1998

Council adopted a Privacy Management Plan in 2001. The plan is used by staff to comply with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. Council also publishes a privacy notification in newspapers when advertising public information on Council's website.

Privacynsw are working with the Department of Local Government to develop a revised Model Privacy Management Plan. Council's Privacy Management Plan will be reviewed once this Model Plan has been revised and circulated.

Council conducted two separate reviews under Division 3, Part 5 of the PPIP Act. In one case part of the request for suppression of personal information was granted. In the other case, no action was required to be undertaken by Council. Both reviews have been satisfactorily dealt with and are now finalised

7. Other

7.1 Work on private land

No private works were undertaken by Council during the 2008/09 financial year.

7.2 External bodies exercising Council functions

In accordance with the *Local Government Act 1993*, the reference to 'external bodies' is limited to those organisations which exercised functions delegated by Council. In 2008/09 there were no 'external bodies' exercising functions delegated by Council.

7.3 Controlling interest in companies

Council did not hold a controlling interest in any company in 2008/09.

7.4 Partnerships, cooperatives and joint ventures

Council was a party to numerous relationships with during 2008/09. These are documented throughout the report so as to retain the context of which the relationship occurred and the benefits that resulted.

7.5 Rates and charges written off

During 2008/09 the following rates and charges were written off under the Local Government (Rates and Charges) Regulation 1993:

Pensioner rates	\$1,703,953*
Non-pensioner rates (postponed)	\$5,733
Interest (postponed)	\$2,711

*55 percent of this is recovered from the State Government

7.6 Councillor's expenses and facilities policy

Councillor's expenses and facilities policy. To fulfil the statutory responsibilities of Section 252 of the *Local Government Act 1993* and the *Local Government (General) Regulation 2005*, following is Council's Councillor's Expenses and Facilities (Statutory) Policy.

POLICY REGISTER



HORNSBY SHIRE COUNCIL
"creating a living environment"

POLICY TITLE: COUNCILLORS' EXPENSES AND FACILITIES (STATUTORY)

FOLDER NUMBER: F2007/00307

POLICY OWNER / DIVISION: Corporate & Community Division

POLICY OWNER / BRANCH: Administration Services Branch

FUNCTION: Councillors

RELEVANT LEGISLATION: Local Government Act 1993 (Section 252)

POLICY ADOPTION/AMENDMENT DATE: 14 November 2007 **REPORT NUMBER:** CC100/07

REVIEW YEAR: 2009

AMENDMENT HISTORY:

- 14 October 1998 (Report No CC126/98)
- 8 March 2000 (Report No CC18/00)
- 11 July 2001 (Report No CC50/01)
- 13 November 2002 (Report No CC110/02)
- 9 March 2005 (Report No CC5/05)
- 8 November 2006 (Report No CC86/06)
- 14 February 2007 (Report No CC6/07)
- 11 April 2007 (Report No CC11/07)

RELATED POLICIES: Councillors and Staff – Legal Assistance

POLICY PURPOSE / OBJECTIVES:

1. To ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by Councillors.
 2. To ensure that the facilities provided to a Councillor to carry out their civic duties are reasonable.
 3. To promote a diversity of representation that can bring the benefit of new and different approaches and solutions to issues by encouraging members of the community, particularly under-represented groups such as those in primary caregiver roles or those with a disability, to seek election to Council whilst ensuring that they would not be financially or otherwise disadvantaged in undertaking the civic duties of a Councillor.
 4. To fulfil the statutory responsibilities of Section 252 of the Local Government Act and the Local Government (General) Regulation, having regard to:
 - the Department of Local Government publication "Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors for Local Councils in NSW"
 - Department of Local Government Circular No 05/08 – Legal Assistance for Councillors and Council Employees and No 02/34 – Unauthorised Use of Council Resources
 - Council's Code of Conduct and ICAC Publication – No Excuse for Misuse, preventing the misuse of Council resources
 - other relevant documents.
-

POLICY STATEMENT:**1. INTRODUCTION****a. Reporting Requirements**

Section 428 of the Local Government Act requires Council to include in its Annual Report:

- a copy of the current Council Policy - Payment of Expenses and Provision of Facilities for the Mayor and Councillors
- the total amount of money expended during the year on providing those facilities and paying those expenses
- additional information as required by the Local Government (General) Regulation

Clause 217 of the Regulation requires Council to include additional information in the Annual Report. This includes specific reporting on:

- cost of phone calls including mobiles, home located landlines, facsimile and internet services
- spouse/partner/accompanying person expenses
- conference and seminar expenses
- training and skill development expenses
- interstate travel expenses
- overseas travel expenses
- carer and other related expenses
- cost of the provision, including rental, of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and internet installed in the Councillors' homes. This item does not include the costs of using this equipment, such as calls.
- other significant costs incurred.

b. Approval Arrangements

Any expenses in relation to Council related business should only be incurred by Councillors in accordance with the provisions of this Policy. All claims for expenses shall be submitted for approval to the General Manager or his delegate.

Some expenses, for example attendance at conferences and overseas and interstate travel, may require approval prior to the expense being incurred. Such requirements are detailed in the relevant sections of this Policy.

Total costs for the payment of expenses and the provision of equipment and facilities to Councillors are to be within the limits of the provision of Council's annual budget, with expenditure against such budget allocations to be reviewed quarterly in accordance with Council's standard quarterly budget review process.

2. PAYMENT OF EXPENSES - GENERAL

- a) Claims for reimbursement of expenses shall be made on the approved form, supported by appropriate receipts and tax invoices, and must be made no later than three months after the expense has been incurred.
- b) Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars, and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by the Policy. However, a Councillor must fully reconcile all expenses against the cost of the advance within two weeks of return.
- c) There may be limited instances where certain costs incurred by the Councillor on behalf of a spouse, partner, or accompanying person are properly those of the Councillor in the performance of his or her functions (hence they are properly incurred by and reimbursable to the Councillor). An accompanying person is a person who has a close personal relationship with a Councillor and/or provides carer support to the Councillor. Such functions would be those that a Councillor's spouse, partner or accompanying person could be reasonably expected to attend. Examples could include,

but not be limited to, Australia Day award ceremonies, citizenship ceremonies, civic receptions, and charitable functions for charities formally supported by the Council.

- d) Limited expenses of spouses, partners or accompanying persons associated with attendance at the Local Government Association Annual conference are claimable. These expenses should be limited to the cost of registration and the official conference dinner. Travel expenses, any additional accommodation expenses, and the cost of partner/accompanying persons tours etc would be the personal responsibility of individual Councillors.

3. PAYMENT OF EXPENSES - SPECIFIC

a. Travel Arrangements and Expenses

All travel by Councillors should be undertaken by utilising the most direct route and the most practicable and economical mode of transport, subject to any personal medical considerations, with a preference for motor vehicle travel within NSW.

The General Manager or his delegate is authorised to pay to Councillors, on receipt of a claim, reasonable reimbursement of travelling, accommodation and subsistence expenses on the following basis:

- i) Travelling allowance per kilometre as provided for in the Local Government State Award or alternatively fares by public transport for journeys to and from the Councillor's place of residence in respect of:
 - 1. Attendance at any duly convened meeting of any organisation to which the Councillor claiming has been nominated or elected by resolution of Council, as an official Council representative.
 - 2. Attendance at inspections or at business of Council, authorised by Council resolution.
 - 3. Attendance at all duly convened Council or Committee Meetings, at which the Councillor is entitled to attend.
 - 4. Attendance at Hornsby Council citizenship ceremonies.
 - 5. Attendance at conferences in accordance with this Policy
 - 6. Attendance at all official Council or Council sponsored functions.
 - 7. Attendance at any public meeting or function where Council officers are officially in attendance or where Councillors are invited in an official capacity.
 - 8. Attendance at any function representing the Mayor
 - 9. Attendance at inspection of any items listed in the business paper.
- ii) The Councillor or driver is personally responsible for all traffic or parking fines incurred while travelling in private or Council vehicles on Council business.
- iii) Where the distance to be travelled is such that travel should be by aeroplane, the booking is to be made through the Mayor's Executive Assistant and will, as far as practicable, conform to the general NSW Public Service guidelines.
- iv) Reasonable reimbursement for accommodation and other subsistence expenses incurred will be paid for authorised Council business outside of the local government area. The accommodation level will, as far as practicable, conform to the general NSW Public Service guidelines.

b. Attendance at Conferences and Seminars

- i) 1. Councillors may attend a maximum of two (2) conferences per annum within New South Wales or the ACT, in addition to the Annual NSW Local Government Association Conference and the National General Assembly of the Australian Local Government Association.
or
2. Councillors may attend one (1) conference outside NSW/ACT and within Australia in addition to the Annual NSW Local Government Association Conference and the National General Assembly of the Australian Local Government Association.

The words "per annum" in this clause mean any period of 12 months commencing on the 2nd Saturday in September in any year.

- ii) The official delegates to the NSW Local Government Association Conference will be those Councillors nominated by resolution of Council.
- iii) Attendance at additional conferences both within NSW, ACT or Australia may be approved by Council resolution or if attendance does not require accommodation and can be funded from existing allocations by the delegated authority of the General Manager.
- iv) Other appropriate conferences will be those conferences brought to the attention of the Council by the General Manager from time to time by way of a memo or report. In this regard, any international conference is to be funded to the equivalent of one discretionary conference permitted under part b i) 1. or 2. above with the Councillor meeting the balance of cost for transport and accommodation in any given year. Attendance by Councillors at such international conferences would preclude attendance at any additional conference other than the Local Government Association Conference and the National General Assembly of the Australian Local Government Association in any given year.
- v) If for any reason a nominated delegate to the NSW Local Government Association Conference fails to attend, the Mayor may nominate an official delegate from one of the Councillors attending in an observer capacity.
- vi) An appropriate register of the conferences attended by Councillors will be maintained by the Mayor's Executive Assistant for public perusal of the conferences attended.
- vii) Any Councillor attending a conference will be required to submit a written report for circulation to non-attending Councillors and relevant staff detailing the salient points of interest to Hornsby Shire with recommendations for further areas of investigation. This clause does not apply to a Councillor's attendance at the Annual NSW Local Government Association Conference or the National General Assembly of the Australian Local Government Association.
- viii) All issues associated with a Councillor's attendance at a Conference, including bookings etc, will be directed in the first instance to the Mayor's Executive Assistant, who will then follow up if necessary with an appropriate member of staff.

c. Training and Education

- i) Council supports and encourages an active learning process and skills development in addition to attending seminars and conferences related to Council functions. It is essential, where Council is paying these expenses, that the training or educational course is directly related to the Councillor's civic functions and responsibilities.

d. Interstate Travel

- i) For the purposes of this Policy, the Australian Capital Territory is regarded as being within New South Wales.
- ii) Where Councillors propose to travel interstate on Council business, the proposals should:-

1. Where the cost of the travel is not expected to exceed \$2,000 for transport, accommodation, and out of pocket reimbursement of expenses per person, be recommended to the Mayor and General Manager for their approval.
 2. Where the cost of the travel is expected to exceed \$2,000 for transport, accommodation, and out of pocket reimbursement of expenses per person, be considered at an open meeting of Council through a detailed report from the Mayor or General Manager which outlines:-
 - who is to take part in the travel;
 - the objectives to be achieved in undertaking the travel, including an explanation of what community benefit will accrue as a result; and details of costs, including any amounts expected to be reimbursed by participants.
- iii) If the travel is to be sponsored by private enterprise, ICAC guidelines and reporting structures should be followed.
- iv) Where the travel takes place in accordance with part d ii) 2 above a detailed report should be provided to an open meeting of Council promptly upon return, outlining how the travel's objectives were met and how the community benefited from it.
- e. Overseas Travel**
- i) For all overseas travel by Councillors on Council business a detailed proposal should be developed prior to the travel being undertaken.
- ii) Proposals should indicate:-
1. Who is planned to take part in the travel;
 2. Duration and itinerary of the travel;
 3. The objectives for undertaking the travel, including an explanation of what community benefits will accrue as a result; and
 4. Detailed budget including a statement of any amounts expected to be reimbursed by the participants.
- iii) If the visit is to be sponsored by private enterprise, ICAC guidelines and reporting structures should be followed and this should form part of the community reporting process.
- iv) The above proposals should be included in Council's Business Papers and considered by Council in open meeting where Council will resolve whether or not the travel is to take place.
- v) After the overseas travel has been undertaken, a detailed report should be provided to an open meeting of Council promptly upon return, outlining how the objectives were met and what quantifiable benefits will flow to the community.

The outcomes, costs, and attendances for all overseas travel should be included in the first Annual Report issued subsequent to the travel taking place.

f. Attendance at Dinners and Other Non-Council Functions

Reimbursement of costs associated with Councillor attendance at dinners and other non-Council functions will be at the discretion of the Mayor and the General Manager.

g. Telephone / Facsimile

Council will provide for the installation of a direct telephone line and/or facsimile facility to a Councillor's private home, if requested by the Councillor.

Council will meet the cost of:

- The full facsimile machine rental, together with call charges certified by the Councillor to be substantially incurred on Council business.
- Telephone calls, including mobile telephone calls, certified by the Councillor to be substantially incurred on Council business.

h. Carer and Other Related Expenses

- i) Council will reimburse reasonable costs of carer arrangements, including child care expenses and the care of elderly, disabled and /or sick immediate family members of Councillors, to allow Councillors to undertake their Council business obligations. Such costs will be certified by the Councillor to be necessarily incurred in the course of fulfilling their civic duties and conducting the business of Council.
- ii) Council will give consideration to the payment of other related expenses associated with the special requirements of councillors such as disability and access needs, including reasonable transportation provisions for those unable or unwilling to drive a vehicle, to allow them to perform their normal civic duties and responsibilities.

i. Insurances

In accordance with Section 382 of the Local Government Act Council will maintain adequate insurance against public liability and professional indemnity for Councillors whilst carrying out their civic duties and/or exercise of their Council functions. In addition Council will maintain relevant cover for personal injury and travel insurance.

j. Legal

The funding of legal costs for Councillors will be in accordance with Council's policy on legal assistance for Councillors and employees.

4. PROVISION OF EQUIPMENT AND FACILITIES - GENERAL**a. General**

Council facilities, equipment and services are not to be used to produce election material or for any other political purposes.

Council will provide the following facilities and administrative support to Councillors to assist them to effectively discharge their civic duties. The provision of such equipment will be of a standard deemed by the General Manager as appropriate for this purpose.

- i) Secretarial support.
- ii) On request laptop computer, mobile phone, printer, facsimile/telephone, answering machine, filing cabinet, briefcase, general office stationery and other administrative aids as considered appropriate by the General Manager or his delegate.
- iii) The cost of posting Councillor's official mail when sent through the Mayor's Executive Assistant.
- iv) An access card for entrance to Fagan Park.

- v) A Councillors' common room appropriately furnished to include telephone, facsimile, photocopier, printer, desk, computer terminal, lockers, and appropriate refreshments including a fully stocked bar fridge.
- vi) One shared car parking space dedicated for Councillors' use in Council Chambers basement.
- vii) Business cards appropriate to Councillors' civic role.
- viii) A suitable name badge.
- ix) A copy of, or access to, Bluet's Local Government Handbook, the Local Government Act and the Local Government (General) Regulation.
- x) Use of the Mayoral car for Council business only, when not otherwise required by the Mayor. Such usage is to be via:
 - a pre-booking arrangement through the Mayor's Executive Assistant.
 - a log book is to be maintained with entries certified by individual Councillors.
 - the Deputy Mayor shall have priority usage of the Mayoral car when carrying out the functions of the Mayor.
- xi) Corporate attire up to the amount nominated as the maximum annual provision, contained within the adopted Principles and General Procedures for the Corporate Attire Scheme.

b. Additional Mayoral Equipment and Facilities

In addition to Councillor entitlements contained in this Policy, the following equipment and facilities shall be supplied to the Mayor.

- i) Unrestricted use for Council business, of the Mayoral car, fully maintained and fuelled by Council and equipped with mobile telephone.
- ii) Where the Mayor of the day so chooses, full private use of the Mayoral car, on payment of an amount determined by the Council for such use. (N.B. in 2002 this amount was determined by Council to be \$5,000, to be increased annually by CPI.) This amount is to be deducted from the Mayor's Annual Fee.
- iii) Mayoral car parking space in the Council Chambers basement.
- iv) Mayoral office appropriately furnished with telephone, desk, cabinet etc.

The Deputy Mayor will be provided with the same facilities as those provided to Councillors but in addition when acting as the Mayor, may be entitled to use of facilities set out in part 4. b. i) – iv) of this Policy.

N.B. The Deputy Mayor shall have priority usage of the Mayoral car when carrying out the functions of the Mayor on the basis set out in Section 4. a. x).

c. Private Use of Equipment and Facilities

In exceptional circumstances the Mayor or a Councillor may use a facility listed in Section 4 of this policy for private use provided that:

- i) In the case of a Councillor, the prior written approval of the Mayor is obtained and the General Manager and all other Councillors are given prior notification of the proposed private use.
- ii) In the case of the Mayor, the prior written approval of the General Manager is obtained and all other Councillors are given prior notification of the proposed private use.
- iii) The amount of the private benefit, as determined by the General Manager, is deducted from the next payment of the Mayor or Councillor's fee.

5. OTHER MATTERS**a. Acquisition and Return of Equipment and Facilities by Councillors**

- i) All unexpended facilities/equipment supplied under this Policy are to be relinquished immediately on termination of Office.
- ii) Councillors may purchase equipment allocated to them at the cessation of their duties. The purchase price for such items will be a fair market price as agreed by the General Manager and the Councillor.

7.7 Mayoral and Councillor fees and facilities

A total of \$51,129.96 was expended during 2008/2009 on Mayoral fees, while the Councillors' fees for the year totalled \$186,725.37.

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	\$2,371.23
Telephone calls made by Councillors, including mobile phone expenses (includes equipment and line costs)	\$25,136.41
Attendance of Councillors at conferences and seminars	\$22,810.24
Training of Councillors and provision of skill development	\$450.00
Interstate visits by Councillors, including transport, accommodation and other out of pocket travelling expenses	\$1,563.13
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	\$88.00
Expenses involved in the provision of care for a child or an immediately family member of a Councillor	Nil

7.8 Senior staff

Senior staff numbers

There were seven senior staff employed by Council during the year.

Senior staff costs

General Manager \$281,617

Executive Manager
Corporate and Community \$183,176

Executive Manager
Planning (i) \$10,270
(1/7/08 to 20/7/08)

Executive Manager
Planning (ii) \$165,000
(11/8/08 to 30/6/09)

Executive Manager
Environment \$185,945

Executive Manager
Strategy \$112,518
(1/7/08 to 14/2/09)

Executive Manager
Works \$185,945

The salaries for the Executive Managers Planning and Strategy are pro rata based on period of employment.

7.9 Overseas visits

During the Financial Year 2008/2009 no manager travelled overseas as part of their professional development.

Council had one staff member who attended an overseas external event during the period of 2008/2009, details as follows:

Name: Neil Chippendale

Event: 12th Australasian Congress on Genealogy and Heraldry

Venue: Auckland, New Zealand

Dates: 16 to 20 January 2009

7.10 Stormwater management services

Council has had no annual charge levied for stormwater management services.



PART E

Financial performance

HORNSBY SHIRE COUNCIL **ANNUAL REPORT AND SUSTAINABILITY REPORT** 2008-2009

1. General purpose financial report

Enclosed

1. Statement by Councillors and Management	101
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Statement of changes in equity	104
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4 Independent auditor's reports	163
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On the Conduct of the Audit (Sect 417 [3])	164

Overview

- (i) This Financial Report covers the consolidated operations for Hornsby Shire Council.
- (ii) Hornsby Shire Council is a body corporate of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Section 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

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

- (iii) All figures presented in this Financial Report represent Australian Currency.
- (iv) This Financial Report was authorised for issue by the Council on 28/09/09.
Council has the power to amend and reissue the financial report.
-

Hornsby Shire Council

General Purpose Financial Report for the financial year ended 30 June 2009

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

The attached General Purpose Financial Report has been prepared in accordance with:


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


To the best of our knowledge and belief, this Report:

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

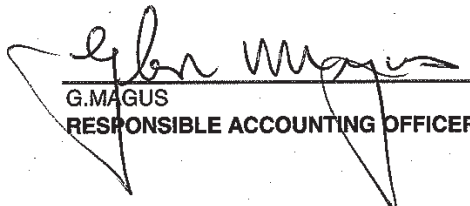
We are not aware of any matter that would render this Report false or misleading in any way.

Signed in accordance with a resolution of Council made on 9 September 2009.



N. BERMAN
MAYOR

S. EVANS
DEPUTY MAYOR

R.J. BALL
GENERAL MANAGER

G. MAGUS
RESPONSIBLE ACCOUNTING OFFICER

Hornsby Shire Council

Income Statement

for the financial year ended 30 June 2009

Budget ⁽¹⁾ 2009	\$ '000	Notes	Actual 2009	Actual 2008
Income from Continuing Operations				
Revenue:				
69,352	Rates & Annual Charges	3a	68,788	66,836
11,675	User Charges & Fees	3b	10,938	11,124
2,285	Interest & Investment Revenue	3c	-	-
4,523	Other Revenues	3d	6,150	5,342
7,730	Grants & Contributions provided for Operating Purposes	3e,f	11,119	9,267
5,882	Grants & Contributions provided for Capital Purposes	3e,f	8,153	4,531
Other Income:				
-	Net gains from the disposal of assets	5	-	17
-	Net Share of interests in Joint Ventures & Associated Entities using the Equity Method	19	-	-
101,447	Total Income from Continuing Operations		105,148	97,117
Expenses from Continuing Operations				
41,726	Employee Benefits & On-Costs	4a	41,224	39,059
1,562	Borrowing Costs	4b	1,534	1,528
30,221	Materials & Contracts	4c	32,625	31,396
12,930	Depreciation & Amortisation	4d	16,264	12,418
-	Impairment	4d	-	-
12,322	Other Expenses	4e	11,292	11,200
-	Interest & Investment Losses	3c	270	1,308
-	Net Losses from the Disposal of Assets	5	123	-
98,761	Total Expenses from Continuing Operations		103,332	96,909
2,686	Operating Result from Continuing Operations		1,816	208
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
2,686	Net Operating Result for the Year		1,816	208
2,686	Net Operating Result attributable to Council		1,816	208
-	Net Operating Result attributable to Minority Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
(3,196)			(6,337)	(4,323)

(1) Original Budget as approved by Council - refer Note 16

Hornsby Shire Council

Balance Sheet as at 30 June 2009

\$ '000	Notes	Actual 2009	Actual 2008
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	18,751	10,910
Investments	6b	12,063	23,370
Receivables	7	5,628	5,239
Inventories	8	876	870
Other	8	-	-
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		37,318	40,389
Non-Current Assets			
Investments	6b	-	-
Receivables	7	361	333
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	1,707,173	1,699,763
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	3,994	4,836
Other	8	-	-
Total Non-Current Assets		1,711,528	1,704,932
TOTAL ASSETS		1,748,846	1,745,321
LIABILITIES			
Current Liabilities			
Payables	10	8,749	6,990
Borrowings	10	3,022	2,702
Provisions	10	11,337	10,448
Total Current Liabilities		23,108	20,140
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	20,083	21,104
Provisions	10	370	608
Total Non-Current Liabilities		20,453	21,712
TOTAL LIABILITIES		43,561	41,852
Net Assets		1,705,285	1,703,469
EQUITY			
Retained Earnings	20	1,572,428	1,570,612
Revaluation Reserves	20	132,857	132,857
Council Equity Interest		1,705,285	1,703,469
Minority Equity Interest		-	-
Total Equity		1,705,285	1,703,469

Hornsby Shire Council

Statement of Changes in Equity for the financial year ended 30 June 2009

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2009						
Opening Balance (as per Last Year's Audited Accounts)		1,570,893	132,857	1,703,750	-	1,703,750
a. Correction of Prior Period Errors	20 (c)	(281)	-	(281)	-	(281)
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/08)		1,570,612	132,857	1,703,469	-	1,703,469
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	-	-	-	-
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	-	-	-	-	-
Net Income Recognised Directly in Equity		-	-	-	-	-
d. Net Operating Result for the Year		1,816	-	1,816	-	1,816
Total Recognised Income & Expenses (c&d)		1,816	-	1,816	-	1,816
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,572,428	132,857	1,705,285	-	1,705,285

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2008						
Opening Balance (as per Last Year's Audited Accounts)		1,592,514	-	1,592,514	-	1,592,514
a. Correction of Prior Period Errors	20 (c)	1,307	-	1,307	-	1,307
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/07)		1,593,821	-	1,593,821	-	1,593,821
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	132,857	132,857	-	132,857
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	(23,417)	-	(23,417)	-	(23,417)
Net Income Recognised Directly in Equity		(23,417)	132,857	109,440	-	109,440
d. Net Operating Result for the Year		208	-	208	-	208
Total Recognised Income & Expenses (c&d)		(23,209)	132,857	109,648	-	109,648
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,570,612	132,857	1,703,469	-	1,703,469

Hornsby Shire Council

Cash Flow Statement

for the financial year ended 30 June 2009

Budget 2009	\$ '000	Notes	Actual 2009	Actual 2008
Cash Flows from Operating Activities				
Receipts:				
68,798	Rates & Annual Charges		69,007	66,832
14,355	User Charges & Fees		10,951	11,599
2,285	Interest & Investment Revenue Received		1,975	1,773
14,973	Grants & Contributions		19,271	13,818
6,566	Other		5,416	10,234
Payments:				
(41,726)	Employee Benefits & On-Costs		(40,574)	(39,365)
(36,579)	Materials & Contracts		(31,303)	(34,730)
(1,562)	Borrowing Costs		(1,536)	(1,570)
(14,632)	Other		(10,864)	(13,361)
12,478	Net Cash provided (or used in) Operating Activities	11b	22,343	15,230
Cash Flows from Investing Activities				
Receipts:				
3,979	Sale of Investment Securities		9,739	21,427
6,199	Sale of Infrastructure, Property, Plant & Equipment		4,289	2,947
-	Deferred Debtors Receipts		-	5
Payments:				
-	Purchase of Investment Securities		(585)	(10,388)
(21,947)	Purchase of Infrastructure, Property, Plant & Equipment		(27,244)	(18,138)
(11,769)	Net Cash provided (or used in) Investing Activities		(13,801)	(4,147)
Cash Flows from Financing Activities				
Receipts:				
2,000	Proceeds from Borrowings & Advances		2,000	2,000
Payments:				
(2,709)	Repayment of Borrowings & Advances		(2,701)	(2,566)
(709)	Net Cash Flow provided (used in) Financing Activities		(701)	(566)
-	Net Increase/(Decrease) in Cash & Cash Equivalents		7,841	10,517
10,910	plus: Cash & Cash Equivalents - beginning of year	11a	10,910	393
10,910	Cash & Cash Equivalents - end of the year	11a	18,751	10,910

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Notes accompanying the Financial Statements

Note	Details
------	---------

- | | |
|-------|--|
| 1 | Summary of Significant Accounting Policies |
| 2(a) | Council Functions / Activities - Financial Information |
| 2(b) | Council Functions / Activities - Component Descriptions |
| 3 | Income from Continuing Operations |
| 4 | Expenses from Continuing Operations |
| 5 | Gains or Losses from the Disposal of Assets |
| 6(a) | Cash & Cash Equivalent Assets |
| 6(b) | Investments |
| 6(c) | Restricted Cash, Cash Equivalents & Investments - details |
| 7 | Receivables |
| 8 | Inventories & Other Assets |
| 9(a) | Infrastructure, Property, Plant & Equipment |
| 9(b) | Restricted Infrastructure, Property, Plant & Equipment |
| 9(c) | Infrastructure, Property, Plant & Equipment - Current Year Impairments |
| 10(a) | Payables, Borrowings & Provisions |
| 10(b) | Description of (& movements in) Provisions |
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| 13 | Statement of Performance Measures - Indicators |
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| 23 | Events occurring after Balance Sheet date |
| 24 | Discontinued Operations |
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| 26 | Reinstatement, Rehabilitation & Restoration Liabilities |

Additional Disclosures

- | | |
|----|---------------------------------------|
| 27 | Council Information & Contact Details |
|----|---------------------------------------|

n/a - not applicable

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies

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

Under Australian Equivalents to International Financial Reporting Standards (AIFRS), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial reports.

(a) Basis of preparation

(i) Background

This financial report is a general purpose financial report which has been prepared in accordance with;

- applicable Australian equivalents to International Financial Reporting Standards (AIFRSs),
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulations and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

Australian Accounting Standards (AASB's) include Australian equivalents to International Financial Reporting Standards (IFRS's).

Because AASB's are sector neutral, some standards either (i) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's or (ii) specifically exclude application by Not for Profit entities.

Examples include;

- excluding Local Government from applying AASB 120 (IAS 20) for Grant Accounting and AASB 118 (IAS 18) for Segment Reporting, &

- different requirements on (a) Impairment of Assets relating to Not-For-Profit AASB 136 (IAS 36) and (b) AASB 116 (IAS 16) regarding accounting for the Revaluation of Assets.

Accordingly in preparing this Financial Report and Accompanying Notes, Council has been unable to comply fully with International Accounting Standards, but it has complied fully with Australian Accounting Standards.

Under the Local Government Act, Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

(iii) Application of AAS 27

AAS 27 – Financial Reporting by Local Government was withdrawn from use from 1 July 2008.

All key elements however of the former Standard have been incorporated into other current Standards including AASB 1051, 1052 and 1004.

(iv) Basis of Accounting

These financial statements have been prepared on an **historical cost basis** except for (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value, (ii) the write down of any Asset on the basis of Impairment (if warranted) and (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at Fair Valuation.

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

(v) Changes in Accounting Policies

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

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial reports.

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(vi) Critical Accounting Estimates

The preparation of this financial report (and financial statements) requires the use of certain critical accounting estimates (in conformity with AIFRS).

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

(b) 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.

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular

manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

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

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

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

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

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

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

User Charges, Fees and Other Income

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Interest and Rents

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.

(c) Principles of Consolidation

These financial reports incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30/6/09) and (ii) all the related operating results (for the financial year ended the 30th June 2009).

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

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

- General Purpose Operations

Due to their immaterial value and nature, the following Committees, Entities & Operations have been excluded from Consolidation:

- Section 377 Committees

The (i) total income and expenditure from continuing operations and (ii) the net assets held by these excluded Committees & Operations is as follows:

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

(d) Leases

Operating Leases

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

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

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

(e) 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.

(f) 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, if any, are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(g) Investments and Other Financial Assets

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

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

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Council has classified all investments as financial assets at fair value through profit or loss.

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

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

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

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

Financial Assets – Reclassification

Following on from amendments made to AASB 139 - Financial Instruments: Recognition & Measurement in October 2008, Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

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

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

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

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

Actual Reclassifications

Council did not take up the option to reclassify some financial assets out of the held-for-trading category from 1 July 2008, following amendments made to AASB 139 in October 2008.

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

Investments are initially recognised (and measured) at fair value.

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

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

(ii) Subsequent Measurement

Financial assets at fair value through profit and loss are subsequently carried at fair value.

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

The fair values of quoted investments are based on current bid prices. Some investments do not have an active market and independent valuations are not readily available. In this instance fair values have been assessed based on estimates from issuers and/or evaluation models. These estimates have been reviewed by Council's investment advisor. In most cases there is limited market evidence available to verify their reasonableness and the ongoing volatility of financial markets creates greater uncertainty to the valuation process.

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulations 2005.

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

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

Council amended its policy during the current reporting year following revisions to the Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order.

These will be disposed of when most financially advantageous to Council.

(h) Fair value estimation

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

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

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

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

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

Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

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.

(i) Receivables

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

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

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

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

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

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

(j) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

are all 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 of completion and the estimated costs necessary to make the sale.

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

(k) Infrastructure, Property, Plant and Equipment (I,PP&E)

Acquisition of assets

Council's non current assets are being progressively revalued to fair value in accordance with a staged implementation as advised by the Department of Local Government.

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

- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)

The remaining asset classes to be revalued in future reporting periods include;

- **2009/10:** Roads, Bridges, Footpaths and Drainage assets

- **2010/11:** Community land, Land improvements, Other structures and other assets

Until these designated future reporting periods, the above remaining asset classes are stated at cost (or deemed cost) less accumulated depreciation and any accumulated impairment losses.

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve.

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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

Capitalisation Thresholds

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

Land	
- council land	100% Capitalised
- open space	100% Capitalised

Plant & Equipment	
Office Furniture	> \$5,000
Office Equipment	> \$5,000
Other Plant & Equipment	> \$5,000

Buildings & Land Improvements	
Park Furniture & Equipment	> \$5,000
Building	
- construction/extensions	100% Capitalised
- renovations	> \$5,000
Other Structures	> \$5,000

Stormwater Assets	
Drains & Culverts	> \$5,000
Other	> \$5,000

Transport Assets	
Road construction & reconstruction	100% Capitalised
Bridge construction & reconstruction	100% Capitalised

Depreciation

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

Land is not depreciated.

Estimated useful lives for Councils assets include:

Buildings	40-80 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
Bridges	60-80 years

All asset residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Disposal and De-recognition

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

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

(I) Land

Land in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) is classified on purchase as either Operational or Community.

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

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(m) Land under roads

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

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

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

Council will recognise all land under roads when the valuation methodology has been determined by the industry and is, in the meantime, collecting the necessary physical data to undertake the valuation.

(n) Intangible Assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

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 bases over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(o) 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 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 the Crown Reserves, with the intention of developing a consistent approach to their recognition and future accounting treatment across both tiers of government.

(p) Rural Fire Service assets

Under section 119 of the Rural Fires 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"*.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these Financial Reports including land, buildings, plant & vehicles.

(q) Investment property

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

Council currently holds no property which is classified as investment property.

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

(r) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

No decision has yet been made in respect of the Hornsby Quarry and subsequently no provisions has been made in Council's books.

(s) Impairment of assets

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 Council such as roads, drains, public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as it's written down replacement cost.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

Borrowings are 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.

(v) Provisions

Provisions for legal claims and service warranties are recognised when:

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

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

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

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

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

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

(w) Employee benefits

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

Liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave are recognised in the provision for employee benefits in respect of employees' services up to the reporting date.

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

Calculations therefore incorporate (where the leave is expected to be paid more than 12 months after the reporting date) the use of discounted cash flows.

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

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

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits in respect of services provided by employees up to the reporting date.

Long Service Leave is measured at the present value of the expected future payments to be made using the projected unit credit method.

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

Expected future payments are 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.

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

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

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

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

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities amounting to around \$290 million at 30 June 2009.

As a result, they have asked for significant increases in contributions from 2009/2010 onwards to recover that deficiency.

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

For this reason, no liability for the deficiency has been recognised in Council's accounts.

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

Define Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/09.

(x) Allocation between current and non-current assets & liabilities

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

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

Exceptions

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

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

(y) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

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

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(z) New accounting standards and UIG Interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2009.

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements.

If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period.

Council will apply the revised standard from 1 July 2009.

Applicable to Local Government but no implications for Council;

Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial reports as Council already capitalises borrowing costs relating to qualifying assets.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations (effective from 1 January 2009)

AASB 2008-1 clarifies that vesting conditions are service conditions and performance conditions only and that other features of a share-based payment are not vesting conditions.

It also specifies that all cancellations, whether by the entity or by other parties, should receive the same accounting treatment.

There will be no impact on the financial reports as Council makes no share based payments.

AASB Interpretation 15 Agreements for the Construction of Real Estate (effective 1 January 2009)

AASB-I 15 clarifies whether AASB 118 Revenue or AASB 111 Construction Contracts should be applied to particular transactions.

Council intends to apply the interpretation from 1 July 2009. It has reviewed its current agreements for the sale of real estate in light of the new guidance and concluded that there would be no change to the accounting for these agreements if AASB-I 15 was adopted in the current financial year. Consequently, it does not expect to make any adjustment on the initial application of AASB-I 15.

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

Applicable to Local Government but not relevant to Council at this stage;

Revised AASB 3 Business Combinations, AASB 127 Consolidated and Separate Financial Statements and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 (effective 1 July 2009)

The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes.

For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement.

There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

All acquisition-related costs must be expensed. The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss.

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (effective 1 July 2009)

The amendments to AASB 5 Discontinued Operations and AASB 1 First-Time Adoption of Australian-Equivalents to International Financial Reporting Standards are part of the IASB's annual improvements project published in May 2008.

They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control.

Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met

There will be no impact on the financial reports as Council does not have any subsidiaries it is proposing to dispose of.

AASB 2008-7 Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate (effective 1 July 2009)

In July 2008, the AASB approved amendments to AASB 1 First-time Adoption of International Financial Reporting Standards and AASB 127 Consolidated and Separate Financial Statements. Council will apply the revised rules prospectively from 1 July 2009.

After that date, all dividends received from investments in subsidiaries, jointly controlled entities or associates will be recognised as revenue, even if they are paid out of pre-acquisition profits, but the investments may need to be tested for impairment as a result of the dividend payment.

AASB Interpretation 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)

AASB-I 16 clarifies which foreign currency risks qualify as hedged risk in the hedge of a net investment in a foreign operation and that hedging instruments may be held by any entity or entities within the group.

It also provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

There will be no impact on the financial reports as Council has no hedges of a net investment in a foreign operation.

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 1. Summary of Significant Accounting Policies (continued)

AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges.

Council will apply the amended standard from 1 July 2009. It is not expected to have any impact on the financial reports.

AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17

AASB-I 17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders.

These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution.

There will be no impact on the financial reports as Council has no exposure to these types of transactions.

Not applicable to Local Government per se;

AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective from 1 January 2009)

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment

performance and deciding how to allocate resources to operating segments.

(aa) Rounding of amounts

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

(ab) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within this Financial Report and/or the Notes.

(ac) Disclaimer

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

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 2(a). Functions / Activities - Financial Disclosures

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities.										
	Details of these Functions/Activities are provided in Note 2(b).						Grants included in				
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Income from Continuing Operations	
	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Original Budget 2009	Actual 2009	Actual 2008	Actual 2009	Actual 2008
General Managers Division	5	13	21	1,354	1,363	1,321	(1,349)	(1,350)	(1,300)	-	208
Strategy	1,848	1,726	1,822	2,251	2,153	1,918	(403)	(427)	(96)	11	16
Corporate & Community	10,784	9,481	13,222	32,951	36,578	32,899	(22,167)	(27,097)	(19,677)	1,854	1,844
Environment	22,692	24,744	21,239	31,251	31,922	30,415	(8,559)	(7,178)	(9,176)	2,533	1,760
Works	6,573	9,471	7,055	22,203	22,826	22,059	(15,630)	(13,355)	(15,004)	3,350	1,638
Planning	3,394	2,430	3,006	8,751	8,490	8,297	(5,357)	(6,060)	(5,291)	10	40
Total Functions & Activities	45,296	47,865	46,365	98,761	103,332	96,909	(53,465)	(55,467)	(50,544)	7,758	5,506
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	56,151	57,283	50,752	-	-	-	56,151	57,283	50,752	5,957	4,614
Operating Result from Continuing Operations	101,447	105,148	97,117	98,761	103,332	96,909	2,686	1,816	208	13,715	10,120
										1,748,846	1,745,321

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

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 2(b). Components of Functions / Activities

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

GENERAL MANAGERS DIVISION

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

STRATEGY DIVISION

Human resources, Section 94 Development Contributions, Quality Systems & Corporate Projects.

CORPORATE & COMMUNITY DIVISION

Administration, Finance, Information Technology, Library & Information Services, Community Services, Children's Services and Community Development.

ENVIRONMENTAL DIVISION

Parks & Landscape, Water Catchments, Environmental Health & Protection, Waste Management, Bushland & Biodiversity and Customer Service.

WORKS DIVISION

Assets, Traffic & Road Safety, Property Development, Design & Construction, Engineering Services & Works Support.

PLANNING DIVISION

Town Planning, Development Assessments, Subdivisions & Customer Service.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		44,919	43,379
less: Compulsory Pensioner Rebate		(1,257)	(1,189)
Farmland		411	400
Business		5,989	5,754
Total Ordinary Rates		50,062	48,344
Special Rates			
Catchments Remediation Rate		2,564	2,471
Hornsby Quarry Special Rate		2,726	2,641
less: Voluntary Pensioner Rebate		(66)	(62)
Total Special Rates		5,224	5,050
Annual Charges (pursuant to s.496 & s.501)			
Domestic Waste Management Services		13,502	13,442
Total Annual Charges		13,502	13,442
TOTAL RATES & ANNUAL CHARGES		68,788	66,836

Council has used 2005 year valuations provided by the NSW Valuer General in calculating its rates.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		835	855
Sullage		14	29
Total User Charges		849	884
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608, 610A & 611)			
Inspection Fees		373	435
Planning & Building Regulation		2,038	2,578
Registration Fees		62	91
Section 611 Charges		56	55
Total Fees & Charges - Statutory/Regulatory		2,529	3,159
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Childrens Centre - Pennant Hills		-	12
Community Centre Hire Fees		120	114
Indoor Sports Centre Stadium - Admission Fees		470	417
Library Fees & Charges		150	138
Nursery & Preschool Hire Fees		2,737	2,456
Park & Oval Hire Fees		724	657
Restoration Charges		844	1,083
Swimming Centre - Admission Fees		1,983	1,649
Tennis / Netball Hire Fees		147	144
Other Hire Fees		29	18
Other		356	393
Total Fees & Charges - Other		7,560	7,081
TOTAL USER CHARGES & FEES		10,938	11,124

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		193	193
- Interest earned on Investments (interest & coupon payment income)		1,676	1,804
Fair Value Adjustments			
- Fair Valuation Movements in Investments (unrealised capital gains/(losses))		(2,153)	(3,305)
Other		14	-
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>(270)</u>	<u>(1,308)</u>

Interest Revenue is attributable to:

Unrestricted Investments/Financial Assets:

Overdue Rates & Annual Charges	193	193
General Council Cash & Investments	1,250	(2,223)

Restricted Investments/Funds - External:

Development Contributions		
- Section 94	(1,693)	713
Catchments Remediation	(20)	9

Total Interest & Investment Revenue Recognised

<u>(270)</u>	<u>(1,308)</u>
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(d). Other Revenues

Rental Income - Other Council Properties	1,368	1,346
Ex Gratia Rates	14	17
Parking Fines	1,350	1,119
Prosecution & Infringements	166	177
Legal Fees Recovery - Rates & Charges (Extra Charges)	187	128
Legal Fees Recovery - Planning	41	15
Legal Fees Recovery - Other	91	11
Commissions & Agency Fees	29	17
Insurance Claim Recoveries	30	121
Recycling Income (non domestic)	126	118
Sales - General	672	509
Bushfire Fund Income	72	28
Car Park Management	70	20
Crosslands Reserve Income	32	34
Department of Environment Waste Rebate	378	264
Florence Mall Incomes	113	56
Home Modification	223	223
Income from Community Events	13	21
Property Services Sundry Income	2	10
Road Closure Income	590	600
Salaries & Wages Charged Out	111	141

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(d). Other Revenues (continued)			
Telecommunications Mobile Site Fees		31	82
Vehicular Crossing Income		24	8
Insurance Rebates & Incentives		202	-
Other		215	277
TOTAL OTHER REVENUE		6,150	5,342

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance	5,301	3,957	-	-
Pensioners' Rates Subsidies - General Component	656	657	-	-
Total General Purpose	5,957	4,614	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	219	208	-	-
Aged & Disabled	433	428	-	-
Bushfire & Emergency Services	441	559	-	-
Bushland	119	90	-	-
Child Care	702	830	-	-
Community Centres	-	-	11	-
Employment & Training Programs	22	-	-	-
Environmental Protection	649	633	1,226	-
Library	293	291	128	115
Noxious Weeds	-	24	-	-
Parks & Gardens	-	-	(104)	454
Street Lighting	275	244	-	-
Transport (Roads to Recovery)	200	200	739	300
Transport (Other Roads & Bridges Funding)	423	145	750	662
Youth Services	39	21	-	-
Community Infrastructure Program	-	-	833	-
Other	249	146	111	156
Total Specific Purpose	4,064	3,819	3,694	1,687
Total Grants	10,021	8,433	3,694	1,687
Grant Revenue is attributable to:				
- Commonwealth Funding	725	832	2,779	100
- State Funding	9,296	7,601	915	1,587
	10,021	8,433	3,694	1,687

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3. Income from Continuing Operations (continued)

\$ '000	2009 Operating	2008 Operating	2009 Capital	2008 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	-	-	1,651	1,762
Total Developer Contributions 17	-	-	1,651	1,762
Other Contributions:				
Community Facilities	34	63	-	-
Employee Vehicle Contributions	630	643	-	-
Environment	206	-	160	-
Rural Fire Service	160	48	2,402	275
Childcare	-	-	137	-
Other	68	80	109	807
Total Other Contributions	1,098	834	2,808	1,082
Total Contributions	1,098	834	4,459	2,844
TOTAL GRANTS & CONTRIBUTIONS	11,119	9,267	8,153	4,531
(g). Restrictions relating to Grants and Contributions				
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:				
Unexpended at the Close of the Previous Reporting Period			19,584	22,416
add: Grants and contributions recognised in the current period which have not been spent:			2,288	4,098
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:			(9,170)	(6,930)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period			(6,882)	(2,832)
Unexpended at the Close of this Reporting Period and held as Restricted Assets			12,702	19,584
Comprising:				
- Specific Purpose Unexpended Grants			2,689	2,611
- Developer Contributions			10,013	16,973
			12,702	19,584
\$ '000			Actual 2009	Actual 2008

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2009	Actual 2008
(a) Employee Benefits & On-Costs			
Salaries and Wages		35,657	34,072
Travelling		33	29
Employee Leave Entitlements (ELE)		1,424	1,076
Superannuation		3,272	2,604
Workers' Compensation Insurance		613	1,018
Fringe Benefit Tax (FBT)		171	152
Training Costs (other than Salaries & Wages)		535	451
Other		370	462
Total Employee Costs		42,075	39,864
less: Capitalised Costs		(851)	(805)
TOTAL EMPLOYEE COSTS EXPENSED		41,224	39,059
Number of "Equivalent Full Time" Employees at year end		603	591
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		1,533	1,528
Other Debts		1	-
Total Interest Bearing Liability Costs		1,534	1,528
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		1,534	1,528
(ii) Other Borrowing Costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		1,534	1,528

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Materials & Contracts			
Raw Materials & Consumables		5,295	5,017
Contractor & Consultancy Costs			
- Consultants		1,439	1,767
- Computer Support		1,826	1,823
- Home Modification Service		165	160
- Animal Pound Service		155	155
- Air Conditioning		101	97
- Garbage Collection, Tipping & Recycling		12,347	12,174
- Footpath Maintenance		278	172
- Mechanical Services		151	155
- Property Cleaning		340	302
- Litter Control		425	391
- Contracts - Tree Work		364	326
- Contracts - Grass Cutting		448	426
- Contracts - Electrical		295	315
- Contracts - Plumbing		313	331
- Building Maintenance		316	340
- Foreshore Facilities		187	-
- Drainage Maintenance		219	248
- Maintenance of Parks		220	186
- Road Maintenance		3,359	2,834
- External Plant & Equipment Hire		299	240
- Contractor & Agency Fees		817	979
- Bush Regeneration		303	264
- Stormwater Asset Maintenance		155	258
- Election Expenses		377	-
- Florence Mall		224	259
- Community Centres		127	13
Auditors Remuneration - Audit Services (Council's Auditor)		88	80
Auditors Remuneration - Other Services (Council's Auditor)		-	4
Legal Expenses:			
- Legal Expenses - Planning & Development		883	1,019
- Legal Expenses - Other		656	408
Operating Leases:			
Operating Lease Rentals - Minimum Lease Payments ⁽¹⁾		173	360
Other		280	293
Total Materials & Contracts		32,625	31,396
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		32,625	31,396
1. Operating Lease Payments are attributable to:			
- Computers		173	360
		173	360

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Depreciation/Amortisation		Impairment Costs	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
(d) Depreciation, Amortisation & Impairment				
Plant and Equipment	1,999	2,006	-	-
Office Equipment	193	231	-	-
Furniture & Fittings	120	125	-	-
Land Improvements (depreciable)	2,672	2,408	-	-
Buildings - Non Specialised	2,188	516	-	-
Buildings - Specialised	2,112	489	-	-
Other Structures	272	243	-	-
Infrastructure:				
- Roads, Bridges & Footpaths	4,119	3,880	-	-
- Stormwater Drainage	1,303	1,287	-	-
- Water Supply Network	4	4	-	-
Other Assets				
- Library Books	422	371	-	-
Intangible Assets ²⁵	860	858	-	-
Total Depreciation & Impairment Costs	16,264	12,418	-	-
less: Capitalised Costs	-	-	-	-
<u>TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED</u>	<u>16,264</u>	<u>12,418</u>	<u>-</u>	<u>-</u>

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		552	521
Bad & Doubtful Debts		(13)	65
Bank Charges & Cash Collection Expenses		265	262
Catering		293	275
Contributions to Other Levels of Government		2,674	2,639
Councillor Expenses - Mayoral Fee		51	49
Councillor Expenses - Councillors' Fees		190	191
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		28	23
Donations, Contributions & Assistance to other organisations (Section 356)		158	292
Electricity & Heating		821	719
Insurance		1,498	1,641
Licences & Registration		259	265
Postage		238	215
Printing & Stationery		571	436
Street Lighting		2,033	1,889
Subscriptions to Local Government Association		48	47
Subscriptions & Publications		264	238
Telephone & Communications		409	499
Valuation Fees		215	229
Water & Sewerage		357	330
Other		381	375
Total Other Expenses		11,292	11,200
less: Capitalised Costs		-	-
<u>TOTAL OTHER EXPENSES</u>		<u>11,292</u>	<u>11,200</u>

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 5. Gains or Losses on Disposal of Assets

\$ '000	Notes	Actual 2009	Actual 2008
Property (excl. Investment Property)			
Proceeds from Disposal		2,410	-
less: Carrying Amount of Property Assets Sold		(2,410)	-
Net Gain/(Loss) on Disposal		-	-
Plant & Equipment			
Proceeds from Disposal		1,879	2,947
less: Carrying Amount of P&E Assets Sold		(2,002)	(2,930)
Financial Assets*			
Proceeds from Disposal		9,739	21,427
less: Carrying Amount of Financial Assets Sold		(9,739)	(21,427)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(123)	17

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 6a. - Cash Assets and Note 6b. - Investment Securities

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
\$ '000				
Cash & Cash Equivalents (Note 6a)				
Cash on Hand and at Bank	2,282	-	110	-
Cash-Equivalent Assets ¹				
- Short Term Deposits	16,469	-	10,800	-
Total Cash & Cash Equivalents	18,751	-	10,910	-
Investment Securities (Note 6b)				
- Managed Funds	883	-	9,946	-
- NCD's, FRN's (with Maturities > 3 months)	1,728	-	1,892	-
- CDO's	3,360	-	5,044	-
- Capital Guaranteed Financial Instruments	6,092	-	6,488	-
Total Investment Securities	12,063	-	23,370	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	30,814	-	34,280	-

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

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"	18,751	-	10,910	-
--	---------------	----------	---------------	----------

Investments

a. "At Fair Value through the Profit & Loss"

- "Held for Trading"	6(b-i)	-	-	-	-
- "Designated At Fair Value on Initial Recognition"	6(b-i)	12,063	-	23,370	-
b. "Held to Maturity"	6(b-ii)	-	-	-	-
c. "Loans & Receivables"	6(b-iii)	-	-	-	-
d. "Available for Sale"	6(b-iv)	-	-	-	-

Investments

12,063	-	23,370	-
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Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 6b. Investments (continued)

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
\$ '000				
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	23,370	-	37,714	-
Revaluations (through the Income Statement)	(2,153)	-	(3,305)	-
Additions	585	-	10,388	-
Disposals (sales & redemptions)	(9,739)	-	(21,427)	-
Balance at End of Year	12,063	-	23,370	-
Comprising:				
- Managed Funds	883	-	9,946	-
- NCD's, FRN's (with Maturities > 3 months)	1,728	-	1,892	-
- CDO's	3,360	-	5,044	-
- Capital Guaranteed Financial Instruments	6,092	-	6,488	-
Total	12,063	-	23,370	-

Note 6(b-ii)
Reconciliation of Investments
classified as "Held to Maturity"
Nil

Note 6(b-iii)
Reconciliation of Investments
classified as "Loans & Receivables"
Nil

Note 6(b-iv)
Reconciliation of Investments
classified as "Available for Sale"
Nil

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 6c. Restricted Cash, Cash Equivalents & Investments

	2009 Actual Current	2009 Actual Non Current	2008 Actual Current	2008 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investment Securities	30,814	-	34,280	-
attributable to:				
External Restrictions (refer below)	18,518	-	25,668	-
Internal Restrictions (refer below)	9,772	-	8,599	-
Unrestricted	2,524	-	13	-
	30,814	-	34,280	-

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General (D)	16,973	(42)	(6,918)	10,013
Specific Purpose Unexpended Grants (F)	2,611	78	-	2,689
Domestic Waste Management (G)	5,005	13,572	(14,975)	3,602
Other	1,079	3,699	(2,564)	2,214
External Restrictions - Other	25,668	17,307	(24,457)	18,518
Total External Restrictions	25,668	17,307	(24,457)	18,518

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

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

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

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 6c. Restricted Cash, Cash Equivalents & Investments (continued)

2009 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	813	320	(247)	886
Employees Leave Entitlement	1,539	250	-	1,789
Construction of Buildings	708	2,407	(3,190)	(75)
M2 Open Space Land	540	-	(540)	-
Civil Works	3,141	213	(538)	2,816
Council Strategies Projects	661	444	(451)	654
Land Acquisition	302	-	-	302
Hornsby Quarry GST Refund	-	2,410	-	2,410
Other	895	3,414	(3,319)	990
Total Internal Restrictions	8,599	9,458	(8,285)	9,772
TOTAL RESTRICTIONS	34,267	26,765	(32,742)	28,290

NOTE:

The current balances of loans from Internal Restrictions are as follows:

- Purchase of old CBA building in George St Hornsby \$2.515M
- New Bushfire Control Centre Berowra \$1.039M
- Energy Performance Contracts \$805K

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 7. Receivables

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
Purpose				
Rates & Annual Charges	1,905	361	2,152	333
Interest & Extra Charges	226	-	226	-
User Charges & Fees	140	-	147	-
Contributions to Works	380	-	-	-
Accrued Revenues				
- Interest on Investments	14	-	106	-
- Other Income Accruals	1,367	-	625	-
Government Grants & Subsidies	209	-	208	-
Net GST Receivable	750	-	551	-
Sullage	97	-	67	-
Restorations	22	-	385	-
Licencing	27	-	39	-
Property Rentals	40	-	372	-
Sale & Leaseback of Computer Equipment	129	-	44	-
Workers Compensation Claims	19	-	17	-
Facility Hire	74	-	23	-
Other Debtors	363	-	441	-
Total	5,762	361	5,403	333
less: Provision for Impairment				
Other Debtors	(134)	-	(164)	-
Total Provision for Impairment - Receivables	(134)	-	(164)	-
TOTAL NET RECEIVABLES	5,628	361	5,239	333
Externally Restricted Receivables				
Domestic Waste Management	452	-	514	-
Other				
- Catchment Remediation Rate	97	-	113	-
- Hornsby Quarry Special Rate	103	-	91	-
- Special Purpose Grants	1,557	-	208	-
Total External Restrictions	2,209	-	926	-
Internally Restricted Receivables				
Nil				
Unrestricted Receivables	3,419	361	4,313	333
TOTAL NET RECEIVABLES	5,628	361	5,239	333

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Interest is charged on overdue rates & charges at 10.00% (2008 10.00%).
Generally all other receivables are non interest bearing.
- (iii) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 8. Inventories & Other Assets

\$ '000	2009		2008	
	Current	Non Current	Current	Non Current
Inventories				
Real Estate for resale (refer below)	705	-	705	-
Stores & Materials	171	-	165	-
Total Inventories	876	-	870	-
Other Assets				
Nil				
<u>TOTAL INVENTORIES & OTHER ASSETS</u>	<u>876</u>	<u>-</u>	<u>870</u>	<u>-</u>
Details for Real Estate Development				
Residential	705	-	705	-
Total Real Estate for Resale	705	-	705	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	705	-	705	-
Total Costs	705	-	705	-
less: Provision for Under Recovery	-	-	-	-
Total Real Estate for Resale	705	-	705	-
Movements:				
Real Estate assets at beginning of the year	705	-	705	-
Total Real Estate for Resale	705	-	705	-
 (i) Externally Restricted Assets				
Nil				
Total Externally Restricted Assets	-	-	-	-
Total Internally Restricted Assets	-	-	-	-
Total Unrestricted Assets	876	-	870	-
TOTAL INVENTORIES & OTHER ASSETS	876	-	870	-

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2008					Asset Movements during the Reporting Period					as at 30/6/2009			
	At Cost	Fair Value	Accumulated Deprec.	Impairment	Carrying Value	Asset Additions	WDV Asset Disposals	Depreciation Expense	Adjustments & Transfers (incl WIP Capitalisation)	At Cost	Fair Value	At Dep'n	Accumulated Impairment	Carrying Value
Capital Work in Progress	9,427	-	-	-	9,427	19,900	-	-	(17,213)	12,114	-	-	-	12,114
Plant & Equipment	-	14,757	8,313	-	6,444	3,186	(2,002)	(1,999)	-	-	15,126	9,497	-	5,629
Office Equipment	-	1,304	716	-	588	101	-	(193)	-	-	1,248	752	-	496
Furniture & Fittings	-	2,528	1,874	-	654	38	-	(120)	-	-	2,480	1,908	-	572
Land:														
- Operational Land	-	146,305	-	-	146,305	2,000	-	-	-	-	148,305	-	-	148,305
- Community Land	1,172,436	-	-	-	1,172,436	657	(2,410)	-	-	1,170,683	-	-	-	1,170,683
Land Improvements - depreciable	50,024	-	19,368	-	30,656	-	-	(2,672)	3,514	53,538	-	22,040	-	31,498
Buildings - Non Specialised	-	67,068	27,801	-	39,267	759	-	(2,188)	3,369	-	71,196	29,989	-	41,207
Buildings - Specialised	-	76,442	30,259	-	46,183	-	-	(2,112)	3,238	-	79,681	32,372	-	47,309
Other Structures	8,017	-	3,483	-	4,534	79	-	(272)	377	8,464	-	3,746	-	4,718
Infrastructure:														
- Roads, Bridges, Footpaths	357,045	-	190,667	-	166,378	-	-	(4,119)	4,485	361,530	-	194,786	-	166,744
- Stormwater Drainage	121,000	-	45,153	-	75,847	-	-	(1,303)	2,230	123,230	-	46,456	-	76,774
- Water Supply Network	128	-	57	-	71	-	-	(4)	-	128	-	61	-	67
Other Assets:														
- Library Books	-	1,888	915	-	973	506	-	(422)	-	-	2,393	1,336	-	1,057
TOTAL INFRASTRUCTURE,														
PROPERTY, PLANT & EQUIP.	1,718,077	310,292	328,606	-	1,699,763	27,226	(4,412)	(15,404)	-	1,729,687	320,429	342,943	-	1,707,173

Additions to Buildings, Infrastructure and Depreciable Land Improvements (including Work in Progress) are made up of Asset Renewals (\$10,564) and New Assets (\$6,281). Renewals are defined as replacements of existing assets as opposed to the acquisition of New Assets.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 9b. Infrastructure, Property, Plant & Equipment that is Externally Restricted

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

Note 9c. Infrastructure, Property, Plant & Equipment Gains/(Losses) arising from the Impairment of Assets

Council has not recognised any impairment losses during the reporting period nor reversed any prior period losses.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2009		2008	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		5,537	-	4,209	-
Payments Received In Advance		263	-	257	-
Accrued Expenses;					
- Borrowings		32	-	34	-
- Other Expenditure Accruals		2,256	-	1,869	-
Security Bonds, Deposits & Retentions		113	-	143	-
Contributions & Bonds		189	-	149	-
Employee Costs		333	-	281	-
Other		26	-	48	-
Total Payables		8,749	-	6,990	-
Borrowings					
Loans - Secured ¹		3,022	20,083	2,702	21,104
Total Borrowings		3,022	20,083	2,702	21,104
Provisions					
Employee Benefits;					
Annual Leave		3,056	-	3,008	-
Sick Leave		668	-	668	-
Long Service Leave		7,135	370	6,294	608
Gratuities		465	-	466	-
Sub Total - Aggregate Employee Benefits		11,324	370	10,436	608
Other		13	-	12	-
Total Provisions		11,337	370	10,448	608
Total Payables, Borrowings & Provisions					
		23,108	20,453	20,140	21,712

(i) Liabilities relating to Restricted Assets

	2009		2008	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	1,705	-	1,967	-
Liabilities relating to externally restricted assets	1,705	-	1,967	-
Internally Restricted Assets				
Employee Leave Entitlements	1,789	-	1,539	-
Liabilities relating to internally restricted assets	1,789	-	1,539	-
Total Liabilities relating to restricted assets	3,494	-	3,506	-

¹. Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	2009	2008
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(ii) Current Liabilities not anticipated to be settled within the next 12 months

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

Provisions - Employees Benefits	7,449	6,776
	7,449	6,776

Note 10b. Description of and movements in Provisions

Class of Provision	2008			2009		
	Opening Balance as at 1/7/08	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/09
Annual Leave	3,008	2,493	(2,445)	-	-	3,056
Sick Leave	668	58	(58)	-	-	668
Long Service Leave	6,902	1,493	(890)	-	-	7,505
Gratuities	466	56	(57)	-	-	465
Other	12	1	-	-	-	13
TOTAL	11,056	4,101	(3,450)	-	-	11,707

Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 11. Cash Flow Statement - Additional Information

\$ '000	Notes	Actual 2009	Actual 2008
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	18,751	10,910
Less Bank Overdraft	10	-	-
BALANCES as per the CASH FLOW STATEMENT		18,751	10,910
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		1,816	208
Adjust for non cash items:			
Depreciation & Amortisation		16,264	12,418
Net Losses/(Gains) on Disposal of Assets		123	(17)
Non Cash Capital Grants and Contributions		-	(726)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "@ Fair Value" or "Held for Trading"		2,153	3,305
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(387)	102
Increase/(Decrease) in Provision for Doubtful Debts		(30)	26
Decrease/(Increase) in Inventories		(6)	7
Decrease/(Increase) in Other Current Assets		-	-
Increase/(Decrease) in Payables		1,328	(971)
Increase/(Decrease) in accrued Interest Payable		(2)	(4)
Increase/(Decrease) in other accrued Expenses Payable		387	1,020
Increase/(Decrease) in Other Current Liabilities		46	(36)
Increase/(Decrease) in Employee Leave Entitlements		650	(107)
Increase/(Decrease) in Other Provisions		1	5
NET CASH PROVIDED FROM/(USED IN)		22,343	15,230
OPERATING ACTIVITIES from CASH FLOW STATEMENT		22,343	15,230

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 11. Cash Flow Statement - Additional Information (continued)

\$ '000	Notes	Actual 2009	Actual 2008
(c) Non-Cash Investing & Financing Activities			
Other Dedications		-	726
Total Non-Cash Investing & Financing Activities		-	726
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		2,000	2,000
Credit Cards / Purchase Cards		10	10
Total Financing Arrangements		2,010	2,010
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		-	-
Total Financing Arrangements Utilised		-	-

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

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

(e) Net Cash Flows Attributable to Discontinued Operations

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2009	Actual 2008
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(a) Capital Commitments (exclusive of GST)

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

Property, Plant & Equipment

Plant & Equipment	429	191
Buildings & Land Improvements	1,026	198
Infrastructure - Roads, Bridges & Footpaths	200	19
Intellectual Property - "Council's Online"	5,208	6,948
Furniture & Fittings	31	21
Other	119	42

Investment Property

Nil

Total Commitments	7,013	7,419
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These expenditures are payable as follows:

Within the next year	3,567	2,216
Later than one year and not later than 5 years	3,446	5,203
Later than 5 years	-	-
Total Payable	7,013	7,419

Sources for Funding of Capital Commitments:

Unrestricted General Funds	7,013	7,419
Total Sources of Funding	7,013	7,419

(b) Other Expenditure Commitments (exclusive of GST)

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

DWM & Recycling Services	68,671	11,304
Banking, Audit & Legal Services	270	785
Other	379	-
Total Commitments	69,320	12,089

These expenditures are payable as follows:

Within the next year	12,162	7,525
Later than one year and not later than 5 years	36,285	4,564
Later than 5 years	20,873	-
Total Payable	69,320	12,089

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2009	Actual 2008
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(c) Finance Lease Commitments

Nil

(d) Operating Lease Commitments (Non Cancellable)

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

Within the next year	166	222
Later than one year and not later than 5 years	146	266
Later than 5 years	-	-
Total Non Cancellable Operating Lease Commitments	312	488

b. Non Cancellable Operating Leases include the following assets:

Computer Equipment

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

Conditions relating to Operating Leases:

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

(e) Investment Property Commitments

Nil

(f) Remuneration Commitments

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

Within the next year	1,019	1,094
Later than one year and not later than 5 years	1,623	2,554
Later than 5 years	-	-
Total Payable	2,642	3,648

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 13. Statement of Performance Measurement - Indicators

\$ '000	Amounts 2009	Indicator 2009	Prior Periods 20082007	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	16,591	1.19 : 1	1.21	1.30
Current Liabilities less Specific Purpose Liabilities ^(2,3)	13,954			
2. Debt Service Ratio				
Debt Service Cost	4,234	4.61%	4.66%	5.00%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	91,833			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	68,788	65.42%	68.82%	67.00%
Revenue from Continuing Operations	105,148			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	2,492	3.47%	3.88%	3.95%
Rates, Annual & Extra Charges Collectible	71,879			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	10,564	85.21%	123.75%	n/a
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	12,398			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(c) - excludes all ELE not expected to be paid in the next 12 months.

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 13a. Statement of Performance Measurement - Graphs

\$ '000

<p>1. Unrestricted Current Ratio</p> <table><tr><th>Year</th><th>Ratio : 1</th></tr><tr><td>2006</td><td>1.18</td></tr><tr><td>2007</td><td>1.30</td></tr><tr><td>2008</td><td>1.21</td></tr><tr><td>2009</td><td>1.19</td></tr></table>	Year	Ratio : 1	2006	1.18	2007	1.30	2008	1.21	2009	1.19	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2008/09 Result</p> <p>2008/09 Ratio 1.19 : 1</p> <p>Council remains above the auditor's accepted industry benchmark of 1.</p>
Year	Ratio : 1											
2006	1.18											
2007	1.30											
2008	1.21											
2009	1.19											
<p>2. Debt Service Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2006</td><td>5.00%</td></tr><tr><td>2007</td><td>5.00%</td></tr><tr><td>2008</td><td>4.66%</td></tr><tr><td>2009</td><td>4.61%</td></tr></table>	Year	Ratio %	2006	5.00%	2007	5.00%	2008	4.66%	2009	4.61%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2008/09 Result</p> <p>2008/09 Ratio 4.61%</p> <p>The Department of Local Government's benchmark is that a ratio of less than 10% is satisfactory. In 2007/08 54% of NSW councils had a ratio between 0 and 5% and the average for Group 7 councils, in which Hornsby is included, was 6.25%.</p>
Year	Ratio %											
2006	5.00%											
2007	5.00%											
2008	4.66%											
2009	4.61%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2006</td><td>64.00%</td></tr><tr><td>2007</td><td>67.00%</td></tr><tr><td>2008</td><td>68.82%</td></tr><tr><td>2009</td><td>65.42%</td></tr></table>	Year	Ratio %	2006	64.00%	2007	67.00%	2008	68.82%	2009	65.42%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2008/09 Result</p> <p>2008/09 Ratio 65.42%</p> <p>The Rates and Annual Charges Coverage Ratio decreased from the prior year mainly due to increased grant revenues. In 2007/08 the average for Group 7 councils was 54%.</p>
Year	Ratio %											
2006	64.00%											
2007	67.00%											
2008	68.82%											
2009	65.42%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2006</td><td>3.89%</td></tr><tr><td>2007</td><td>3.95%</td></tr><tr><td>2008</td><td>3.88%</td></tr><tr><td>2009</td><td>3.47%</td></tr></table>	Year	Ratio %	2006	3.89%	2007	3.95%	2008	3.88%	2009	3.47%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2008/09 Result</p> <p>2008/09 Ratio 3.47%</p> <p>The NSW average for 2007/08 was 5.2% and the Group 7 average was 5.79%. Council has made a concerted effort to reduce uncollected rates and annual charges and this is reflected by the decrease in the ratio from 3.88% in 2007/08.</p>
Year	Ratio %											
2006	3.89%											
2007	3.95%											
2008	3.88%											
2009	3.47%											

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 14. Investment Properties

	Actual 2009	Actual 2008
\$ '000		

Council has not classified any Land or Buildings as "Investment Properties"

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 15. Financial Risk Management

\$ '000

Risk Management

Council's activities expose it to a variety of financial risks including (i) price risk, (ii) credit risk, (iii) liquidity risk and (iv) interest rate risk.

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

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2009	2008	2009	2008
Financial Assets				
Cash and Cash Equivalents	18,751	10,910	18,751	10,910
Investments				
- "Designated At Fair Value on Initial Recognition"	12,063	23,370	12,063	23,370
Receivables	5,989	5,572	5,989	5,572
Total Financial Assets	36,803	39,852	36,803	39,852
Financial Liabilities				
Payables	8,486	6,733	8,486	6,733
Loans / Advances	23,105	23,806	21,375	21,760
Total Financial Liabilities	31,591	30,539	29,861	28,493

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at far value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices at the reporting date or independent valuation.

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets "at fair value through the profit & Loss", "Available-for-sale" financial assets & "Held-to-maturity" Investments

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

Council's Financial Section manages its Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the counterparty (to an investment) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

The following represents a summary of the sensitivity of Council's Income Statement and Accumulated Surplus (during the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2009				
Possible impact of a 10% movement in Market Values	1,206	1,206	(1,206)	(1,206)
Possible impact of a 1% movement in Interest Rates	214	214	(214)	(214)
2008				
Possible impact of a 10% movement in Market Values	2,337	2,337	(2,337)	(2,337)
Possible impact of a 1% movement in Interest Rates	227	227	(227)	(227)

Hornsby Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

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

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

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

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

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

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

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

	2009 Rates & Annual Charges	2009 Other Receivables	2008 Rates & Annual Charges	2008 Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	3,338	-	2,379
Overdue	2,266	519	2,485	872
	<u>2,266</u>	<u>3,857</u>	<u>2,485</u>	<u>3,251</u>
(ii) Movement in Provision for Impairment of Receivables			2009	2008
Balance at the beginning of the year			164	138
+ new provisions recognised during the year			-	26
- amounts already provided for & written off this year			(30)	-
Balance at the end of the year			<u>134</u>	<u>164</u>

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

As well, payment terms can (in extenuating circumstances) be extended & overdraft facilities can be drawn down.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2009									
Trade/Other Payables	113	8,373	-	-	-	-	-	8,486	8,486
Loans & Advances	-	4,552	4,518	4,488	4,464	4,452	6,940	29,414	23,105
Total Financial Liabilities	113	12,925	4,518	4,488	4,464	4,452	6,940	37,900	31,591
2008									
Trade/Other Payables	143	6,590	-	-	-	-	-	6,733	6,733
Loans & Advances	-	4,236	4,253	4,218	4,187	4,164	9,592	30,650	23,806
Total Financial Liabilities	143	10,826	4,253	4,218	4,187	4,164	9,592	37,383	30,539

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

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

	2009		2008	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-	0.0%	-	0.0%
Trade/Other Payables	8,486	0.0%	6,733	0.0%
Loans & Advances - Fixed Interest Rate	23,105	6.7%	23,806	6.6%
	<u>31,591</u>		<u>30,539</u>	

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2009

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 (2007 to 2011)

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	444	132	-	(79)	-	-	497	484	(2,500)	(1,519)	-
Roads	1,851	131	-	(294)	-	-	1,688	181	(4,291)	(2,422)	-
Traffic Facilities	145	180	-	(45)	-	-	280	815	(3,458)	(2,363)	-
Parking	-	10	-	(1)	-	-	9	120	-	129	-
Open Space	4,584	515	-	(397)	(2,293)	-	2,409	3,709	(10,605)	(4,487)	-
Community Facilities	7,242	339	-	(608)	(3,185)	-	3,788	1,827	(5,282)	333	-
Civic Improvements	2,132	285	-	(186)	(1,053)	-	1,178	1,272	(2,607)	(157)	-
Bushfire Facilities	214	-	-	(4)	(183)	-	27	-	(31)	(4)	-
S94 Administration	(216)	59	-	-	(204)	-	(361)	169	(546)	(738)	-
Total	16,396	1,651	-	(1,614)	(6,918)	-	9,515	8,577	(29,320)	(11,228)	-

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Parking	577	-	-	(79)	-	-	498	-	(498)	-	-
Total	577	-	-	(79)	-	-	498	-	(498)	-	-

Notes to the Financial Statements
for the financial year ended 30 June 2009

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but their knowledge & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category and that member Councils will need to make significantly higher contributions from 2009/10 & beyond.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit & accordingly Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

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

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

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

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the company's past performance and/or claims experience or as a of any increased prudential requirements of APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

(iv) Other Guarantees

Council has provided no other Guarantees other than those listed above.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED:

2. Other Liabilities

(i). Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

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

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

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

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

Council has classified a number of privately owned land parcels as Local Open Space or Bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council (continued)

At reporting date, reliable estimates as to the value of any potential liability (& subsequent land asset) from such potential acquisitions has not been possible.

(iv) 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.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

(ii) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but not updated Infringement Notices.

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

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2009	Actual 2008
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,570,893	1,592,514
a. Correction of Prior Period Errors	20 (c)	(281)	1,307
b. Changes in Accounting Policies (Prior Period Effects)	20 (d)	-	-
c. Current Year Income & Expenses Recognised direct to Equity excluding direct to Reserves transactions		-	(23,417)
d. Net Operating Result for the Year		1,816	208
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes (disclosure required)		-	-
Balance at End of the Reporting Period		1,572,428	1,570,612

b. Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	132,857	132,857
Total	132,857	132,857

(ii). Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	132,857	-
- Revaluations for the year	-	132,857
- Balance at End of Year	132,857	132,857

TOTAL VALUE OF RESERVES

132,857	132,857
----------------	----------------

(iii). Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2009	Actual 2008
c. Correction of Error/s relating to a Previous Reporting Period			
08/09 Year Corrections			
- Land owned by Council not previously recorded in the asset register		850	
- Building structure duplicated during the prior period revaluation process		(1,131)	
Opening balances for Operational Land and Other Structures on note 9a have been adjusted accordingly.			
07/08 Year Corrections			
1. The methodology for discounting the employee leave entitlements at the end of June 2007 was incorrect. The total provision figure in Note 10 of the June 2007 accounts should have been \$11,151K instead of \$12,739K, resulting in a decrease in Liabilities.			1,588
2. Council had not previously reassessed the useful life of its buildings and, as a result, was found to have significantly understated their depreciation. It was also found that certain buildings and land parcels had not previously been recognised or derecognised.			
A revaluation exercise in the 2008 year identified these errors and an adjustment has been made against the current balances of IPPE and Retained Earnings to correct the errors because it was found to be impractical to restate the prior year comparatives.			
Buildings not recognised			944
Operational Land not derecognised			(188)
Depreciation understated			(24,173)
			<u>(23,417)</u>
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/07 (relating to adjustments for the 30/6/07 reporting year end and prior periods)		-	1,588
- Adjustments to Closing Equity - 30/6/08 (relating to adjustments for the 30/6/08 year end)		(281)	-
Total Prior Period Adjustments - Prior Period Errors		<u>(281)</u>	<u>1,588</u>

d. Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council operates within a General Fund environment only.

Note 22. Non Current Assets/Liabilities classified as "Held for Sale"

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 23. Events occurring after Balance Sheet Date

Events that occur after the reporting date of 30 June 2009, up to and including the date when the financial report is "authorised for issue" have been taken into account in preparing this financial report.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to this General Purpose Financial Report.

Accordingly, the "authorised for issue" date is 28/09/09.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial reports (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2009.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial reports (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2009 and which are only indicative of conditions that arose after 30 June 2009.

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

Note 24. Discontinued Operations

Council has not classified any of its Operations as "Discontinued".

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 25. Intangible Assets

\$ '000

Intangible Assets represent identifiable non-monetary asset without physical substance.

	Actual 2009 Carrying Amount	Actual 2008 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	8,590	8,590
Accumulated Amortisation & Impairment	(3,754)	(2,896)
Net Book Value - Opening Balance	4,836	5,694
Movements for the year		
- Purchases	18	-
- Amortisation charges	(860)	(858)
Closing Values:		
Gross Book Value (30/6)	8,608	8,590
Accumulated Amortisation & Impairment	(4,614)	(3,754)
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>3,994</u>	<u>4,836</u>

¹ The Net Book Value of Intangible Assets represent:

- Software (representing the "Council's Online" software development)	3,994	4,836
	3,994	4,836

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

Hornsby Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 27. Additional Council Disclosures - Council Information

Principal Place of Business:

296 Pacific Highway
Hornsby NSW 2077

Contact Details**Mailing Address:**

PO Box 37
Hornsby NSW 1630

Telephone: 02 9847 6666

Facsimile: 02 9847 6999

Opening Hours

Monday to Friday 8:30am to 5pm

Internet: www.hornsby.nsw.gov.au

Email: hsc@hornsby.nsw.gov.au

Officers**GENERAL MANAGER**

R. J. Ball

RESPONSIBLE ACCOUNTING OFFICER

G. Magus

PUBLIC OFFICER**AUDITORS**

PricewaterhouseCoopers

Elected Members**MAYOR**

N. Berman

COUNCILLORS

S. Evans

W. McMurdo

S. Russell

M. Smart

D. Chopra

B. Mills

R. Browne

M. Hutchence

A. Martin

Other Information

ABN: 20 706 996 972

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

Scope

We have audited the financial report of **Hornsby Shire Council** for the financial year ended 30 June 2009 as set out on pages **1** to **67**. The financial report consists of the general purpose financial report 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 report
 - i. has been properly prepared in accordance with the requirements of this Division;
 - ii. is consistent with the Council's accounting records;
 - iii. present fairly the Council's financial position and the results of its operations; and
 - iv. is 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


Brian Hunter
Partner

28 September 2009

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

PricewaterhouseCoopers
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Dear Councillor Berman

Report on the conduct of the audit for year ended 30 June 2009
Section 417(3)

We have completed our audit of the financial reports of Hornsby Council for the year ended 30 June 2009, 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 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.

Operating result

Council's operating surplus improved from \$208k in the previous year to \$1.8m. Some reasons for this movement included:

- Higher capital grants and contributions (up to \$3.6m)
- Higher depreciation (up \$3.8m).

The Mayor

Cash position

Council's overall cash position fell from \$34 million to \$31 million during the period under review. The following table highlights the composition of cash.

	June 2008	June 2009
	\$m	\$m
Externally restricted	26	18
Internally restricted	8	10
Unrestricted	-	3
	<u>34</u>	<u>31</u>

The drop in external restrictions is mainly in developer contributions held at year-end (down \$7m).

Working capital

Council's net current assets fell from \$20 million to \$14 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.

	June 2008	June 2009
	\$'000	\$'000
Net current assets	20,249	14,210
Less External restrictions	25,668	18,518
Internal restrictions	8,599	9,772
	<u>(14,048)</u>	<u>(14,080)</u>
Add Current liabilities to be funded from other sources	13,150	14,359
Available working capital	<u>(898)</u>	<u>279</u>

The effective unrestricted or available working capital upon which Council could build its 2009/10 budget was \$279k.

The Mayor

Performance indicators

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

	June 2008	June 2009
	%	%
Unrestricted Current Ratio	121	119
Debt Service Ratio	4.7	4.6
Rate Coverage Ratio	69	65
Rates Outstanding Ratio	3.9	3.5
Asset Renewal Ratio	124	85

The Unrestricted Current Ratio declined but remained above the accepted industry benchmark of 100%.

Council's Debt Service Ratio dropped to 4.6% of total revenue and remained below the industry benchmark of 10%.

The Rate Coverage Ratio dropped to 65% of total revenue reflecting the increase in other income previously discussed.

The Rates Outstanding Ratio improved to 3.5% of collectables and remained better than the accepted industry benchmark of 5%.

The Asset Renewal Ratio indicates that Council is renewing key infrastructure at 85% of the rate at which they are depreciating.

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

Investments

Since July 2007 global financial markets have experienced a period of high volatility led by events in the United States housing market, particularly sub-prime loans, which has impacted the value, recoverability, liquidity, cash flows and rates of return of many financial assets, including Collateralised Debt Obligations (CDOs), Equity Linked Notes (ELNs) and certain other managed funds.

The Mayor

At 30 June 2009 Council's investment portfolio totalled \$31 million and included securities that have been impacted by this market volatility. These securities were principally CDOs and Equity Linked Notes which were written down by \$2.2 million to their fair value during the period.

Land Under Roads

Council has elected not to recognise Land Under Roads acquired before 1 July 2008 in accordance with Accounting Standard AASB1051. No land under roads was acquired during the current reporting period.

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



BK Hunter
Partner
Sydney

28 September 2009

2. Special purpose financial reports

Enclosed

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Background

- (i) These Special Purpose Financial Reports have been prepared for the use by both Council and the Department of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial reports for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Hornsby Shire Council

Special Purpose Financial Reports for the financial year ended 30 June 2009

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

The attached Special Purpose Financial Reports have been prepared in accordance with:

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Department of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The Department of Water and Energy Best-Practice Management of Water and Sewerage Guidelines.

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 9 September 2009.



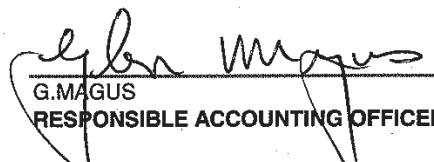
N. BERMAN
MAYOR



S. EVANS
DEPUTY MAYOR



R.J. BALL
GENERAL MANAGER



G. MAGUS
RESPONSIBLE ACCOUNTING OFFICER

Hornsby Shire Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2009

	Nurseries & Preschools		Aquatic Centres & Sports Stadium	
	Actual	Actual	Actual	Actual
\$ '000	2009	2008	2009	2008
Income from continuing operations				
Access charges	-	-	-	-
User charges	2,737	2,457	2,505	2,109
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	713	788	-	-
Profit from the sale of assets	-	2	-	-
Other income	18	14	435	420
Total income from continuing operations	3,468	3,261	2,940	2,529
Expenses from continuing operations				
Employee benefits and on-costs	2,855	2,690	2,327	2,284
Borrowing costs	-	-	-	-
Materials and contracts	453	509	695	663
Depreciation and impairment	216	77	647	186
Loss on sale of assets	-	-	-	1
Calculated taxation equivalents	242	216	218	267
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	235	176	530	392
Total expenses from continuing operations	4,001	3,668	4,417	3,793
Surplus (deficit) from Continuing Operations before capital amounts	(533)	(407)	(1,477)	(1,264)
Grants and contributions provided for capital purposes	137	-	11	11
Surplus (deficit) from Continuing Operations after capital amounts	(396)	(407)	(1,466)	(1,253)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(396)	(407)	(1,466)	(1,253)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(396)	(407)	(1,466)	(1,253)
plus Opening Retained Profits	1,326	1,838	326	348
plus/less: Prior Period Adjustments	-	(321)	-	964
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	242	216	218	267
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	-	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	922	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	1,172	1,326	-	326
Return on Capital %	-4.0%	-3.9%	-10.7%	-8.8%
Subsidy from Council	1,280	1,065	2,243	2,157

Hornsby Shire Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2009

\$ '000	Commercial Waste		Development Applications	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Income from continuing operations				
Access charges	-	-	-	-
User charges	835	864	350	522
Fees	-	-	-	-
Interest	-	-	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	173	219	-	-
Total income from continuing operations	1,008	1,083	350	522
Expenses from continuing operations				
Employee benefits and on-costs	42	38	470	208
Borrowing costs	-	-	-	-
Materials and contracts	534	639	126	147
Depreciation and impairment	30	47	25	28
Loss on sale of assets	-	345	-	6
Calculated taxation equivalents	-	-	-	-
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	57	25	-	1
Total expenses from continuing operations	663	1,094	621	390
Surplus (deficit) from Continuing Operations before capital amounts	345	(11)	(271)	132
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	345	(11)	(271)	132
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	345	(11)	(271)	132
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(104)	-	-	(40)
SURPLUS (DEFICIT) AFTER TAX	242	(11)	(271)	92
plus Opening Retained Profits	719	802	1,004	872
plus/less: Prior Period Adjustments	-	(72)	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	-	-
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	104	-	-	40
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	1,064	719	733	1,004
Return on Capital %	210.4%	-5.7%	-157.6%	146.7%
Subsidy from Council	-	23	281	-

Hornsby Shire Council

Income Statement of Council's Other Business Activities for the financial year ended 30 June 2009

\$ '000	Property Services	
	Actual 2009	Actual 2008
Income from continuing operations		
Access charges	-	-
User charges	1,283	1,200
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	2	10
Total income from continuing operations	1,285	1,210
Expenses from continuing operations		
Employee benefits and on-costs	87	82
Borrowing costs	-	-
Materials and contracts	80	99
Depreciation and impairment	335	93
Loss on sale of assets	-	-
Calculated taxation equivalents	175	175
Debt guarantee fee (if applicable)	-	-
Other expenses	69	34
Total expenses from continuing operations	746	483
Surplus (deficit) from Continuing Operations before capital amounts	539	727
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	539	727
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	539	727
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(162)	(218)
SURPLUS (DEFICIT) AFTER TAX	377	509
plus Opening Retained Profits	26,779	26,636
plus/less: Prior Period Adjustments	-	(759)
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	175	175
- Debt guarantee fees	-	-
- Corporate taxation equivalent	162	218
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	27,493	26,779
Return on Capital %	2.5%	4.0%
Subsidy from Council	649	409

Hornsby Shire Council

Balance Sheet of Council's Other Business Activities as at 30 June 2009

	Nurseries & Preschools		Aquatic Centres & Sports Stadium	
	Category 1		Category 1	
\$ '000	Actual 2009	Actual 2008	Actual 2009	Actual 2008
ASSETS				
Current Assets				
Cash and cash equivalents	6	-	5	-
Investments	-	174	-	305
Receivables	65	54	56	46
Inventories	-	-	27	27
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	71	228	88	378
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	13,485	10,524	13,823	14,294
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	13,485	10,524	13,823	14,294
TOTAL ASSETS	13,556	10,752	13,911	14,672
LIABILITIES				
Current Liabilities				
Payables	381	322	304	247
Interest bearing liabilities	5,551	2,666	9,137	9,640
Provisions	320	306	197	186
Total Current Liabilities	6,252	3,294	9,638	10,073
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	6,252	3,294	9,638	10,073
NET ASSETS	7,304	7,458	4,273	4,599
EQUITY				
Retained earnings	1,172	1,326	-	326
Revaluation reserves	6,132	6,132	4,273	4,273
Council equity interest	7,304	7,458	4,273	4,599
Minority equity interest	-	-	-	-
TOTAL EQUITY	7,304	7,458	4,273	4,599

Hornsby Shire Council

Balance Sheet of Council's Other Business Activities as at 30 June 2009

	Commercial Waste Category 2		Development Applications Category 2	
\$ '000	Actual 2009	Actual 2008	Actual 2009	Actual 2008
ASSETS				
Current Assets				
Cash and cash equivalents	5	-	5	-
Investments	999	552	733	1,108
Receivables	23	214	8	11
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	1,027	766	746	1,119
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	164	194	172	90
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	164	194	172	90
TOTAL ASSETS	1,191	960	918	1,209
LIABILITIES				
Current Liabilities				
Payables	106	121	38	60
Interest bearing liabilities	-	99	-	-
Provisions	21	21	147	145
Total Current Liabilities	127	241	185	205
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	127	241	185	205
NET ASSETS	1,064	719	733	1,004
EQUITY				
Retained earnings	1,064	719	733	1,004
Revaluation reserves	-	-	-	-
Council equity interest	1,064	719	733	1,004
Minority equity interest	-	-	-	-
TOTAL EQUITY	1,064	719	733	1,004

Hornsby Shire Council

Balance Sheet of Council's Other Business Activities as at 30 June 2009

	Property Services Category 2	
\$ '000	Actual 2009	Actual 2008
ASSETS		
Current Assets		
Cash and cash equivalents	5	-
Investments	12,209	14,570
Receivables	70	31
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	12,284	14,601
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	21,445	18,180
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	21,445	18,180
TOTAL ASSETS	33,729	32,781
LIABILITIES		
Current Liabilities		
Payables	354	120
Interest bearing liabilities	-	-
Provisions	62	62
Total Current Liabilities	416	182
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	416	182
NET ASSETS	33,313	32,599
EQUITY		
Retained earnings	27,493	26,779
Revaluation reserves	5,820	5,820
Council equity interest	33,313	32,599
Minority equity interest	-	-
TOTAL EQUITY	33,313	32,599

Hornsby Shire Council

Special Purpose Financial Reports for the financial year ended 30 June 2009

Notes accompanying the Financial Statements

Note	Details
------	---------

- | | |
|---|--|
| 1 | Summary of Significant Accounting Policies |
| 2 | Water Supply Business Best Practice Management disclosure requirements |
| 3 | Sewerage Business Best Practice Management disclosure requirements |

Hornsby Shire Council

Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Report (SPFR) prepared for use by the Council and the Department of Local Government.

For the purposes of these statements, the council's business activities (reported herein) are not reporting entities.

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 nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the 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 has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Nurseries & Preschools

Operation of children's nurseries & preschools

b. Aquatic & Sports Centres

Operation of swimming pools, gymnasiums & indoor sports centres

Category 2

(where gross operating turnover is less than \$2 million)

a. Commercial Waste Service

Services provided for the collection of commercial waste and sillage

b. Property Services

Rental of Council properties to 3rd parties for residential & commercial purposes

c. Development Assessments

Development assessment & inspection services

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a

Hornsby Shire Council

Notes to the Special Purpose Financial Reports

for the financial year ended 30 June 2009

Note 1. Significant Accounting Policies (continued)

cost of operations (General Purpose Financial Report) just like all other costs.

However, where council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all council nominated business activities and are reflected in the SPFR.

For the purposes of disclosing comparative information relevant to the private sector equivalent the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$368,000** of combined land values attracts **0%**. From \$368,001 to \$2,250,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,250,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.875%** on the value of taxable salaries and wages in excess of \$623,000.

Income Tax

An income tax equivalent has been applied on the profits of the business.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

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

there is no need for disclosure of internal charges in 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 that have occurred during the year.

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face "true" commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to

Notes to the Special Purpose Financial Reports
for the financial year ended 30 June 2009

Note 1. Significant Accounting Policies (continued)

generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 5.54% at 30/6/09.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself as owner of a range of businesses or to any external entities.

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

Scope

We have audited the special purpose financial report of **Hornsby Shire Council** for the year ended 30 June 2009, 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 report has been prepared for distribution to the Council and the Department of Premier & Cabinet - Division 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 Premier & Cabinet - Division 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 Report of **Hornsby Shire Council** is 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



Brian Hunter
Partner

28 September 2009

3. Special schedules¹

Enclosed

Special schedule No. 1	Net Cost of Services	182
Special schedule No. 2 (a)	Statement of Long Term debt (all purposes)	185
Special schedule No. 7	Condition of Public Works	186
Special schedule No. 8	Financial Projections.....	188

¹ Special Purpose Schedules are not audited.

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the Department of Energy, Utilities & Sustainability (DEUS), and
 - the Department of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of specific service financial activities.
-

Hornsby Shire Council

Special Schedule No. 1 - Net Cost of Services for the financial year ended 30 June 2009

\$'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	2,388	2,388	-	-	-	(2,388)	(2,388)
Administration							
Corporate Support	10,194		2,784	60		(7,350)	
Engineering and Works	7,594		1,000	1,009		(5,585)	
Other Support Services	-	17,788	-	-	4,853	-	(12,935)
Public Order and Safety							
Contributions to Fire Service Levy	1,707		-	-		(1,707)	
Fire Protection – Other	1,637		602	2,402		1,367	
Animal Control	396		73	-		(323)	
Beach Control	-		-	-		-	
Enforcement of Local Govt Regs	-		-	-		-	
Emergency Services	68		-	-		(68)	
Other	-	3,808	-	-	3,077	-	(731)
Health							
Administration and Inspection	446		131	-		(315)	
Immunisations	-		-	-		-	
Food Control	-		-	-		-	
Insect/Vermin Control	-		-	-		-	
Noxious Plants	-		-	-		-	
Health Centres	-		-	-		-	
Other	37	483	-	-	131	(37)	(352)
Community Services and Education							
Administration	817		3	-		(814)	
Family Day Care	3,698		3,469	137		(92)	
Child Care	52		3	-		(49)	
Youth Services	424		48	-		(376)	
Other Families and Children	397		256	-		(141)	
Aged and Disabled	857		680	-		(177)	
Migrant Services	-		-	-		-	
Aboriginal Services	-		-	-		-	
Other Community Services	672		-	-		(672)	
Education	-	6,917	-	-	4,596	-	(2,321)

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2009

\$'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
Housing and Community Amenities							
Housing	-		-	-		-	
Town Planning	8,490		2,430	-		(6,060)	
Domestic Waste Management	13,928		14,402	-		474	
Other Waste Management	1,828		1,016	-		(812)	
Street Cleaning	262		-	-		(262)	
Other Sanitation and Garbage	764		230	-		(534)	
Drainage	-		-	-		-	
Stormwater Management	2,613		-	151		(2,462)	
Environmental Protection	4,189		3,341	1,207		359	
Public Cemeteries	-		-	-		-	
Public Conveniences	-		-	-		-	
Other Community Amenities	182	32,256	3	214	22,994	35	(9,262)
Water Supplies	4	4	-	-	-	(4)	(4)
Sewerage Services	-	-	-	-	-	-	-
Recreation and Culture							
Public Libraries	6,251		575	253		(5,423)	
Museums	-		-	-		-	
Art Galleries	-		-	-		-	
Community Centres	1,346		265	11		(1,070)	
Public Halls	-		-	-		-	
Other Cultural Services	-		-	-		-	
Swimming Pools	3,498		2,344	-		(1,154)	
Sporting Grounds	1,113		-	-		(1,113)	
Parks and Gardens (Lakes)	10,630		1,141	588		(8,901)	
Other Sport and Recreation	933	23,771	752	-	5,929	(181)	(17,842)
Fuel and Energy							
Gas Supplies	-	-	-	-	-	-	-
Mining, Manufacturing and Construction							
Building Control	-		-	-		-	
Abattoirs	-		-	-		-	
Quarries and Pits	-		-	-		-	
Other	-	-	-	-	-	-	-

Hornsby Shire Council

Special Schedule No. 1 - Net Cost of Services (continued) for the financial year ended 30 June 2009

\$'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
Transport and Communication							
Urban Roads (UR) - Local	8,187		614	864		(6,709)	
Urban Roads - Regional	-		-	-		-	
Sealed Rural Roads (SRR) - Local	-		-	-		-	
Sealed Rural Roads - Regional	-		-	-		-	
Unsealed Rural Roads (URR) - Local	357		-	-		(357)	
Unsealed Rural Roads - Regional	-		-	-		-	
Bridges on UR - Local	103		-	-		(103)	
Bridges on UR - Regional	-		-	-		-	
Bridges on SRR - Local	-		-	-		-	
Bridges on SRR - Regional	-		-	-		-	
Bridges on URR - Local	-		-	-		-	
Bridges on URR - Regional	-		-	-		-	
Footpaths	1,378		19	133		(1,226)	
Aerodromes	-		-	-		-	
Parking Areas	50		-	10		(40)	
Bus Shelters and Services	17		-	-		(17)	
Water Transport	279		1	-		(278)	
RTA Works (State)	-		-	-		-	
Street Lighting	2,034		275	-		(1,759)	
Other	1,716	14,121	1,460	962	4,338	706	(9,783)
Economic Affairs							
Camping Areas	-		-	-		-	
Caravan Parks	-		-	-		-	
Tourism and Area Promotion	-		-	-		-	
Industrial Development Promotion	-		-	-		-	
Saleyards and Markets	-		-	-		-	
Real Estate Development	-		-	-		-	
Commercial Nurseries	-		-	-		-	
Other Business Undertakings	1,796	1,796	1,795	152	1,947	151	151
Totals – Functions		103,332	39,712	8,153	47,865		(55,467)
General Purpose Revenues⁽¹⁾			57,283		57,283	57,283	57,283
Share of interests - joint ventures & associates using the equity method	-	-	-		-	-	-
NET OPERATING RESULT FOR YEAR		103,332	96,995	8,153	105,148	1,816	1,816

Notes:

(1) Includes: Rates & Annual Charges (incl. Ex Gratia), Non Capital General Purpose Grants & Interest on Investments (excl. Restricted Assets)

Hornsby Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose) for the financial year ended 30 June 2009

\$'000

Classification of Debt	Principal outstanding at beginning of the year		New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year	
	Current	Non Current		From Revenue	Sinking Funds			Current	Non Current
Loans (by Source)									
Commonwealth Government	-	-	-						-
Treasury Corporation	-	-	-						-
Other State Government	-	-	-						-
Public Subscription	-	-	-						-
Financial Institutions	2,702	21,104	23,806	2,701	-	-	1,533	3,022	20,083
Other	-	-	-						-
Total Loans	2,702	21,104	23,806	2,701	-	-	1,533	3,022	20,083
Other Long Term Debt									
Ratepayers Advances	-	-	-						-
Government Advances	-	-	-						-
Finance Leases	-	-	-						-
Deferred Payments	-	-	-						-
Total Long Term Debt	-	-	-	-	-	-	-	-	-
Total Debt	2,702	21,104	23,806	2,701	-	-	1,533	3,022	20,083
									23,105

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the Face Value of debt obligations, rather than Fair Value (as per the GPFR's).

Special Schedule No. 7 - Condition of Public Works
as at 30 June 2009

HORNSBY SHIRE COUNCIL **ANNUAL REPORT AND SUSTAINABILITY REPORT** 2008-2009

Special Schedule No. 7 - Condition of Public Works (continued)
as at 30 June 2009

			Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accumulated Depreciation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
ASSET CLASS	Asset Category											
		per Note 1	per Note 4									
		3.00%	44									
Wharves & Jetties	Pontoons, Seawalls & Wharves			44	1,461		751	710	2	600	150	352
	sub total			44	1,461		751	710		600	150	352
Drainage Works												
	Drainage Infrastructure	1.00%	1,303	1,303	123,230		46,456	76,774	2	12,000	1,200	1,172
	sub total			1,303	1,303	123,230	-	46,456	76,774		12,000	1,200
	TOTAL - ALL ASSETS			9,766	486,221	150,877	304,354	332,744		18,325	9,800	10,530

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

1	Near Perfect - Ranges from New or Good
2	Superficial Deterioration - Ranges from Generally Good to Fair
3	Deterioration Evident - Ranges from Fair to Marginal
4	Requires Major Reconstruction - Ranges from Poor to Critical

5	6	7	8
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Hornsby Shire Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2009

\$'000	Actual ⁽¹⁾ 08/09	Forecast 09/10	Forecast 10/11	Forecast ⁽³⁾ 11/12	Forecast ⁽³⁾ 12/13
(i) RECURRENT BUDGET					
Income from continuing operations	105,148	102,203	105,269	108,427	111,679
Expenses from continuing operations	103,332	102,357	105,269	108,427	111,679
Operating Result from Continuing Operations	1,816	(154)	-	-	-
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	7,053	1,297	6,200	6,200	6,300
Replacement/Refurbishment of Existing Assets	20,191	12,877	18,600	18,500	18,400
Total Capital Budget	27,244	14,174	24,800	24,700	24,700
Funded by:					
– Loans	2,000	3,065	1,000	1,000	1,000
– Asset sales	4,289	1,959	5,400	5,400	5,400
– Reserves	-	-	-	-	-
– Grants/Contributions	8,153	1,164	7,700	7,700	7,700
– Recurrent revenue	5,920	6,115	4,500	4,600	4,600
– Other	6,882	1,871	6,200	6,000	6,000
	27,244	14,174	24,800	24,700	24,700

Notes:

(1) From 08/09 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Fire Control Centre, Leisure Centre, new Childcare Centre etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.



Produced by
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