

Hornsby Shire Council Annual Report 2010-2011



Hornsby Shire Council

ABN 20 706 996 972

Contact details

In person The Administration Centre
296 Pacific Highway, Hornsby NSW 2077

Customer service desks are open from 8.30am - 5.00pm business days

email hsc@hornsby.nsw.gov.au

telephone 9847 6666

fax 9847 6999

write PO Box 37, Hornsby NSW 1630

online www.hornsby.nsw.gov.au

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Introduction

This Annual Report has been prepared in accordance with the Integrated Planning and Reporting Framework, and focuses on the implementation of Council's *2010-2014 Delivery Program* incorporating its annual *Operational Plan*.

The Report has been set out according to the *Hornsby Shire 2020 Framework for a Sustainable Future* and incorporates information prescribed by ss 428 and 428A of the *Local Government Act 1993*, and cl 217 of the *Local Government (General) Regulation 2005*.

The Division of Local Government requires councils to make its Annual Report available to the community, with a copy being provided to the Minister for Local Government.

The Minister for Local Government, through the Chief Executive, Local Government, Division of Local Government, was advised of the availability of this completed Report on 21 November 2011.

The Report is available at www.hornsby.nsw.gov.au.

Council operations

Management

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

Division	Branch	
Corporate and Community	Administration Services	Information Systems
	Community Services	Library and Information Services
	Financial Services	
Environment	Bushland and Biodiversity	Environmental Sustainability and Health
	Customer Service	Waste Management
	Parks and Landscape	Water Catchments
General Manager's	Community Relations	Human Resources
	Corporate Strategy	Internal Auditing
Planning	Assessment Team 1	Subdivision and Development Engineering Services
	Assessment Team 2	Town Planning Services
	Customer Service	
Works	Aquatic and Recreation	Engineering Services
	Assets	Property Development
	Design and Construction	Traffic and Road Safety

Corporate values

- We strive to meet the needs of our customers in a professional and ethical manner
- We provide courteous and efficient service
- We support Councillors in an impartial and professional manner
- We provide a safe and satisfying work environment
- We recognise effort and achievement
- We deal with our suppliers in a mutually beneficial manner

The workforce

Hornsby Shire Council is a major employer in the area, providing over 843 jobs in a mix of permanent, part time and casual roles. The workforce gender balance is approximately 60 percent female and 40 percent male, with the average age being 42.2 years.

Revenue sources

Hornsby Shire Council's primary recurrent source of revenue is the general rate (paid by ratepayers) which accounts for approximately 60 percent of revenues from ordinary activities. Section 94 (Development Contributions) income, which has been Council's prime source of new capital infrastructure funding for the past 15 years, has declined in recent years. However, with the finalisation of Council's Housing Strategy, there is likely to be an increase in multi-unit development proposals.

What we do

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

Providing and maintaining community facilities such as:

- Parks and sportsgrounds
- Playgrounds and skate parks
- Aquatic centres
- The Brickpit Indoor Sports Facility in Thornleigh
- Local libraries in Berowra, Epping, Galston, Hornsby and Pennant Hills
- Childcare centres in Asquith, Cherrybrook, Eastwood, Hornsby and Westleigh

We also care for the environment by:

- Managing and enhancing bushland areas
- Providing environmental and waste education and recycling services
- Responding to pollution incidents and prosecuting polluters
- Monitoring the water quality of the Shire's estuaries
- Planting trees and controlling noxious weeds

We make the Shire a safer place to live by:

- Maintaining and improving roads, footpaths and stormwater drains
- Providing road safety education to schools
- Working with emergency organisations such as the Rural Fire Service and State Emergency Service
- Managing the keeping of companion animals
- Inspecting food premises

We enhance our community by:

- Listening to community views
- Holding citizenship ceremonies
- Offering services for seniors, young people, new migrants and people with a disability
- Providing grants to community organisations
- Running major community events such as the Bushland Shire Festival and Movies Under The Stars
- Supporting local community groups such as sporting clubs, arts organisations, migrant groups and charities

We plan for the future by:


- Planning and managing the urban environment
- Preserving heritage sites
- Consulting with the community about its needs
- Developing long term strategic plans for Council and the Shire

Councillors

Hornsby Shire has 10 Councillors, comprising of a popularly elected Mayor and three Councillors representing each of the Shire's three wards. The Councillors were elected in September 2008 and the next election will take place in September 2012.

The Councillors are elected by the people of Hornsby Shire to represent the interests of residents and ratepayers, provide leadership and guidance to the community and to encourage communication between Council and the community.

If you are concerned about an issue in Hornsby Shire, you are encouraged to get in touch with your Councillors.

Mayor Nick Berman

Cr Nick Berman
 PO Box 37, Hornsby 1630
 phone: 9847 6603
 fax: 9837 6909
 email: nberman@hornsby.nsw.gov.au

Councillors

Fax number for all councillors 9847 6909

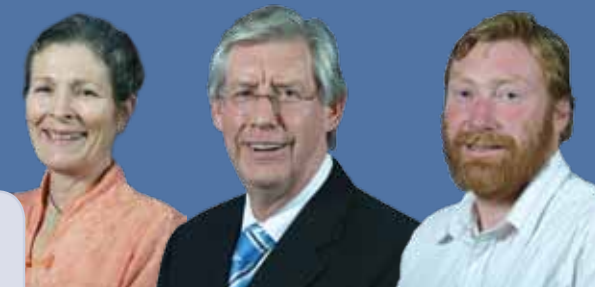
A Ward Councillors

A Ward 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, Mount Colah, Mount Kuring-gai, Singletons Mill, Wahroonga*, Waitara*, Wisemans Ferry (*These suburbs are split by the ward boundary so are listed under two different wards)

Cr Wendy McMurdo 0438 777 518
PO Box 37, Hornsby 1630
email: wcmurdo@hornsby.nsw.gov.au

Cr Steve Russell 0409 735 313
PO Box 37, Hornsby 1630
email: srussell@hornsby.nsw.gov.au

Cr Mick Smart 0428 645 709
PO Box 37, Hornsby 1630
email: msmart@hornsby.nsw.gov.au



Cr Wendy McMurdo, Cr Steve Russell, Cr Mick Smart

B Ward Councillors

B Ward suburbs: Asquith*, Castle Hill*, Cherrybrook*, Dural*, Glenhaven*, Hornsby*, Normanhurst*, Pennant Hills*, Thornleigh*, Wahroonga*, Waitara*, Westleigh (*These suburbs are split by the ward boundary so are listed under two different wards)

Cr Dilip Chopra 0466 008 373
PO Box 37, Hornsby 1630
email: dchopra@hornsby.nsw.gov.au

Cr Steve Evans 0438 777 520
10 Higgins Place, Westleigh 2120
email: steveevans@hornsby.nsw.gov.au

Cr Bruce Mills 0466 008 374
PO Box 37, Hornsby 1630
email: bmills@hornsby.nsw.gov.au



Cr Dilip Chopra, Cr Steve Evans, Cr Bruce Mills

C Ward Councillors

C Ward suburbs: Beecroft, Carlingford, Cheltenham, Cherrybrook*, Eastwood, Epping, Normanhurst*, North Epping, Pennant Hills*, Thornleigh*, West Pennant Hills (*These suburbs are split by the ward boundary so are listed under two different wards)

Cr Robert Browne 0434 568 828
PO Box 460, Pennant Hills 1715
email: rbrowne@hornsby.nsw.gov.au

Cr Michael Hutchence 0466 008 375
PO Box 37, Hornsby 1630
email: mhutchence@hornsby.nsw.gov.au

Cr Andrew Martin 0466 008 376
PO Box 37, Hornsby 1630
email: amartin@hornsby.nsw.gov.au



Cr Robert Browne, Cr Michael Hutchence, Cr Andrew Martin

Mayor's message

The past year has been a very busy time for Hornsby Shire Council, with many projects, initiatives and challenges.

We successfully applied to the NSW Independent Pricing and Regulatory Tribunal for permission to increase rates to fund major infrastructure improvement, repair and maintenance projects over the next 10 years.

The increase to rates will fund the redevelopment of Hornsby Aquatic Centre, which was closed in December 2010 due to safety concerns. The new centre will include a 50 metre outdoor pool and indoor learn to swim leisure pools.

The increased rates will also fund a \$3.9 million renovation of the Brickpit Sports Stadium in Thornleigh to add additional indoor courts, provide \$1.8 million per year for local oval, park and sportsground improvement works across the Shire and many other major projects over the next decade.

Strong financial management has continued to be a key focus for Council. During the year we appointed an external consultant to review Council's internal services to identify opportunities for cost savings and productivity gains.

As a result, a major internal restructure took place towards the end of the financial year. Overall, the organisation has been reduced by the equivalent of 15.5 full time positions. In the longer term, we anticipate the reduced staffing costs will save the organisation approximately \$1 million per annum.

Council also continues to pursue legal action in the Supreme Court of NSW against the Valuer-General, contract valuer, and CSR. Council is seeking damages in relation to the amount paid for the acquisition of the Hornsby Quarry. Council has prepared its evidence and the defendants are currently preparing their evidence in reply.

Council held many major community events in the past 12 months including the Bushland Shire Festival at Fagan Park in Galston, Movies Under The Stars screenings, the Christmas Spectacular at Waitara Oval, the Seniors Week Festival, Youth Week and dozens of educational and environmental workshops and seminars. More than 35,000 people attended events as part of the 2010 Hornsby Shire Festival of the Arts including an outdoor theatre performance, printmaking workshops, a short film festival and art exhibitions.

We are continuing to work hard to ensure that Hornsby Shire is a wonderful place to live, work and grow. I hope you find our annual report to be an informative guide to Council's activities over the last year.



Nick Berman,
Mayor

Progress against Delivery Program

Ecology

Protect and enhance our natural environment

Our Aim: We protect and enhance the Shire's diverse landscape and biodiversity, working with our community to care for the natural environment. We focus on reducing our ecological footprint, working with the community to ensure that water, energy and other resources are used wisely.

Our highlights

Stormwater harvesting in Epping and Eastwood



Underground stormwater tanks, Epping Oval

In March, Council completed a \$2.4 million project funded by the Federal Government to undertake stormwater recycling and improve water and energy efficiency at ovals in Epping and Eastwood.

Underground stormwater tanks with a combined capacity of 1.2 million litres were installed at Epping Oval, North Epping Oval and Eastwood's Somerville Oval over the last year. Stormwater runoff from surrounding streets will be captured and stored in the tanks and used to irrigate the sportsgrounds.

New photovoltaic system installed



Solar panels, Hornsby Library roof

Solar panels were installed on the roofs of the Hornsby Shire Council Administration Building and Hornsby Library to help reduce carbon emissions and reliance on mains electricity.

The systems, which were funded by State Government grants, will provide approximately 4.2 percent of the Administration Building's annual electricity needs and about 8 percent of the library's electricity.

New seawall to provide improved marine habitat



New seawall, Parsley Bay, Brooklyn

Over the past year the seawall at Parsley Bay in Brooklyn was reconstructed to improve habitat for marine life, reduce erosion and decrease ongoing maintenance. Six-hundred tonnes of sandstone was used to build the wall, which was funded by State Government grants.

Ecology

Our other key achievements

Water catchments

- Following Council's work to better manage the Hawkesbury River estuary, the oyster industry was granted export approval by the Australian Quarantine and Inspection Service
- Using grant funding, built a new jetty at historic Bar Island to allow boats to safely dock without damaging the fragile foreshore
- Constructed a new rain garden at Mount Kuring-gai to improve the health of Cowan Creek
- Undertook foreshore revegetation work at Bar Island, Berowra, Brooklyn, Hornsby Heights and Wisemans Ferry



The new Bar Island Jetty

Sustainability and health

- Conducted a trial of CSIRO predictive maintenance technology for heating, ventilation and air conditioning at Council's libraries in Hornsby, Berowra, Epping, Galston and Pennant Hills
- Commenced a trial of energy meters for residents to loan from Council's libraries
- Following a local industry education campaign, recorded a decrease in water pollution in Larool Creek, Thornleigh
- Conducted food safety inspections of approximately 92 percent of the medium and high risk food businesses in Hornsby Shire



Energy meters available for loan from Council's libraries











Bushland and biodiversity

- Installed nine new permanent bushfire control lines
- Adopted a Bushfire Risk Mitigation Five Year Manual Works Program
- Provided residents with almost 5,400 free native plants which were propagated at Council's Community Nursery in Pennant Hills
- Managed one of Sydney's largest volunteer Bushcare programs with 850 registered volunteers working on 130 sites
- Commenced a granted funded project to restore the Hornsby Heritage Steps which were built during the Great Depression to relieve unemployment
- Consulted with the community on changing the Shire's Tree Preservation Order













Hornsby Heritage Steps are being restored

Council's achievements – Delivery Program

Actions	Result	Performance
Ecology – protect and enhance biodiversity		
Manage and maintain Council's bush regeneration program	Bushland restoration works and grant projects underway. Hornsby Creek Catchment planting for Environmental Trust grant. Arcadia, McQuoin, Pyes Creek grant works.	
Progress the Climate Change Adaptation Work Plans	Council's climate change adaption strategic plan reviewed for risk factors and future actions. The next stage is to prioritise those risks and actions	
Undertake the investigation and compliance activity in response to illegal dumping	Illegal dumping incidents are increasing. All identified sites have been investigated and cleared or are currently being investigated	
Caring for our Country Hawkesbury Nepean Catchment Incentive Grant Project	Grant works on Council land and on private land (Mary Mount Mercy Centre and Benedictine Monastery) underway.	
Continue to implement the actions contained in the Sustainable Business Strategy	Implementation of the Sustainable Business Strategy placed on hold due to staffing constraints and budget constraints	
Continue to implement the actions contained in the Sustainable Energy Strategy	Energy efficient actions continue to be implemented across council buildings. Two 20.2KW solar photovoltaic systems installed on Administration Building and Hornsby Library. Insulation installed at Somerville Park Childcare Centre	
Continue to implement the Hornsby 2020 Sustainability Framework across Council	Delayed due to low staffing levels and budget constraints	
Continue to progress Quadruple Bottom Line (QBL) sustainability decision-making and reporting system within Council	Delayed due to low staffing levels and budget constraints	
Distribute seagrass and boating maps to estuary users	Completed	
Habitat connectivity through partnerships grant project	Stage one complete and stage two underway	

Council's achievements – Delivery Program

Actions	Result	Performance
Implement significant actions in Biodiversity Conservation Strategy and Action Plan subject to funding	Significant actions include: <ul style="list-style-type: none"> • Native Flora and Fauna Management Study • Preparation of 'Preservation of Trees and Native Vegetation' and 'Flora and Fauna' chapters of Council's Development Control Plan • Project to survey estuarine and migratory birds and map priority habitat for climate change • Private land conservation through Rural Lands Program • Regional Weeds Committee participation through grants • Review of Green Offsets Code • Commence asset rationalization of poor quality bushland • Investigate best practice to minimise threat of myrtle rust pathogen to native plants and nurseries • Implement Habitat Connectivity grant 	
Undertake mapping of the estuarine habitats and assess their condition and threats	Project complete. Estuary education workshops held	
Water quality monitoring	Biological monitoring programs reviewed. All sampling completed	
Undertake remote monitoring of the estuary water	Five algal real time probes operating within the estuary. No major blooms detected	
Complete the Onsite Sewage Management Program in Brooklyn, Dangar Island and Mount Kuring-gai	Inspections completed as per schedule	
Assist with cleanup operations of the estuary	A project to remove derelict boats completed	
Undertake a study of groundwater	Project completed	
One Tree Reach Restoration Grant Project (Stage 2)	Project undertaken to study Acid Sulphate Soil at One Tree Reach Wetland in Loughtondale	
Assess the impact of climate change on estuarine vegetation	Project completed	
Build a real time model of the estuary with outputs being displayed publicly on a webpage	Worked with Manly Hydraulics Laboratory to develop the model which is currently being implemented	

Points of interest

Report on Food Inspection Program 2010-2011

Under the NSW Food Regulation partnership (an agreement with the NSW Food Authority) Council as a Category B Enforcement Agency has committed to inspect at least 80 percent of high and medium risk food businesses within the Shire and provide an annual report on the results.

There are 375 'high risk' and 115 'medium risk' businesses located within the Shire. During 2010/11, Council's Health Officers conducted primary inspections on approximately 92 percent of these businesses.

Inspection results

The results of Council's 2010/11 inspection program are listed in the table below.

Inspection results 2010/2011	
Number of primary inspections conducted	450
Number of businesses found to be satisfactory	241 (53.5%)
Number of businesses found to be unsatisfactory	209 (46.5%)
Number of reinspections completed	193
Number that pass at first reinspection	155
Number that pass at second reinspection	14

A satisfactory result is recorded where minor issues of non-compliance might be identified, but no reinspection or other intervention is warranted. An unsatisfactory result is recorded where critical food handling practices are identified and one or more reinspections or interventions are required to be undertaken until a satisfactory result is achieved.

Report on Materials Handling Facility

Hornsby Shire Council generates a quantity of material waste per year in undertaking normal programs of infrastructure construction and maintenance. The facility was established to enable Council to reuse much of the excavated material generated from the maintenance and improvement of local roads, footpaths and drains within the Shire.

A significant portion of this material waste is made suitable for re-use in Council's works programs by stockpiling, separating, sorting and sieving the material at the facility. Excavated materials such as sand, soil, gravel and profile material are sieved and graded to provide a variety of reusable materials; sieved concrete and asphalt material are sent for reprocessing at an external commercial crushing facility and returned as re-usable material as required. The maximum throughput of materials processed on-site is limited to 30,000 tonnes per annum.

Stockpiles and throughput 2010/2011

Material	Stockpiles 30/6/10	Input	Site processing of mixed waste	Output	Stockpiles 30/6/11
Unprocessed mixed material	0	4286		0	0
Processed material suitable for reuse	207		2028	1145	1090
Processed material for landfill disposal	520		820	290	1050
Concrete for recycling	352		1438	554	1236
New material	98	128		136	90
TOTAL	1,177	4,414		2,125	3,466

Companion Animals

Lodgement of pound data collection returns with the Department of Local Government (Department)

Council's data report was lodged 25 July 2011.

Lodgement of data relating to dog attacks with the Department

Council's data was lodged with the Department through the NSW Companion Animals Register. A total of 86 incidents were registered.

Amount of funding spent relating to companion animal management and activities

Council spent a total of \$330,328.27 on companion animal management and activities.

Companion animal community education programs carried out

Council provided information sheets on topics including:

- Micro chipping and registration.
- Responsibilities of dog owners.
- Controlling nuisance barking.
- Noise nuisance from barking dogs.
- Cat information.
- Wildlife protection areas.

Council also provided a school education session, 'Dog Safety', as part of its program about local government for school years 3 and 4. The session provided information on identifying dog behaviour, appropriate behaviour around dogs and how to safely meet and greet a dog that is under effective control with a handler. Students were provided with opportunities to practise 'meeting' a dog and scanning for microchips.

Council has also given information packs to new owners, pet stores and veterinary surgeries.

'Chip' is Council's companion animals' education mascot. 'Chip' is used to provide educational resources and to promote the 'Scoop up the Poop' program which included promotional material distribution via letterbox drops of leaflets, stickers and reward and warning cards, staff

dissemination at off-leash areas, provision on request to local residents and inclusion with warning letters.

Council's companion animals officers also provide individual advice, information and educational resources (at large Council events) and Council-branded pooch pouches free of charge.

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

Council promotes desexing through the availability of information sheets and information on Council's website. Council encourages desexing prior to registration by allowing extra time to have animals desexed to enable owners to receive the benefit of the reduced registration fee. Council also promotes the National Desexing Network and RSPCA programs.

Companion animals

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

Council has significantly reduced the number of companion animals being transferred to its pound provider, Sydney Dogs and Cats Home Inc (SDCH) at Carlton. The holding facility built at Council's Depot has enabled Council officers to temporarily hold animals at the facility while waiting collection by owners.

Council also has arrangements in place with local vets to hold animals temporarily. This provides access to after hours pickup by local owners.

Council maintains a lost and found register to assist animals and their return home.

The majority of animals transferred to the pound have no microchip or the registered details are incorrect and the owner could not be identified. SDCH, a charity organisation, after attempting to identify the owner through different registers, assess the animal for its suitability to be rehomed and will sometimes retain it in foster care. All animals for sale are advertised on its website.

Off-leash areas provided in the council area

Hornsby Shire has six full-time off-leash areas for exercising and training dogs. The areas are fully fenced with double gates at all entrances and have waste bins, dog waste bags and water.

These areas are:

- Asquith Park, Rotherwood Street, Asquith
- Crossroads Reserve, corner Turner and Berowra Waters Roads, Berowra Heights
- Greenway Park, Shepherds Drive, Cherrybrook
- Rofe Park, Galston Road, Hornsby Heights
- Ruddock Park, Eucalyptus Drive, Westleigh
- Dawson Street, Thornleigh.

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

- Epping Oval, Norfolk Road, Epping (Penalties apply for dogs running onto turf wicket square)
- Ron Payne Reserve, Woods Street, North Epping

The use of Companion Animals Fund money for management and control of companion animals in the area

Funding received from the Division of Local Government Companion Animals Register Funding was \$89,696. Detailed financial information relating to this funding is as follows:

Salary and wages	\$216,196.32
Other employee expenses	\$1,781.20
Materials and equipment	\$2,347.31
Legal expenses	\$12,941.00
Pound contract expenses	\$45,947.08
Internal corporate costs	\$51,115.36
Total Expenditure	\$330,328.27

Bushfire hazard reduction and mitigation activities

For the reporting period, there were five hazard reduction burns conducted by fire authorities on Council managed lands and 24 completed within the Hornsby LGA. Hazard reduction burns in the Shire totalled some 267 hectares.

Forty-four Asset Protection Zones located on Council managed land were maintained, totalling an area of over 4.5ha.

Twelve fire trails had works undertaken on them. Works ranged from the installation of gates through to an upgrade of entrance points and surface material.

Nine bushfire Hazard Complaints were treated as required by the NSW Rural Fire Service.

741 Permits to burn were issued under the Protection of Environment Operations Act (Clean Air) Regulation 2010.

Council endorsed the Bushfire Risk Mitigation Manual Works Program 2010/11-2015/16 at its December 2010 meeting.

Hornsby Council has also worked closely with other agencies of the Hornsby Ku-ring-gai Bushfire Management Education Sub committee in developing a Bushfire Community Education Strategy.

Planning agreements

During the year there were two Voluntary Planning Agreements between Council and developers. These are:

- DA/1470/2009 - 39 Hannah Street, Beecroft - VPA - \$20,000 - offset for endangered native vegetation removal
- DA/567/2010 - 5 Maroota Way, Beecroft - VPA - \$9,450 - offset for endangered native vegetation removal.

State of the environment

A summary of the 2010/11 State of the Environment (SoE) Report for Hornsby Shire is incorporated later in this Report - see 'State of the Environment' section.

Economy

Resilient local economy and sustainable resource use

Our Aim: We support business, investment and development that provides local employment and training, and results in a diverse and resilient economy generating opportunity and wealth across our community, and effectively responds to climate change with our community taking affirmative action.

Our highlights

Town planning

In 2009-10, Council performed above average in the Department of Planning's Local Development Performance Monitoring Report compared to other councils in our group (the Blue Mountains, Campbelltown, Gosford, Liverpool, Penrith, The Hills and Wyong Council). Council determined 1,304 Development Applications, with a mean determination time of 56 days.

Great effort has been made to reduce Council's town planning legal expenses, with a reduction from \$1.11 million in 2008/09 to \$87,000 in 2010/11.



Epping Town Centre Study

Council worked closely with the Department of Planning and Infrastructure and Parramatta City Council on planning for the future of the Epping Town Centre. JBA Consultants prepared the Epping Town Centre Study in consultation with stakeholders with the aim of exploring the potential for Epping to accommodate additional residential and employment growth in the future.



Epping Town Centre

Revitalisation of Kangaroo Point, Brooklyn

As part of our plans to revitalise Kangaroo Point in Brooklyn, Council amended the *Hornsby Shire Local Environmental Plan 1994* to permit commuter berthing. Council also accepted a tender for a private operator to construct and operate a commercial takeaway food kiosk and restaurant facility at Kangaroo Point for the next 21 years.



Kangaroo Point, Brooklyn












Economy *Our other key achievements*

- Fulfilled the former State Government's requirements for Council to provide opportunities for additional housing development by forwarding the *Hornsby Shire Housing Strategy* to the NSW Minister for Planning and Infrastructure. The Housing Strategy was subsequently finalised by the Minister on 2 September 2011
- Continued work on preparing Council's *Comprehensive Local Environmental Plan* and in June resolved to place the draft document on public exhibition
- In June, forwarded a Planning Proposal for the creation of a new Heritage Conservation Area in North Wahroonga to the Department of Planning and Infrastructure. The Conservation area was subsequently formalised on 2 September 2011
- Completed the sale of the former art gallery on the Pacific Highway in Hornsby








A home in Wahroonga North Heritage Area

Council's achievements – Delivery Program

Actions	Result	Performance
Economy – resilient local economy and sustainable resource use		
Annually review traffic, parking and road safety data across Shire	RTA and Federal Blackspot grant submissions for 2011/2012 completed	
Continue to work with the NSW Department of Planning and Infrastructure and Parramatta Council on a masterplan for Epping Town Centre	Draft Study report presented to Steering Committee in April 2011. The Study has subsequently been endorsed by Council for exhibition and is currently being exhibited until 28 November 2011	
Epping Local Environmental Plan Traffic and Parking Study	Planning study underway. Has been extended by agreement with Parramatta City Council and the Department of Planning and Infrastructure	
Investigate feasibility and funding options to develop Mountain Bike Track in Hornsby Shire	Investigations completed. Planning for detailed design, assessments and sourcing funds prior to project approvals and commencement	
Housing Strategy Planning proposal	Housing Strategy Planning Proposal submitted to the Department of Planning in July 2010 for gazettal. Awarded a Highly Commended award for Urban Planning Achievement from the Planning Institute of Australia	
Leasing of old food bar at Kangaroo Point	Agreement to lease and lease documentation 95% agreed. Development Application to be finalised and submitted end August 2011	
Proposed lease or disposal of Johnson Road Pony Club, Arcadia	Report being prepared for Ordinary Council Meeting of 19 October 2011	
Brooklyn Sewage Treatment Plant disposal to Sydney Water	Comment as previous	
Strategic review of Hornsby Town Centre properties	Broad review considered, but needs to be documented in line with operational property review. Delayed due to low staffing levels and budget constraints	
Review and implementation of Cultural Plan	Cultural plan implemented according to schedule	
Planning proposal to permit the filling of Hornsby Quarry	Studies currently being progressed to support the proposal	

Council's achievements – Delivery Program

Actions	Result	Performance
Hornsby Town Centre Car Parking Strategy	Completed and adopted by Council in April 2011	
Modify/build footpaths in five areas as shared use paths (Note: Subject to external funding)	All programmed works completed	
Recommend roads suitable for marking and use as on-road bicycle lanes	Brooklyn Shared Path Study adopted by Council in November 2010. Castle Hill Cherrybrook cycleway public consultation completed. All programmed works completed	
Road Safety Education Projects	All agreed projects delivered	
Local Development Contributions Plan	Development Contributions plan in drafting stage. Awaiting Ministerial approval of Housing Strategy precincts before progressing further	

Society and Culture

Enhance social and community well being

Our aim: We strive to enhance our shared wellbeing through maintaining a strong sense of community, safe and valued public spaces, cultural development and diversity, and good access to services and facilities, addressing community needs and aspirations in a fair, efficient and equitable manner.

Our highlights

Youth Week Festival

In April, Council held a very successful Youth Week program with events including the 'Rock The Block' youth band competition, an Amazing Race-style treasure hunt for local gay and lesbian young people and the launch of a cookbook created by young parents. The festival, which was attended by 1,200 people, won the 2011 NSW Local Government Week Award for Most Innovative Youth Week Program.



'Cyanide' play at the Rock the Block Youth Band Competition

Hornsby Shire Festival of the Arts

More than 35,000 people attended festival events including an outdoor theatre performance, printmaking workshops, a short film festival and art exhibitions. Almost 200 events including the Hornsby Art Prize, took place as part of the festival.



'Wrapped in Hornsby' – A Festival of the Arts event

Sportsfield drainage upgrades

North Epping Oval has been completely reconstructed with a sub-surface drainage system which allows the field to be irrigated using stormwater. The project was funded by the Federal Government. The sub-surface drainage at Foxglove Oval in Mount Colah was upgraded using a \$60,000 grant from the State Government.



Drainage upgrade works – North Epping Oval

Society and Culture *Our other key achievements*

Working with our community

- Provided more than \$50,000 to community groups through the Community Donations Program
- More than 10,000 people attended the Bushland Shire Festival at Fagan Park in Galston in September and over 2,000 residents went along to Council's four Movies Under The Stars screenings in February and March
- Coordinated the first ever Hornsby Shire Homeless Count with assistance from 60 volunteers to help State Government authorities and local charities in targeting their services
- Assisted the Hornsby Men's Woodworking Shed with their relocation to a larger space at Council's Depot in Thornleigh, achieving budget savings of approximately \$100,000
- Adopted a plan to restructure Council's childcare services by offering a purpose-built one-stop-shop childcare centre in each ward
- Greenway Park Early Childhood Education Centre in Cherrybrook recognised as a 'childcare champion' by Children's Services Central, the professional support organisation for childcare in New South Wales
- Continued work on the new Wallarobba Arts and Cultural Centre in Hornsby, which will offer facilities including community art studios, a purpose-built printmaking room, an artists' lounge and a professional gallery space

Parks and landscape

- Used developer contributions to redevelop Rotary Park in Waitara with a fenced toddler's playground, electric barbeque and picnic tables with assistance from the Rotary Club of Hornsby
- The playgrounds at Epping Oval and Normanhurst Oval were upgraded along with the amenities building at Greenway Park in Cherrybrook.
- Commenced work on a plan of management for Hornsby Park and Old Mans Valley in Hornsby
- Commenced development of a track design for a network of mountain bike trails in Old Mans Valley in Hornsby



Bushland Shire Festival 2010



Hornsby Men's Woodworking Shed



Wallarobba Arts and Cultural Centre in Hornsby











Old Mans Valley, Hornsby












Rotary Park, Waitara

Council's achievements – Delivery Program

Actions	Result	Performance
Society and Culture – enhance social and community wellbeing		
Develop a concept/masterplan for the Hornsby Pool and environs	A concept masterplan developed, public consultation undertaken and concept design developed. Development application to be lodged in August 2011	
Develop a 'snapshot' of Hornsby Shire that can be used as base data to track the Community Strategic Plan over time	<i>Our Bushland Shire – a snapshot of the quality of life in Hornsby Shire in 2010</i> produced. The document informs the community about local issues and provides indicator data to reflect progress on achieving a shared vision for the future	
Annual Australia Day celebrations shire-wide for the community	All events and promotions were considered a great success despite the record hot weather. The integration of community-run events into the programme is very positive	
Annual Bushland Shire Festival for the community	This popular event attracted a record attendance with over 10,000 people. Parking is always an issue.	
Annual Christmas celebration event for the community	This was a well attended event, with over 6,000 people coming along. The event was outsourced to IMC Productions and there were some errors with the production. The event will be managed 'in-house' in future to ensure Council's branding is correct and other issues are not repeated	
Annual multicultural event (OneWorld) for the community	This event had to be cancelled on the morning of the event due to inclement weather	
Annual shire-wide Photographic Competition for the community	The Hornsby Library was used for the display of photographs and to host the awards night.	
Implementation of Strategic Plan for Community and Cultural Facilities	Implementation progressing, 75% complete	
Mayor's column in local press	Prepared Mayoral columns for local publications including the Hornsby Advocate, Northern District Times, Hills Rural News, Galston Community News, Living Heritage, Dooral Roundup and Bushland Buzz.	
Monthly Citizenship events - 11 per annum as per Dept. of Immigration schedule	A review of Council's citizenship ceremonies undertaken and a new procedure implemented. The new procedure enables an additional 20 candidates to gain citizenship each month	
Music events for the community	This event concept evaluated. A Christmas event was considered more beneficial and therefore the funding was redirected to the Christmas Spectacular event	

Council's achievements – Delivery Program

Actions	Result	Performance
Outdoor movie events for the community	Four events held	
Review the services and programs at Galston Library	Review undertaken and draft report completed	
Annually review traffic, parking and road safety data across Shire	Data reviewed. RTA and Federal blackspot grant submissions for 2011/12 completed	
Street and Place names "Wiki" launched and community members encouraged to add their own memories and photographs	Project commenced in early 2011. Progress has been slow and the project will be completed in 2011/12	
Building bushfire resilient communities grant project	Project completed	
Caring for our Country Hawkesbury Nepean Catchment Incentive Grant Project	Project completed	
Continue the implementation of the Companion Animals Management Strategy	Actions continue to increase dog and cat registrations for those animals over six months of age. Currently 81% of dogs and 63% of cats registered. New holding arrangements with local veterinarians operating. All complaints completed within service level times	
Investigate library management systems	Four library management systems investigated. Final decision will occur after the future of the Councils Online syndicate determined	
Old Mans Valley Plan of Management adoption	Progressing. The Plan of Management is expected to be completed at the same time as the Hornsby Aquatic Centre Development Application is submitted.	

Work carried out on private land

Council did not undertake any work on private land during the 2010/2011 financial year.

Social Planning

For information on social planning, please refer to Social Plan Annual Report Card 2010/11 (CC49/11 to Council meeting 24 August 2011) on Council's website www.hornsby.nsw.gov.au.

Financially assisting others

Applications seeking a total of \$230,283.30 were received from 68 community groups. The program granted \$61,964.50 to 40 organisations.

Organisation	Funded amount
1st Cherrybrook Scouts	\$500.00
Art on Loftus	\$1,000.00
Berowra Senior Citizens Club	\$500.00
Brooklyn Public School – P&C Association	\$500.00
Cherrybrook Presbyterian Church	\$1,000.00
Chinese Family Group	\$1000.00
Combined Probus Club of Cherrybrook Inc	\$500.00
Disabled Alternative Road Travel Service (DARTS)	\$1,000.00
Easy Care Gardening Inc	\$4,850.00
Easy Care Gardening Inc (2)	\$400.00
Fairholme Quilters Inc	\$1,368.00
Ferry Artists Gallery	\$1,600.00
Friends of the Richard Geeves Centre	\$500.00
Hornsby and District Totally and Permanently Disabled Veterans Social Welfare Club	\$500.00
Hornsby Area residents for Reconciliation	\$1,400.00
Hornsby Community Church	\$1,000.00
Hornsby Ku-ring-gai Association Action for Mental Health	\$1,500.00
Hornsby Ku-ring-gai Police and Community Youth Club (with Hornsby Chinese Seniors Group)	\$1,000.00
Hornsby Legacy Widows Club	\$500.00
Hornsby Rockets Ten Pin Bowling Team	\$1,000.00
Hornsby South Before and After School Care	\$700.00

Organisation	Funded amount
Hornsby Squealers - Spanish Playgroup	\$500.00
Hornsby Waitara Community Hub	\$3,446.50
Indian Seniors Group Hornsby	\$1,000.00
Korean Community Hornsby	\$400.00
Ku-ring-gai and Hornsby Volunteer Coordinators Forum	\$1,500.00
Multicultural Integration Community Support (MICS) Inc	\$700.00
Namaste India	\$1,000.00
Parkinson's NSW Hornsby Ku-ring-gai Support Group	\$1,000.00
Permaculture Sydney North (PSN) – Hornsby Local Group	\$2,000.00
Sa Rang Bang Korean Community	\$300.00
Springfest Steering Committee	\$450.00
St Peters Anglican Church Hornsby - ESL Group	\$2,000.00
Studio ARTES Northside Inc	\$2,650.00
Vishva Hindu Parishad of Australia Inc	\$1,300.00
Mayor's Youth Trust Fund	\$3,000.00
Hornsby Art Gallery Fees	\$3,400.00
Queensland Premier's Disaster Relief Fund (Queensland Flood Appeal)	\$5,000.00
Australian Red Cross (Victorian Flood Appeal)	\$5,000.00
New Zealand Red Cross (Christchurch Earthquake Appeal)	\$5,000.00

Human Habitat

Effective community infrastructure and services

Our aim: We aim to design and live in sustainable communities with local character that harmoniously merge with built and natural environments, and are serviced sustainably by a wide range of affordable and efficient infrastructure, facilities, transport and essential utilities and services.

Our highlights

Closure and replacement of Hornsby Aquatic Centre

Hornsby Aquatic Centre, which was built in 1962, was closed by Council in December 2010 due to safety concerns following advice received from a specialist engineering consultant. Council worked closely with patrons, community groups and schools to minimise disruption caused by the closure. In early 2011 the community were consulted to obtain feedback about their requirements for the a new aquatic centre. An architect was appointed to design a new centre, which will funded by the increase to rates approved by IPART in June 2011.



Hornsby Aquatic Centre was closed due to safety concerns

Major upgrade of Oxford Street in Epping

In October, Council completed a \$3.5 million upgrade of Oxford Street in Epping. The project aimed to revitalise the street with trees and paved footpaths to allow space for outdoor dining and to improve the poor quality of the road surface. New guttering and innovative tree pits, which capture rainfall to irrigate the trees and filter stormwater, were also constructed as part of the upgrade. More than 1,200 tonnes of asphalt and 580 metres of drainage pipes were laid as part of the upgrade.



Oxford Street in Epping has been upgraded

E-waste collection success

More than 4,500 residents dropped-off more than 170 tonnes of waste via Council's e-waste drop-off service at its Thornleigh Depot. Unwanted electronic items such as televisions, computers, DVD players and microwaves were dropped-off for recycling. The e-waste is dismantled and recycled to make new products. Electronics can contain many toxic materials including lead, cadmium, mercury and arsenic, which can have serious impacts upon the environment and human health if they are not disposed of safely.



More than 170 tonnes of e-waste was collected for recycling















Human Habitat *Our other key achievements*

- Reconstructed a section of Berowra Waters Road in Berowra Heights to improve stability, road safety and drainage
- Repaired more than 2,160 potholes on the Shire's roads
- Repaired more than 955 square metres of footpaths
- Exhibited the Hornsby Overland Flow Study Report and draft Flood Planning Maps for public comment
- Published a list of areas near transport hubs to help motorists to legally and safely drop off and pick up passengers
- Operated a hotline to manage and combat graffiti of Council's properties
- Coordinated and facilitated the Shire's Local Traffic Committee
- Ran many events and workshops to promote recycling, reduction and reuse including the very successful Returned To Glory Recycled Art Competition and eco gardening workshops



Berowra Waters Road work

Council's achievements – Delivery Program

Key Initiative	Comment	Performance
Human Habitat – effective community infrastructure and services		
Undertake the 6th year of the nine year strategy to seal the unsealed roads in the shire	Completed	
Asset maintenance and renewal (Catchment remediation rate assets)	All projects completed as per plan	
Undertake a Land Capability study with CSIRO	Council's Environment and Planning Divisions partnered with CSIRO Brisbane to complete this project	
Replacement of main filter at the Galston Aquatic Centre	The filter continued to work effectively and therefore a new filter was not installed	
Re-sanding of floors and new line markings at the Brickpit Stadium	Works completed	
Strategic review of community property	Review completion is subject to finalisation of Operational Property Review. Community Services component of review has progressed according to schedule	
Manage Brooklyn and Wisemans Ferry Cemeteries	Management of both cemeteries ongoing. Survey and re-marking of operational plots in Brooklyn Cemetery to provide more accurate measurement for new burials was undertaken. Sale of niches and interment of ashes ongoing	
Disposal of 12 Pound Road, Hornsby	Contracts exchanged with settlement due end of September 2011	
Disposal of 120 Berowra Waters Road, Berowra	Subdivision Development Application approved. Commencement of subdivision and sale of five lots on hold until property market improves. Continue to monitor	
M2 extension Beecroft disposal due to proposed compulsory acquisition	Project completed	
Seven open space land acquisitions, Beecroft	Project completed	
Research and investigate the introduction of Radio Frequency Identification technology (RFID) across the library network	Budget estimates for this project based on local government procurement for RFID technologies. Additional funding will need to be sourced before the project can be implemented, therefore grant funding is being considered	
Update Playfix database	Photos and condition index complete. Revisions of database ongoing	
Deliver the projects assigned by the various capital improvement programs across the organisation	All projects delivered generally in accordance with program	

Council's assets

Assets deliver important services to communities. A key issue facing local governments throughout Australia is the management of ageing assets which are in need of renewal and replacement.

In March, Council adopted a Resourcing Strategy which includes an Asset Management Framework to assist in the long-term management of assets.

Council's successfully applied to IPART to increase rates to fund important infrastructure and asset improvement work across the Shire over the next 10 years.

Summary of Council's assets

There are over 613 km of sealed roads and 36 km of unsealed roads in Hornsby Shire, and more than 413 km of paved footpaths. Council has six sealed public car parks, a pedestrian overbridge, four minor road bridges and 51 major culverts.

Council also maintains six public wharves, seven floating pontoons, three boat launching ramps and two loading docks. Council has an extensive stormwater drainage system comprising over 18,300 pits and 390 km of pipelines.

There are around 175 parks in Hornsby Shire plus 12 garden parks, 55 separate playing fields and over 135 playgrounds. Council's leisure facilities include three swimming pools (one of which is not operational) and an indoor sports stadium. Council also has over 400 buildings, including 183 community-based buildings.

Key assets requiring attention

Hornsby Aquatic Centre

In December 2010, Council closed Hornsby Aquatic Centre due to safety concerns after receiving advice from a specialist engineer. The centre was built in 1962. Council successfully applied to IPART for permission to increase rates from 1 July 2011 to fund several projects including the replacement of the aquatic centre.

Hornsby Pedestrian Bridge

The Hornsby Pedestrian Bridge, which was built in 1980 to link Hornsby Station with Hornsby Mall, is now dilapidated and at full capacity.

Through the rate increase, Council is able to contribute \$1 million towards the design and construction of the bridge. Council will need cooperation and support from the State Government to fund the remainder of the costs.

Major infrastructure projects in the year

The asset maintenance expenditure is documented in the table below.

Some of the key projects completed in the year included the upgrade of Oxford Street in Epping and the construction of rain gardens in Brooklyn, Cowan, Epping and Waitara. Stormwater recycling technology was installed at Epping Oval, North Epping Oval and Eastwood's Somerville Oval. The drainage at Foxglove Oval in Mount Colah was also improved and lighting was installed at Greenway Park in Cherrybrook.

Council's many other infrastructure projects are detailed throughout this Annual Report.

Council's assets

Summary of Council's assets

	Estimated cost to bring to satisfactory standard	Estimated cost of the annual expense of maintaining the works satisfactory standard	Maintenance expenditure in 2010/11
Roads	\$3,540,000	\$7,200,000	\$7,092,000
Foreshore facilities	\$840,000	\$183,000	\$195,000
Stormwater drainage	\$11,080,000	\$1,200,000	\$1,150,000
Buildings	\$1,050,000	\$2,365,000	\$2,155,000
TOTAL	16,510,000	\$10,948,000	\$10,592,000

Condition of key assets

	Very good	Good	Fair	Poor	Failed
Condition of asset	% of the network	% of the network	% of the network	% of the network	% of the network
Footpaths	3	80	18	0	0
Roads	55	32	9	2	1
Buildings	1	8	51	39	2

	Meets standard	Requires upgrade	Requires priority upgrade
Condition of asset	% of the network	% of the network	% of the network
Drainage capacity	53	12	34

Stormwater levies

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

Governance

Guide us towards a sustainable future

Our aim: We intend to maintain and deliver Council services in a transparent, timely and responsible manner, leading and supporting participatory planning and decision making that results in partnerships and consistent and effective policies, plans and actions that guide us towards a sustainable future.

Our highlights

Rate increase

In June, the NSW Independent Pricing and Regulatory Tribunal approved Council's application for a rate increase. The increased rates will provide funding for almost \$45 million worth of new infrastructure and facilities over the next 10 years, including the redevelopment of Hornsby Aquatic Centre.

In preparing the application, Council undertook extensive, best practice community consultation including community information sessions in Beecroft, Hornsby and Berowra, an online survey and face-to-face surveys at shopping centres, libraries and community events. More than 400 residents were consulted as part of the public exhibition of the application.



Community consultation

New Council website

In December, Council launched a new website with greatly improved functionality and accessibility. The website has allowed the use of new features such as web-based forms and a people's choice voting system for the 2011 Hornsby Shire Digital Photography Competition. A new intranet was also launched for Council staff to assist with communication and information sharing.



Council's new website

Performance management software

New software to manage staff and departmental performance (using key performance indicators) has been rolled out across Council. The software will greatly enhance the ability of the community, managers and staff to assess the performance of Council in the future.



Council's surveyors at work













Governance *Our other key achievements*

- Appointed an independent consultant, IAB Services, to undertake a review of Council's internal services. The organisation was reduced by the equivalent of 15.5 full time positions, resulting in cost savings of approximately \$1 million per annum in the long term
- In March, adopted the amended *Hornsby Shire Community Plan 2010–2020*, the *Delivery Program 2011–2015* and the *2011/12 Operational Plan*. A *Resourcing Strategy* which includes a four-year *Workforce Plan*, the *10-year Long Term Financial Plan* and an *Asset Framework* was also adopted.
- Digitised 5,816 hardcopy minutes from Council meetings covering the period from 1906 through to 1998 (when electronic recording of Council meetings commenced).















A Council meeting in 1970

Council's achievements – Delivery Program

Key Initiative	Comment	Performance
Governance – guidance towards a sustainable future		
Annual Report - for the community	Completed and distributed with July rates notice	
Annual Report - for the Minister	Completed and lodged November 2010	
Conduct a review of the Long Term Financial Plan	The Long Term Financial Plan reviewed and incorporated into Council's Resourcing Strategy	
Develop Enterprise Risk Management Plan	Key elements of this project have been identified and agreement reached on using the Performance Planning system. Staff resignations late in the year mean this project may need to be assigned to a consultancy	
Compliance plans for major risk enterprises	A reference source of risks and controls obtained. The initial configuration of risks has been set up. Supporting documents can now be designed.	
Develop a KPI regime for Council	KPI's at the branch level have been streamlined for 2011/12. The community indicators in the State of the Shire Report will be reported next year	
Implement new access to information legislation - Government Information Public Access (GIPA) Act - including staff training	Legislation implemented as of 1 July 2010. Training conducted for all relevant staff. Most open access documents available on website.	
Implement Stage 3 Fair Value accounting requirements	Project completed	
Integrated Planning Framework in place	Project completed	
Review and implement changes in Fleet Management processes to work towards an increasingly cost efficient and environmentally responsible fleet	The new leaseback pricing structure has resulted in more drivers moving to fuel efficient vehicles. New vehicle selection lists being released. Change to FleetMan system will enable better monitoring of fuel consumption by vehicle type	
Review of Community Strategic Plan	Project completed	
Undertake review of Ward boundaries in lead up to 2012 Local Government Elections	The latest population statistics indicate there will be no requirement to adjust ward boundaries prior to the 2012 election	

Council's achievements – Delivery Program

Key Initiative	Comment	Performance
Business planning/service review - Children's Services	Achieved and ongoing	
Implementation of Annual Operational Plan (Social Plan) targeting social issues in accordance with budget allocations	Operational Plan implemented within budget. Awarded a Crime and Violence Prevention Award for involving young people in the Mall project. Received \$130,000 to deliver a project to promote and assist the Aboriginal community to use Home and Community Care services more effectively	
Review of Community Donations Programme	Programme reviewed and new policies developed for delivery in 2011/12	
Conduct Employee Opinion Survey	Currently on hold. No action taken	
Deploy new HSC Internet and Intranet websites	New website and Intranet both live	
Develop a Corporate Applications Systems due expiration of COL contract in December 2012	Business case completed and tender process underway	
Report to Council - Code of conduct complaints (Model code of conduct s.15.33)	Reported to Council in December 2010, report GM11/10	
Review expiring PC and networking infrastructure leases	All lease renewals completed for 2010/11	
Investigate charging a fee for credit card usage	Project underway. Project has been expanded to include external sites.	
Continue to implement the mandatory actions of the Partnership Agreement between Council and the NSW Food Authority	Staff turnover impacted on council's ability to deliver this service during the first six months of the year, however 92% of retail food businesses categorised as high and medium risk received at least one primary inspection during the year. The businesses not completed were those only open 'after hours'.	
Investigate a Drop Off centre for e-waste	A trial e-waste drop off service was very effective and therefore the service has continued. On average 3-4 tonnes of e-waste is collected each week	
Strategic customer service regime in place	The focus on customer service is improving, demonstrated by improved statistics relating to telephone abandonment rates and correspondence answering times	

Copy of Council's audited financial reports

The 2010/11 copy of Council's audited financial reports are incorporated later in this Report - see 'Audited Financial Reports' section.

External bodies exercising Council functions

In accordance with the *Local Government Act 1993*, the statement of 'external bodies' is limited to those organisations which exercised functions delegated by Council. In 2010/2011, there were no 'external bodies' exercising functions delegated by Council.

Council has entered into a service agreement with the Rural Fire Service outlining roles and responsibilities of the respective parties.

Partnerships, cooperatives and joint ventures

Council was a party to numerous relationships during 2010/2011. These are documented throughout this report so as to retain the context in which the relationship occurred.

Controlling interest in companies

Council did not hold a controlling interest in any company in 2010/2011.

EEO Management Plan

Hornsby Shire Council is an Equal Employment Opportunity (EEO) employer whose practices aim to ensure that the workplace is free from illegal discrimination, including bullying and harassment.

From August 2010, examples of already completed actions from the EEO Management Plan include:

- Successful achievement of the National Bronze Award - 50:50 Vision - Councils for Gender Equity - Australian Local Government Women's Association Inc.
- Launch of an EEO Week Awareness campaign for staff, highlighting EEO and Diversity issues.
- Recruitment training of 16 staff, incorporating EEO recruitment principles.
- Induction training, incorporating EEO principles, of 52 new staff.
- EEO training delivered to 41 outdoor staff in February 2011.
- Review of all induction material, to ensure diversity principles are captured in this material for staff.
- Update of committee posters to represent the changed committee membership in 2011, which were then displayed around the organisation.
- Recruitment and training of an additional two Contact Grievance Officers, and updating of posters for the organisation to reflect this.
- Inclusion of three EEO articles in staff newsletter, 'OurChat'.
- Offering of 23 places to work experience students.
- Attendance at induction sessions by an EEO Committee member to raise awareness of the EEO Committee and the availability of support for staff in the area of EEO.

Requests for information

Government Information (Public Access) Act 2009 (GIPA)

Table A: Number of applications by type of applicant type and outcome *

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	3	1	0	0	0	0	0	1
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	1	0	0	0	0
Members of the public (other)	14	3	2	1	0	0	0	2
TOTALS	17	5	2	2	0	0	0	3

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

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications *	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	17	5	2	2	0	0	0	3
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0
TOTALS	17	5	2	2	0	0	0	3

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

Requests for information

Table C: Invalid applications

Reason for invalidity	No. of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

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

	No. of times consideration used *
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

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

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

	No. of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	1
Individual rights, judicial processes and natural justice	4
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	No. of applications
Decided within the statutory timeframe (20 days plus any extensions)	24
Decided after 35 days (by agreement with applicant)	5
Not decided within time (deemed refusal)	0
TOTAL	29

Requests for information

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

	Decision varied	Decision upheld
Internal review	0	1
Review by Information Commissioner *	0	0
Internal review following recommendation under section 93 of Act	0	0
Review by ADT	0	0
TOTALS	0	1

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

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

	No. of applications for review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Privacy and Personal Information Protection Act 1998

Council has adopted a Privacy Management Plan to meet Council's legislative requirements under the *Privacy and Personal Information Protection Act 1998*, to confirm Council's commitment to privacy protection and to outline Council's practice for dealing with privacy and personal information in accordance with the Information Protection Principles. Council also uses the Privacy Management Plan to comply with the Health Privacy Principles as set out in the *Health Records and Information Privacy Act*.

During the 2010-2011 period Council received one privacy review application.

Special variation expenditure

Hornsby Quarry Loan Rate

In 2002, Council was required under the *Hornsby Local Environmental Plan* prepared in accordance with the *Environmental Planning and Assessment Act 1979*, to acquire the Hornsby Quarry site. The amount of compensation was determined to be approximately \$25 million, in accordance with notice given under the *Land Acquisition (Just Term Compensation) Act 1991*. Consequently there was a need to borrow the funds to pay for this acquisition plus initial interest paid, and this borrowing took place in early 2004.

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

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

The balance owing was \$11.144 million at 30 June 2011 and is expected to be approximately \$8.774 million at 30 June 2012.

Catchments Remediation Rate

The Catchments Remediation Rate (CRR) is levied at five percent of Council's ordinary rate income on properties throughout the Shire. All modified catchments impact on water quality and benefit from environmental and water quality improvements, in terms of improved quality of life for ratepayers. In 2010/2011, income received from the CRR special rate was \$2.75 million.

The Catchments Remediation Program for 2010/11 identified locations across the Shire where water quality improvement initiatives were to be constructed and installed. In 2010/2011, 10 catchments remediation capital works projects were completed at a total cost of \$1,054,000. These works involved the construction of five large end-of-pipe bioretention systems, seven streetscape rain gardens and 10 bioretention tree pits.

The program also supports a number of pollution prevention initiatives such as water quality monitoring, environmental education, industrial auditing, street sweeping, emergency spill response and pollution regulation.

In addition to the pollution treatment and prevention initiatives, the CRR funds ongoing works associated with the maintenance and renewal of water quality control assets. In 2010/11 these costs included \$262,000 to have contractors clean and maintain these assets and adjacent landscaped areas. This included the removal of 513 cubic metres of sediment, litter and organic matter together with bush regeneration and landscaping activities on over 11 hectares of land adjacent to the assets.

Statutory Information

Legal proceedings – Summary

Planning

Case	Court	Expenditure	Result / Status
MR F RUGGIERO P2009/01433 Unit 1/7 Sefton Road, Thornleigh Appeal against a Penalty Notice issued by Council for displaying an unauthorised advertising structure	Local	\$2,176	Appeal withdrawn with Mr Ruggiero agreeing to pay \$750 in costs....
VIGOR MASTER PTY LIMITED DA/361/2010 9 Maroota Way, Beecroft Appeal against refusal of subdivision of one lot into two	Class 1 Land and Environment Court	\$22,448	Consent orders.
RADRAY CONSTRUCTIONS DA/942/2008 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 car parking and landscaping	Class 1 Land and Environment Court	\$2,523	Appeal dismissed.
IGS ENTERPRISES PTY LTD DA/1631/2007 Lot 1 DP 9205054, Lot 1 DP 925055 Fishermans Point, Berowra Creek Appeal against refusal of proposed recreation facility/boatshed and pontoon (floating)	Class 1 Land and Environment Court	\$1,463	Appeal discontinued. Applicant paid Council's costs of \$32,350.
SANJO CONSTRUCTIONS PTY LTD DA/591/2010 59 Woodcourt Road, Berowra Heights Appeal against refusal of subdivision of one lot into six	Class 1 Land and Environment Court	\$9,658	Consent orders. Court costs yet to be finalised.
BBC CONSULTANT PLANNERS DA/616/2009 20 Warruga Crescent, Berowra Heights Appeal against refusal of subdivision of one lot into two	Class 1 Land and Environment Court	\$6,840	Appeal discontinued. Section 82A review approved by Council.
MR TOM SONG DA/1027/2010 142-144 George Street, Hornsby Appeal against refusal of a sex services premises	Class 1 Land and Environment Court	\$18,198	Consent orders.
HORNSBY SHIRE COUNCIL v VALUER GENERAL, THE STATE OF NSW, NICHOLSON, ALCORN CORBIN NICHOLSON PTY LTD and CSR LTD Hornsby Quarry – Action to seek damages in relation to the amount paid for the acquisition of the Quarry	Supreme Court of NSW	\$565,095 (total to date)	Defences being prepared

Legal proceedings – Summary

Traffic & Road Safety

Name / Offence	Court date	Professional Costs	Result
KEVIN FERGUSSON Stop in bus zone	Mention 18.02.10 Hearing 05.07.10	–	Withdrawn
ANN CONDON Park continuously for longer than permitted	Mention 01.07.10 Hearing 03.08.10	–	\$84 CC \$79
BIRDVALE PTY LTD Stop on path/strip in built-up area	Mention 16.09.10 Hearing 16.11.10	\$300	\$84 CC \$79
BIRDVALE PTY LTD Stop on path/strip in built-up area	Mention 16.09.10 Hearing 16.11.10	–	\$84
BIRDVALE PTY LTD Stop on path/strip in built-up area	Mention 16.09.10 Hearing 16.11.10	–	\$84
HOSSEIN BEHZAD POUR Stop on/near children crossing – School Zone	Mention 28.10.10 Hearing 16.11.10	\$300	\$100 CC \$79
SONG QIAO SUN Disobey No Stopping sign	Mention 09.12.10 Hearing 18.01.11	–	Withdrawn (Ranger is no longer with Council)
WAYNE MOORE Disobey No Parking sign	Mention 11.11.10 Hearing 24.01.11	\$165	\$84 CC \$79
PATRICIA MARIE GREENWOOD Disobey No Stopping sign – School Zone	Mention 25.11.10 Hearing 17.01.11	–	Withdrawn (Ranger is no longer with Council)
BRIAN LESLIE ROACH Stop in Bus Zone (not Clearway or transit/bus lane)	Mention 13.01.11 Hearing 08.02.11	–	Dismissed

Name / Offence	Court date	Professional Costs	Result
ANNETTE JOAN BEVERLY Disobey No Stopping sign	Mention 20.01.11 Hearing 07.03.11	–	Withdrawn
KATHRYN STEINFELD Stop in Bus Zone - School Zone	Mention 27.01.11 Hearing 18.03.11	\$165	\$88 CC \$79
MICHAEL LEE Stop on/near pedestrian crossing	Mention 03.03.11 Hearing 14.03.11	–	Withdrawn
HTAY HTAY WIN Disobey No Stopping sign	Mention 20.01.11 Hearing 21.03.11	–	Withdrawn (Ranger is no longer with Council)
JESSE SHENG JIN Park continuously for longer than permitted	Mention 17.03.11 Hearing 04.05.11	–	Withdrawn
RICHARD DAVIES Disobey No Stopping sign	Mention 24.03.11 Hearing 30.05.11	\$165	\$200 CC \$79
ANNA MARIA CHIOIZUBOV Disobey No Parking sign – School Zone	Mention 12.04.11 Hearing 27.06.11	\$330	\$10

Legal proceedings – Summary

Environmental Sustainability & Health

Case	Court	Costs	Result / Status
CASALI v HORNSBY SHIRE COUNCIL Appeal against Dangerous Dog Order issued by Council	Hornsby Local Court 23.07.10	\$4,800	Appeal dismissed, costs awarded to Council.
LYNN BROWN v HORNSBY SHIRE COUNCIL Appeal against Dangerous Dog Order issued by Council	Hornsby Local Court 02.08.10	\$4,600	Agreement reached. Mr Brown pleaded guilty to offence and Magistrate found offence proven but did not proceed to conviction and dismissed under section 10. Court Control Order issued.
JADE AA VEYT v HORNSBY SHIRE COUNCIL 1 x own dog that attacked, 1 x own dog uncontrolled in a public place	Hornsby Local Court 19.08.10	\$495	Ms Veyt failed to appear and matter was dealt with ex parte. Fines were issued of \$550 and \$220, with \$300 professional costs.
TALEAH & KAREN FAIL v HORNSBY SHIRE COUNCIL Appeal against Dangerous Dog Order issued by Council	Hornsby Local Court 27.10.10	\$660	First appearance 28 September 2010 adjourned to 27 October 2010. By agreement, Court Control Order issued and costs awarded to Council.
FRANCIS O'BRIEN v HORNSBY SHIRE COUNCIL Appeal against Dangerous Dog Order issued by Council	Hornsby Local Court 10.03.11	\$900	Agreement reached and a Court Control Order issued.
JOHN EDMUND TUMA v HORNSBY SHIRE COUNCIL 2 x Appeals against fines issued for own dog which attacked person or animal	Hornsby Local Court 18.05.11	\$1,200	CAN hearing dates: 7 April 2011, 13 April 2011, 18 May 2011. Mr Tuma failed to appear and matters were heard in his absence. Penalties issued: 2 x \$550; 2 x \$79 Court costs; Professional costs \$660. Mr Tuma appealed this annulment and this was granted by the Magistrate. A hearing has been set down for 10 October 2011.
EMILY CARTER v HORNSBY SHIRE COUNCIL Appeal against fine for own dog which attacked person or animal	Hornsby Local Court 30.06.11	\$12,655	Court Attendance Notice for 30 June 2011 but failed to appear. Adjourned to 6 July 2011.

Contracts awarded (greater than \$150,000)

Nature of goods or services supplied	Name of contractor	Total amount payable under the contract
Printing and Specialised Mailing Services	Kwik Kopy Bondi Junction Snap Printing Waitara Norman McGrigor Printing Pty Ltd SEMA Group Computershare Communications ecoDesign ecoPrint	\$600,000
Design and construction management of Hornsby Aquatic Pool	Peter Hunt Architects Pty Ltd	\$1,112,000
Design and project management of Storey Park Community and Childcare Centre	Mode Design Group Pty Ltd	\$394,465
Patching of road pavements in full depth asphalt	Bitupave Ltd t/a Boral Asphalt	\$330,000
Grass cutting of roadsides	House with No Steps - Growing Care Division Luhmann Environment Division	\$300,000
Sportsground lighting at Greenway Park, Cherrybrook	REES Electrical	\$410,771
Tree services and associated activities	Active Tree Services Pty Ltd Bolans Tree Services Hornsby Tree Services Pty Ltd	\$400,000
Construction of John Purchase Public School Sportsground extension and car park at Purchase Road, Cherrybrook	Cardinal Project Services Pty Ltd	\$858,886

Nature of goods or services supplied	Name of contractor	Total amount payable under the contract
Supply and install prefabricated amenities building at John Purchase Public School oval, Cherrybrook	Garard Moulded Pre-cast Pty Ltd	\$348,700
Construction of vehicular crossings and footpaths	Aston & Burke Pty Ltd Paverite Excavations Devcon Civil Pty Ltd	\$650,000
Receipt and disposal of domestic green, trade, cleanup, street sweeper and gross pollution trap waste	Veolia Environmental Pty Ltd Kimbriki Environmental Pty Ltd	\$8,000,000
Supply of motor vehicles	PPT Investments Tom Kerr Auto Denlo Subaru Nepean Motor Group Brad Garlick Ford Brian Hilton Motors Muir's Automotive Suttons Waitara Hornsby Auto Group Rockdale Mazda McCarrolls Waitara Paul Wakeling Motors Suttons Arncliffe Alto Pennant Hills Heartland Motors Nepean Motor Group Hawkesbury Valley Holden Hunter Holden	\$5,200,000
Disposal of motor vehicles	Manheim Fowles Pickles Auctions	\$3,618,000

Contracts awarded (greater than \$150,000)

Nature of goods or services supplied	Name of contractor	Total amount payable under the contract
Hire of Plant	A&A Plant Hire AMS Excavations Anova Constructions Australian Grader Hire C&J Galea Haulage Country Improvements Earth Corp HA&WI Black, Joes Excavations Ken Coles Excavations KG&PK Daly Excavations Mark Woodbury Contracting Mistral Plumbing MP Schulz Excavations Navacrest, N&M Excavations Paverite Constructions Raygal, Regal Excavations Sharpe Bros Speter Pty Ltd T&F Plant Hire U-DO-IT Excavations Universal Mobile Hire Tower Hire One, P&M Galea Acclaimed Plant Hire Allards Plant Hire Pty Ltd APEC Aqua Assets Charter Contracting E&B Tipper Hire Keeden Contracting S&M Spiteri Constructions Schembris Earthmoving The Water Cart Specialists	\$2,800,000

Nature of goods or services supplied	Name of contractor	Total amount payable under the contract
Grinding of footpaths and associated works	The Australian Grinding Company Pty Ltd	\$240,000
Proposed new retaining wall for Berowra Waters Road, Berowra	Sporting Services Construction Pty Ltd t/as Pan Civil	\$287,550
Sprayed bitumous surfacing	SRS Roads Pty Ltd	\$800,000

Mayoral and Councillor fees, expenses and facilities

Total amount of money spent on Mayoral and Councillor fees.	\$257,180 (\$53,980 – Mayoral, \$203,200 – Councillors)
Council's policy on the provision of facilities for use by Councillors and the payment of Councillors' expenses.	Policy title: Councillors – Expenses and Facilities – see next page
Details of overseas visits by Councillors.	Nil undertaken
Total amount of money expended during 2010/11 on the provision of Councillor facilities and the payment of Councillor expenses:	
a) Provision of dedicated office equipment allocated to Councillors.	Nil
b) Telephone calls made by Councillors.	\$15,707
c) Attendance of Councillors at conferences and seminars.	\$23,340
d) Training of Councillors and provision of skill development.	Nil
e) Interstate visits by Councillors, including transport, accommodation and other out of pocket travelling expenses.	Nil
f) Overseas visits by Councillors, including transport, accommodation and other out of pocket travelling expenses.	Nil
g) Expenses of any spouse, partner or other person who accompanied a Councillor.	Nil
h) Expenses involved in the provision of care for a child or an immediate family member of a Councillor.	\$45
i) Other <i>(The "Other" non itemised expenses include items such as catering, memberships, printing etc. Salaries and salaries on costs are not included in these costings.)</i>	\$42,026

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: 20 April 2011 **REPORT NUMBER:** CC10/11

REVIEW YEAR: 2013

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)
- 14 November 2007 (Report No CC100/07)
- 9 December 2009 (Report No. CC96/09)
- 17 November 2010 (Report CC65/10)

RELATED POLICIES: Councillors and Staff – Legal Assistance

POLICY PURPOSE / OBJECTIVES:

1. To ensure that there is accountability and transparency in the reasonable and appropriate reimbursement of expenses incurred or to be incurred by Councillors in the course of discharging their civic duties.
2. To ensure that the facilities provided to a Councillor to carry out their civic duties are reasonable and are at a standard appropriate to their professional role as a Councillor.
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:
 - Department of Local Government Circular No. 09-36 – Release of revised Councillor Expenses and Facilities Guidelines and the publication "Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors 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
- care 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) In accordance with Clause 403 of the Regulation no provision will be made to Councillors for a general expense allowance. The reimbursement of any expenses incurred by Councillors in acting in their official capacity will be in accordance with this Policy.
- b) 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. Claims must include an itemised account of expenditure and not be general in nature.

- c) 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.
- d) 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.
- e) 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.
- f) Council will reimburse reasonable out of pocket incidental expenses associated with Councillors attending conferences, seminars or training courses.

3. PAYMENT OF EXPENSES - SPECIFIC

a. Travel Arrangements and Expenses - General

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. 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, a proposal should be submitted prior to the travel being undertaken. The proposal should include full details of the travel, including itinerary, costs and reasons for the travel:-
 - 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, the proposal is to 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, the proposal is to 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 b. ii) 2 above a further 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.

c. 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 further 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.

d. Attendance at Conferences and Seminars

- i) Council will meet the reasonable cost of registration fees, transportation and accommodation associated with attendance at conferences, and meals when they are not included in the conference fees.
- ii) 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.

- iii) The official delegates to the NSW Local Government Association Conference will be those Councillors nominated by resolution of Council.
- iv) Attendance by Councillors 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, approval can be granted jointly by the Mayor (or in case of the Mayor's attendance at a conference, by the Deputy Mayor or another Councillor) and the General Manager.
- v) 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. - Interstate Travel, ii) 1. or 2. 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.
- vi) 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.
- vii) 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.
- viii) 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.
- ix) 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.

e. Training and Education

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.

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 and will only be considered when the function is relevant to Council's interests.

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. Care and Other Related Expenses

- i) Council will reimburse reasonable costs of care 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. Councillors should not obtain more than incidental private use of facilities unless otherwise specifically stated in this policy.

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, Bluetts' 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 incorporate:
 - a pre-booking arrangement through the Mayor's Executive Assistant
 - a log book being maintained with entries certified by individual Councillors
 - the Deputy Mayor having 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.

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.

b. Disputes

Should any dispute arise regarding the interpretation of this policy, details regarding the nature of the dispute should be provided in writing to the General Manager. The General Manager shall either make a decision in respect of the matter and/or, where necessary, submit a report to the next meeting of the Council such that the matter can be determined by the Council.

Senior staff salaries

Number of senior staff employed by Council during the year.	5
Total value of salary component of package	Detailed in table below
Total amount of any bonus payments, performance or other payments that do not form part of salary component.	Nil
Total employer's contribution to superannuation (salary sacrifice or employer's contribution)	Detailed in table below
Total value non-cash benefits	Detailed in table below
Total fringe benefits tax for non-cash benefits	Detailed in table below
Overseas trips, including transport, accommodation and other out of pocket travelling expenses.	Nil undertaken

Name	Position	Total Remuneration Package	Superannuation	Car Value	Cash Salary	FBT
BALL, Robert	General Manager	\$304,528.00	\$50,000.00	\$12,764.00	\$241,764.00	\$5,155.00

Name	Position	Total Remuneration Package	Superannuation	Car Value	Cash Salary	FBT
BENSLEY, Gary	Executive Manager Corporate and Community	\$196,218.00	\$40,647.00	\$10,101.00	\$145,470.00	\$7,814.00
PHILLIPS, Scott	Executive Manager Planning	\$192,816.00	\$15,199.20	\$10,466.00	\$167,150.80	\$4,520.00
STEPHENS, Robert	Executive Manager Environment	\$199,184.00	\$50,000.00	\$10,101.00	\$139,083.00	\$3,277.00
WOODWARD, Maxwell	Executive Manager Works	\$199,184.00	\$58,622.52	\$11,471.00	\$129,090.48	\$4,296.00

Financial summary

WHERE THE MONEY CAME FROM TOTAL \$132.28 MILLION *

74.35	RATES AND CHARGES
14.09	FEES AND CHARGES
1.65	INTEREST
13.71	GRANTS & CONTRIBUTIONS
1	EXTERNAL LOANS
2.47	ASSET SALES
3.69	RESTRICTED ASSETS
21.32	OTHER
\$M	

WHERE THE MONEY WAS SPENT TOTAL \$132.48 MILLION *

46.49	EMPLOYEE COSTS
17.94	CAPITAL EXPENDITURE
4.84	DEBT SERVICING EXPENDITURE
15.23	INTERNAL COSTS & DEPRECIATION
31.03	MATERIALS AND CONTRACTS
16.95	OTHER
\$M	

Council's audited financial reports

General Purpose Financial
Statements

Special Purpose Financial
Statements

Special Schedules

Hornsby Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2011

"Creating a living environment"



Financial Statements 2011

Hornsby Shire Council

General Purpose Financial Statements
for the financial year ended 30 June 2011

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Hornsby Shire Council.
- (ii) Hornsby Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.
- Council's Statutory Charter is specified in Paragraph 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 these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 21/09/11. Council has the power to amend and reissue the financial statements.

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Hornsby Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2011

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited Financial Statements to their Council & Community.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2011.

The format of the Financial Statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the NSW Division of Local Government.

About the Councillor/Management Statement

The Financial Statements must be certified by Senior staff as "presenting fairly" the Council's financial results for the year, and are required to be adopted by Council - ensuring both responsibility for & ownership of the Financial Statements.

About the Primary Financial Statements

The Financial Statements incorporate 5 "primary" financial statements:

1. An Income Statement

A summary of Council's financial performance for the year, listing all income & expenses.

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

2. A Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equip.

3. A Balance Sheet

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

4. A Statement of Changes in Equity

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

5. A Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

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

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 5 Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the Financial Statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including the Council's financial performance & financial position.

Who uses the Financial Statements ?

The Financial Statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the Financial Statements.

Council is required to forward an audited set of Financial Statements to the Division of Local Government.

Hornsby Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2011

Statement by Councillors and Management

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

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


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

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

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

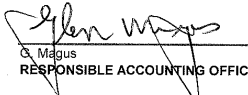
We are not aware of any matter that would render the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 21 September 2011.


N. Berman
MAYOR


M. Hiltchence
COUNCILLOR


R. J. Brill
GENERAL MANAGER


G. Magus
RESPONSIBLE ACCOUNTING OFFICER

Financial Statements 2011

Hornsby Shire Council

Income Statement

for the financial year ended 30 June 2011

Budget ⁽¹⁾			Actual	Actual
2011	\$ '000	Notes	2011	2010
Income from Continuing Operations				
Revenue:				
74,350	Rates & Annual Charges	3a	73,340	71,282
13,120	User Charges & Fees	3b	11,988	11,960
1,389	Interest & Investment Revenue	3c	2,387	3,031
4,611	Other Revenues	3d	5,792	5,488
8,352	Grants & Contributions provided for Operating Purposes	3e,f	12,537	10,777
3,406	Grants & Contributions provided for Capital Purposes	3e,f	3,956	6,855
Other Income:				
2,474	Net gains from the disposal of assets	5	-	21
107,702	Total Income from Continuing Operations		110,000	109,414
Expenses from Continuing Operations				
46,764	Employee Benefits & On-Costs	4a	45,602	43,066
1,518	Borrowing Costs	4b	1,470	1,520
31,801	Materials & Contracts	4c	34,051	34,157
17,359	Depreciation & Amortisation	4d	23,186	20,397
12,315	Other Expenses	4e	12,013	11,356
-	Net Losses from the Disposal of Assets	5	71	-
109,757	Total Expenses from Continuing Operations		116,393	110,496
(2,055)	Operating Result from Continuing Operations		(6,393)	(1,082)
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(2,055)	Net Operating Result for the Year		(6,393)	(1,082)
(2,055)	Net Operating Result attributable to Council		(6,393)	(1,082)
-	Net Operating Result attributable to Minority Interests		-	-
(5,461)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(10,349)	(7,937)

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

This Statement should be read in conjunction with the accompanying Notes.

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Financial Statements 2011

Hornsby Shire Council

Statement of Comprehensive Income

for the financial year ended 30 June 2011

		Actual	Actual
\$ '000	Notes	2011	2010
Net Operating Result for the year (as per Income statement)		(6,393)	(1,082)
Other Comprehensive Income			
Gain (loss) on revaluation of I,PP&E	20b (ii)	-	289,856
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
Other Movements in Reserves	20b&c	(756,819)	213,230
Total Other Comprehensive Income for the year		(756,819)	503,086
Total Comprehensive Income for the Year		(763,212)	502,004
Total Comprehensive Income attributable to Council		(763,212)	502,004
Total Comprehensive Income attributable to Minority Interests		-	-

This Statement should be read in conjunction with the accompanying Notes.

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Hornsby Shire Council

Balance Sheet
as at 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	19,190	16,444
Investments	6b	13,537	14,033
Receivables	7	5,541	6,136
Inventories	8	181	167
Other	8	54	-
Total Current Assets		38,503	36,780
Non-Current Assets			
Investments	6b	1,000	-
Receivables	7	280	357
Infrastructure, Property, Plant & Equipment	9	1,443,083	2,206,838
Intangible Assets	25	2,272	3,133
Total Non-Current Assets		1,446,635	2,210,328
TOTAL ASSETS		1,485,138	2,247,108
LIABILITIES			
Current Liabilities			
Payables	10	8,864	5,691
Borrowings	10	3,584	3,331
Provisions	10	11,954	11,502
Total Current Liabilities		24,402	20,524
Non-Current Liabilities			
Borrowings	10	16,167	18,751
Provisions	10	492	544
Total Non-Current Liabilities		16,659	19,295
TOTAL LIABILITIES		41,061	39,819
Net Assets		1,444,077	2,207,289
EQUITY			
Retained Earnings	20	1,022,465	1,785,628
Revaluation Reserves	20	421,612	421,661
Council Equity Interest		1,444,077	2,207,289
Minority Equity Interest		-	-
Total Equity		1,444,077	2,207,289

This Statement should be read in conjunction with the accompanying Notes.

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Hornsby Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2011

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Equity Interest	Minority Interest	Total Equity
2011						
Opening Balance (as per Last Year's Audited Accounts)		1,785,628	421,661	2,207,289	-	2,207,289
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/10)		1,785,628	421,661	2,207,289	-	2,207,289
c. Net Operating Result for the Year		(6,393)	-	(6,393)	-	(6,393)
d. Other Comprehensive Income		-	-	-	-	-
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	-	-	-	-
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Change in accounting policy (community land rev	20b (ii)	(756,819)	-	(756,819)	-	(756,819)
Other Comprehensive Income		(756,819)	-	(756,819)	-	(756,819)
Total Comprehensive Income (c&d)		(763,212)	-	(763,212)	-	(763,212)
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		49	(49)	-	-	-
Equity - Balance at end of the reporting period		1,022,465	421,612	1,444,077	-	1,444,077
2010						
Opening Balance (as per Last Year's Audited Accounts)		1,572,428	132,857	1,705,285	-	1,705,285
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/09)		1,572,428	132,857	1,705,285	-	1,705,285
c. Net Operating Result for the Year		(1,082)	-	(1,082)	-	(1,082)
d. Other Comprehensive Income		-	289,856	289,856	-	289,856
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	289,856	289,856	-	289,856
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	213,230	-	213,230	-	213,230
Other Comprehensive Income		213,230	289,856	503,086	-	503,086
Total Comprehensive Income (c&d)		212,148	289,856	502,004	-	502,004
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		1,052	(1,052)	-	-	-
Equity - Balance at end of the reporting period		1,785,628	421,661	2,207,289	-	2,207,289

This Statement should be read in conjunction with the accompanying Notes.

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Hornsby Shire Council

Statement of Cash Flows
for the financial year ended 30 June 2011

Budget 2011	\$ '000	Notes	Actual 2011	Actual 2010
Cash Flows from Operating Activities				
<u>Receipts:</u>				
74,053			73,447	70,947
16,201			12,796	12,862
1,389			1,846	1,550
12,933			17,768	17,302
6,781			10,315	10,766
<u>Payments:</u>				
(47,051)			(43,570)	(42,844)
(31,058)			(36,281)	(39,176)
(1,471)			(1,471)	(1,525)
(12,423)			(14,213)	(15,211)
19,354		11b	20,637	14,671
Net Cash provided (or used in) Operating Activities				
Cash Flows from Investing Activities				
<u>Receipts:</u>				
-			4,104	3,775
-			2	-
2,721			1,261	1,972
<u>Payments:</u>				
-			(4,000)	(4,083)
(18,635)			(16,927)	(17,619)
(15,914)			(15,560)	(15,955)
Net Cash provided (or used in) Investing Activities				
Cash Flows from Financing Activities				
<u>Receipts:</u>				
1,000			1,000	2,000
<u>Payments:</u>				
(3,040)			(3,331)	(3,023)
(2,040)			(2,331)	(1,023)
Net Cash Flow provided (used in) Financing Activities				
1,400			2,746	(2,307)
Net Increase/(Decrease) in Cash & Cash Equivalents				
16,444		11a	16,444	18,751
17,844		11a	19,190	16,444
Cash & Cash Equivalents - end of the year				
Additional Information:				
plus:		6b	14,537	14,033
Investments on hand - end of year				
Total Cash, Cash Equivalents & Investments			33,727	30,477

Please refer to Note 11 for information on the following:
- Non Cash Financing & Investing Activities & Financing Arrangements

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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n/a - not applicable		

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the Local Government Act (1993) and Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

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

(b) Revenue recognition

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

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

Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised

as revenues when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

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

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

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

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

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

User Charges, Fees and Other Income

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

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.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

Interest and Rents

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

(c) Principles of Consolidation**The Consolidated Fund**

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund. The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

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

- General Purpose Operations

The following Committees, the transactions of which are considered immaterial either by amount or nature, have been excluded:

- Section 377 Committees

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

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

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

(d) Leases

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease

payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

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

Lease income from operating leases where Council is a lessor 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) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(g) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes;

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

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

(h) Receivables

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

Receivables are generally due for settlement within 30 days.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly.

An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the impairment loss is recognised in the income statement within other expenses. When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(j) Investments and Other Financial Assets

Council classifies its investments into one of the following categories for measurement purposes:

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

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

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to maturity, re-evaluates this designation at each reporting date.

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

A financial asset is classified in this 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.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Financial Assets – Reclassification

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

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising

from a single event that is unusual and highly unlikely to recur in the near term.

Council may 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.

Recognition and de-recognition

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

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

Subsequent Measurement

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

Financial assets at fair value through profit and loss are subsequently carried at fair value. Gains and losses arising from changes in the fair value of the

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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.

Investment Policy

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 following revisions to the Investment Order arising from the Cole Inquiry recommendations. Certain investments the Council holds are no longer prescribed, however they have been retained under grandfathering provisions of the Order.

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

(k) Fair value estimation

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

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

The 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.

(l) Infrastructure, Property, Plant and Equipment (IPPE)**Acquisition of assets**

Council's assets have been progressively revalued in accordance with a staged implementation advised by the Division of Local Government. At balance date, the following classes of IPPE 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)
- **Road assets – roads, bridges and footpaths** (Internal Valuation)
- **Drainage assets** - (Internal Valuation).
- **Bulk earthworks** – (Internal Valuation).

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

- **Community Land** – (Internal valuation).
- **Land Improvements** (as approximated by depreciated historical cost).
- **Other structures** (as approximated by depreciated historical cost).
- **Other assets** (as approximated by depreciated historical cost).

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

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss, the 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; all other decreases are charged to the income statement.

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

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

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

Buildings	40-80 years
Plant & Equipment	6-8 years
Vehicles	5 years
Furniture & Fittings	6-7 years
Land Improvements	20 years
Road Assets	20-100 years
Drainage Assets	100 years
Bridges	60-80 years
Bulk Earthworks	100 years

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

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

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

Buildings & Land Improvements (continued)

Other Structures	> \$5,000
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Stormwater Assets

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

Transport Assets

Road construction & reconstruction	100% Capitalised
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Bridge construction & reconstruction	100% Capitalised
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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(m) 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).

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.

(n) 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.

(o) Payables

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

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

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another

party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

(q) Borrowing Costs

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

(r) 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 probable that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

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

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

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

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

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

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(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 (see below).

The Local government Superannuation Scheme has advised members that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked for significant increases in contributions 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.

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 30/6/10.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(t) Rounding of amounts

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

(u) 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.

Council has resolved to fill Hornsby Quarry with virgin excavated natural material and has engaged consultants to seek appropriate planning and environmental approvals. In the absence of reliably estimated costs no provision has been made in Council's books.

(v) 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.

(w) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for 30 June 2010 reporting periods.

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

(i) AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt instruments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed.

(ii) Revised AASB 124 Related Party Disclosures and AASB 2009 12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. This amendment will have no impact on Council.

(iii) AASB 2009 14 Amendments to Australian Interpretation - Prepayments of a Minimum Funding Requirement (effective from 1 January 2011)

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments. The amendment is therefore not expected to have any impact on council's financial statements.

(iv) AASB 2010-6 Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets.

The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties.

They are not expected to have any significant impact on Council's disclosures.

(v) AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia.

Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements.

Local Government are specifically excluded from adopting the new Australian Accounting Standards - Reduced Disclosure Requirements. The two

standards will therefore have no impact on the financial statements of Council.

(vi) AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model.

AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale. The amendment introduces a rebuttable presumption that investment property which is measured at fair value is recovered entirely by sale. This amendment will have no impact on Council.

(x) 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 10 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.

(y) Crown Reserves

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

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Representations from both State and Local Government are being sought to develop a consistent accounting treatment across both tiers of government.

(z) 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.

(aa) 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)

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

cost of acquisition of the asset or as part of the expense.

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

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

(ab) 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 2011

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants Included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Actual 2011	Actual 2010	Actual 2011	Actual 2010
Governance	-	-	-	2,142	2,047	2,234	(2,142)	(2,047)	(2,234)	-	-	-	-
General Managers Division	7	134	112	1,827	1,745	1,501	(1,820)	(1,611)	(1,389)	16	34	-	-
Corporate & Community	14,904	13,318	12,134	39,652	47,506	41,973	(24,748)	(34,188)	(29,839)	2,113	1,881	232,140	233,079
Environment	24,134	24,600	25,205	34,405	34,570	34,423	(10,271)	(9,970)	(9,218)	2,320	2,611	484,557	1,235,870
Works	6,336	7,906	8,979	23,110	22,746	22,527	(16,774)	(14,840)	(13,548)	2,435	2,830	768,441	778,159
Planning	3,582	3,941	4,204	8,621	7,779	7,838	(5,039)	(3,838)	(3,634)	100	-	-	-
Total Functions & Activities	48,963	49,899	50,634	109,757	116,393	110,496	(60,794)	(66,494)	(59,862)	6,984	7,356	1,485,138	2,247,108
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income	58,739	60,101	58,780	-	-	-	58,739	60,101	58,780	5,367	5,039	-	-
Operating Result from Continuing Operations	107,702	110,000	109,414	109,757	116,393	110,496	(2,055)	(6,393)	(1,082)	12,351	12,395	1,485,138	2,247,108

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

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

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

GOVERNANCE

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

GENERAL MANAGERS DIVISION

Costs relating to Community Relations, Internal Audit, Citizenship, Ceremonies & other community events, Human Resources, Quality Systems, corporate projects, annual reports & quarterly newsletters.

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, Section 94 Development Contributions, Subdivisions & Customer Service.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		47,835	46,536
less: Compulsory Pensioner Rate		(1,311)	(1,300)
Farmland		437	429
Business		6,318	6,152
Total Ordinary Rates		53,279	51,817
Special Rates			
Catchments Remediation Rate		2,729	2,654
Hornsby Quarry Rate		2,894	2,821
less: Voluntary Pensioner Rebate		(68)	(68)
Total Special Rates		5,555	5,407
Annual Charges (pursuant to s.496, s.501 & s.611)			
Domestic Waste Management Services		14,447	14,001
Section 611 Charges		59	57
Total Annual Charges		14,506	14,058
TOTAL RATES & ANNUAL CHARGES		73,340	71,282

Council has used 2008 year valuations provided by the NSW Valuer General in calculating its rates.

Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Waste Management Services (non-domestic)		1,018	912
Sullage		25	18
Total User Charges		1,043	930
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608 & 610A)			
Inspection Fees		457	493
Planning & Building Regulation		2,081	2,157
Registration Fees		86	72
Total Fees & Charges - Statutory/Regulatory		2,624	2,722
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Community Centre Hire Fees		244	181
Indoor Sports Centre Stadium - Admission Fees		496	490
Library Fees & Charges		139	155
Nursery & Preschool Hire Fees		3,678	3,296
Other Hire Fees		49	43
Park & Oval Hire Fees		806	829
Restoration Charges		918	756
Swimming Centre - Admission Fees		1,477	2,068
Tennis/Netball Hire Fees		145	147
Other		369	343
Total Fees & Charges - Other		8,321	8,308
TOTAL USER CHARGES & FEES		11,988	11,960
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		182	173
- Interest earned on Investments (interest & coupon payment income)		1,803	1,454
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		402	1,404
TOTAL INTEREST & INVESTMENT REVENUE		2,387	3,031
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		182	173
General Council Cash & Investments		1,441	1,907
Restricted Investments/Funds - External:			
Development Contributions - Section 94		741	922
Catchments Remediation		23	29
Total Interest & Investment Revenue Recognised		2,387	3,031

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Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(d). Other Revenues			
Rental Income - Other Council Properties		1,423	1,594
Ex Gratia Rates		14	17
Parking Fines		1,543	1,547
Prosecutions & Infringements		144	141
Legal Fees Recovery - Rates & Charges (Extra Charges)		185	94
Legal Fees Recovery - Planning		49	39
Legal Fees Recovery - Other		113	3
ATO Claim Settlement		347	-
Bushfire Fund Income		-	24
Car Park Management		89	86
Commissions & Agency Fees		11	12
Crosslands Reserve Income		-	15
Diesel Rebate		-	18
Florence Mall Incomes		45	45
Home Modification		239	283
Income from Community Events		12	21
Insurance Claim Recoveries		97	196
Insurance Rebates & Incentives		114	52
Property Services Sundry Income		6	-
Recycling Income (non domestic)		186	217
Road Closure Income		45	200
Salaries & Wages Charged Out		117	98
Sales - General		581	505
Street Furniture Advertising		108	-
Telecommunications Mobile Site Fees		137	90
Vehicular Crossing Income		21	-
Youth Centre Income		-	18
Other		166	173
TOTAL OTHER REVENUE		5,792	5,488

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	2011		2010	
	Operating	Operating	Capital	Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	3,238	3,004	-	-
Financial Assistance - Local Roads Component	1,413	1,311	-	-
Pensioners' Rates Subsidies - General Component	716	724	-	-
Total General Purpose	5,367	5,039	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Domestic Waste Management	216	219	-	-
Aged & Disabled	472	458	-	-
Aged Care	144	-	-	-
Bushfire & Emergency Services	63	58	-	-
Bushland	452	263	-	-
Child Care	921	965	-	-
Community Care	137	-	-	-
Community Centres	-	-	30	-
Community Infrastructure Program	-	-	360	360
Employment & Training Programs	15	1	-	-
Environmental Protection	1,275	907	20	871
Library	300	295	95	96
Noxious Weeds	-	25	-	-
Parks & Gardens	-	-	294	269
Street Lighting	220	231	-	-
Transport (Other Roads & Bridges Funding)	631	633	1,134	1,479
Youth Services	14	17	-	-
Other	180	129	11	80
Total Specific Purpose	5,040	4,201	1,944	3,155
Total Grants	10,407	9,240	1,944	3,155
Grant Revenue is attributable to:				
- Commonwealth Funding	1,226	813	664	1,231
- State Funding	9,181	8,403	1,280	1,924
- Other Funding	-	24	-	-
	10,407	9,240	1,944	3,155

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	2011		2010	
	Operating	Operating	Capital	Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	-	-	1,591	1,853
Total Developer Contributions	17	-	1,591	1,853
Other Contributions:				
Community Facilities	400	110	-	-
Employee Vehicle Contributions	663	648	-	-
Environment	105	31	-	28
Parks & Gardens	133	-	-	-
Recreation & Culture	4	6	-	-
RTA Contributions (Regional/Local, Block Grant)	14	10	-	-
Rural Fire Service	702	606	398	1,695
Other	109	126	23	124
Total Other Contributions	2,130	1,537	421	1,847
Total Contributions	2,130	1,537	2,012	3,700
TOTAL GRANTS & CONTRIBUTIONS	12,537	10,777	3,956	6,855

\$ '000	Actual	
	2011	2010

(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	15,828	12,702
add: Grants and contributions recognised in the current period but unspent	6,997	4,123
less: Grants and contributions recognised in a previous reporting period now spent	(7,345)	(997)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	(348)	3,126
Unexpended and held as Restricted Assets	15,480	15,828
Comprising:		
- Specific Purpose Unexpended Grants	3,020	3,663
- Developer Contributions	12,460	12,165
	15,480	15,828

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Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
(a) Employee Benefits & On-Costs			
Salaries and Wages		39,027	37,015
Travelling		21	29
Employee Leave Entitlements (ELE)		1,025	928
Superannuation		4,381	4,365
Workers' Compensation Insurance		1,001	522
Fringe Benefit Tax (FBT)		161	191
Training Costs (other than Salaries & Wages)		397	493
Other		338	342
Total Employee Costs		46,351	43,885
less: Capitalised Costs		(749)	(819)
TOTAL EMPLOYEE COSTS EXPENSED		45,602	43,066
Number of "Equivalent Full Time" Employees at year end		573	612
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		1,470	1,520
Total Interest Bearing Liability Costs		1,470	1,520
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		1,470	1,520
(ii) Other Borrowing Costs			
Nil		-	-
TOTAL BORROWING COSTS EXPENSED		1,470	1,520

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Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(c) Materials & Contracts			
Raw Materials & Consumables		4,398	5,243
Contractor & Consultancy Costs			
- Animal Pound Service		28	52
- Air Conditioning		113	91
- Building Maintenance		218	322
- Bush Regeneration		516	524
- Computer Support		2,263	2,015
- Community Centres		70	26
- Consultants		1,415	1,500
- Contracts - Electrical		305	282
- Contracts - Grass Cutting		479	495
- Contracts - Plumbing		495	345
- Contracts - Tree Work		382	386
- Contractor & Agency Fees		1,046	1,197
- Drainage Maintenance		267	283
- External Plant & Equipment Hire		198	256
- Election Expenses		-	243
- Florence Mall		65	123
- Footpath Maintenance		259	357
- Foreshore Facilities		170	172
- Garbage Collection, Tipping & Recycling		14,807	13,812
- Home Modification Service		188	201
- Litter Control		417	435
- Maintenance of Parks		386	183
- Mechanical Services		175	123
- Property Cleaning		392	377
- Road Maintenance		3,186	3,216
- Stormwater Asset Maintenance		151	131
Auditors Remuneration			
- Audit Services: Council's Auditor		95	86
- Other Services: Council's Auditor		-	4
Legal Expenses:			
- Legal Expenses: Planning & Development		324	295
- Legal Expenses: Other		438	561
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽¹⁾		378	251
Other		427	570
Total Materials & Contracts		34,051	34,157
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		34,051	34,157

1. Operating Lease Payments are attributable to Computers

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2011	Actual 2010	Actual 2011	Actual 2010
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	1,573	1,653
Office Equipment		-	-	249	237
Furniture & Fittings		-	-	112	115
Land Improvements (depreciable)		-	-	2,833	2,669
Buildings - Non Specialised		-	-	2,208	2,364
Buildings - Specialised		-	-	2,275	3,530
Other Structures		-	-	282	286
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	7,399	6,867
- Stormwater Drainage		-	-	4,964	1,376
- Water Supply Network		-	-	4	4
Other Assets					
- Library Books		-	-	426	435
Intangible Assets	25	-	-	861	861
Total Depreciation & Impairment Costs		-	-	23,186	20,397
less: Capitalised Costs		-	-	-	-
less: Impairments offset in ARR (Equity)	9a	-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	23,186	20,397

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual	Actual
		2011	2010
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		397	560
Bad & Doubtful Debts		54	(61)
Bank Charges & Cash Collection Expenses		297	275
Catering		280	283
Contributions/Levies to Other Levels of Government		2,841	2,725
Councillor Expenses - Mayoral Fee		54	52
Councillor Expenses - Councillors' Fees		204	200
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		26	28
Donations, Contributions & Assistance to other organisations (Section 356)		118	103
Electricity & Heating		929	956
Insurance		1,558	1,526
Licences & Registration		251	217
Office Expenses (including computer expenses)		-	21
Postage		211	219
Printing & Stationery		315	476
Public Education Programs		-	76
Street Lighting		2,820	2,061
Subscriptions to Local Government Publications		56	54
Subscriptions & Publications		262	256
Telephone & Communications		294	347
Valuation Fees		243	223
Water & Sewerage		404	437
Other		399	322
Total Other Expenses		12,013	11,356
less: Capitalised Costs		-	-
TOTAL OTHER EXPENSES		12,013	11,356

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Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2011	Actual 2010
Property (excl. Investment Property)			
Proceeds from Disposal		34	1,373
less: Carrying Amount of Property Assets Sold		(744)	(1,700)
Net Gain/(Loss) on Disposal		(710)	(327)
Plant & Equipment			
Proceeds from Disposal		1,227	599
less: Carrying Amount of P&E Assets Sold		(794)	(509)
Net Gain/(Loss) on Disposal		433	90
Financial Assets*			
Proceeds from Disposal / Redemptions		4,104	3,775
less: Carrying Amount of Financial Assets Sold / Redeemed		(3,898)	(3,517)
Net Gain/(Loss) on Disposal		206	258
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(71)	21
* Financial Assets disposals / redemptions include:			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		206	258
Net Gain/(Loss) on Disposal of Financial Instruments		206	258

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Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Notes	2011 Actual Current	2011 Actual Non Current	2010 Actual Current	2010 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		215	-	1,149	-
Cash-Equivalent Assets ¹					
- Deposits at Call		15,975	-	-	-
- Short Term Deposits		3,000	-	15,295	-
Total Cash & Cash Equivalents		19,190	-	16,444	-
Investment Securities (Note 6b)					
- Managed Funds		1,066	-	982	-
- Long Term Deposits		7,000	1,000	4,000	-
- NCD's, FRN's (with Maturities > 3 months)		2,026	-	1,925	-
- CDO's		-	-	2,384	-
- Capital Guaranteed Financial Instruments		3,445	-	4,742	-
Total Investment Securities		13,537	1,000	14,033	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		32,727	1,000	30,477	-

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		2011 Actual Current	2011 Actual Non Current	2010 Actual Current	2010 Actual Non Current
a. "At Fair Value through the Profit & Loss"		19,190	-	16,444	-
Investments					
a. "At Fair Value through the Profit & Loss"					
- "Designated at Fair Value on Initial Recognition" 6(b-i)		6,537	-	10,033	-
b. "Held to Maturity" 6(b-ii)		7,000	1,000	4,000	-
c. "Loans & Receivables" 6(b-iii)		-	-	-	-
d. "Available for Sale" 6(b-iv)		-	-	-	-
Investments		13,537	1,000	14,033	-

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 6b. Investments (continued)

\$ '000	2011		2010	
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	10,033	-	12,063	-
Revaluations (through the Income Statement)	402	-	1,404	-
Additions	-	-	83	-
Disposals (sales & redemptions)	(3,898)	-	(3,517)	-
Balance at End of Year	6,537	-	10,033	-
Comprising:				
- Managed Funds	1,066	-	982	-
- NCD's, FRN's (with Maturities > 3 months)	2,026	-	1,925	-
- CDO's	-	-	2,384	-
- Capital Guaranteed Financial Instruments	3,445	-	4,742	-
Total	6,537	-	10,033	-

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

Balance at the Beginning of the Year	4,000	-	-	-
Additions	3,000	1,000	4,000	-
Balance at End of Year	7,000	1,000	4,000	-
Comprising:				
- Long Term Deposits	7,000	1,000	-	-
- Other Long Term Financial Assets	-	-	4,000	-
Total	7,000	1,000	4,000	-

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 2011

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2011		2010	
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	32,727	1,000	30,477	-
attributable to:				
External Restrictions (refer below)	15,379	1,000	17,454	-
Internal Restrictions (refer below)	13,958	-	11,162	-
Unrestricted	3,390	-	1,861	-
	32,727	1,000	30,477	-

2011 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Other

Developer Contributions - General (D)	12,165	2,332	(2,037)	12,460
Specific Purpose Unexpended Grants (F)	3,663	-	(643)	3,020
Domestic Waste Management (G)	869	14,887	(15,728)	28
Other	757	1,614	(1,500)	871

External Restrictions - Other

External Restrictions - Other	17,454	18,833	(19,908)	16,379
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Total External Restrictions

Total External Restrictions	17,454	18,833	(19,908)	16,379
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Internal Restrictions

Plant & Vehicle Replacement	1,271	1,837	(2,093)	1,015
Employees Leave Entitlement	2,139	1,200	-	3,339
Civil Works	2,917	503	(326)	3,094
Construction of Buildings	330	1,703	(594)	1,439
Council Strategies Projects	759	1,425	(1,028)	1,156
Hornsby Quarry GST Fund	2,410	3,354	(2,894)	2,870
Land Acquisition	302	-	(199)	103
Other	1,034	404	(496)	942

Total Internal Restrictions

Total Internal Restrictions	11,162	10,426	(7,630)	13,958
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TOTAL RESTRICTIONS

TOTAL RESTRICTIONS	28,616	29,259	(27,538)	30,337
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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.

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 \$550K

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 7. Receivables

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		2,157	280	2,187	357
Interest & Extra Charges		224	-	201	-
User Charges & Fees		182	-	184	-
Contributions to Works		-	-	105	-
Accrued Revenues					
- Interest on Investments		232	-	116	-
- Other Income Accruals		610	-	424	-
Government Grants & Subsidies		572	-	1,202	-
Net GST Receivable		659	-	925	-
Sullage		48	-	52	-
Restorations		233	-	87	-
Licensing		30	-	38	-
Property Rentals		192	-	324	-
Sale & Leaseback of Computer Equipmen		113	-	-	-
Workers Compensation Claims		8	-	18	-
Facility Hire		-	-	121	-
Other Debtors		382	-	220	-
Total		5,642	280	6,204	357
less: Provision for Impairment					
Other Debtors		(101)	-	(68)	-
Total Provision for Impairment - Receivables		(101)	-	(68)	-
TOTAL NET RECEIVABLES		5,541	280	6,136	357
Externally Restricted Receivables					
Domestic Waste Management		510	-	493	-
Other					
- Catchment Remediation Rate		92	-	106	-
- Hornsby Quarry Special Rate		104	-	116	-
- Special Purpose Grants		1,134	-	1,273	-
Total External Restrictions		1,840	-	1,988	-
Unrestricted Receivables		3,701	280	4,148	357
TOTAL NET RECEIVABLES		5,541	280	6,136	357

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 9.00% (2010 9.00%).
Generally all other receivables are non interest bearing.
- (iv) 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 2011

Note 8. Inventories & Other Assets

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		181	-	167	-
Total Inventories		181	-	167	-
Other Assets					
Prepayments		54	-	-	-
TOTAL INVENTORIES / OTHER ASSETS		235	-	167	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2010				Asset Movements during the Reporting Period						as at 30/6/2011			
	At Cost	At Fair Value	Accumulated Deprec.	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WP Transfers	Adjustments & Transfers	At Cost	At Fair Value	Accumulated Dep'n	Carrying Value	
Capital Work in Progress	5,731	-	-	5,731	13,242	-	-	(14,908)	-	4,065	-	-	4,065	
Plant & Equipment	-	15,713	10,581	-	5,132	2,577	(794)	(1,573)	-	3	-	15,787	10,442	
Office Equipment	-	1,538	942	-	696	94	-	(246)	-	-	-	1,732	1,191	
Furniture & Fittings	-	2,474	1,973	-	501	49	-	(112)	-	-	-	2,523	2,085	
Land:														
- Operational Land	-	148,630	-	148,630	-	-	-	-	7	-	-	148,637	-	
- Community Land	1,171,004	-	-	1,171,004	364	(8)	-	-	(756,825)	-	-	414,535	-	
Land Improvements - non depreciable	-	-	-	-	-	-	-	-	-	-	-	-	-	
Land Improvements - depreciable	57,294	-	24,773	-	32,521	-	-	(2,833)	5,011	19	-	62,302	27,584	
Buildings - Non Specialised	-	69,232	32,457	-	38,775	-	-	(2,208)	813	(1)	-	70,045	34,666	
Buildings - Specialised	-	86,377	35,601	-	59,776	-	-	(2,275)	1,130	-	-	86,241	37,346	
Other Structures	9,441	-	3,997	-	5,444	93	-	(262)	1,330	(20)	-	10,854	4,289	
Infrastructure:														
- Roads, Bridges, Footpaths	-	395,085	90,005	-	305,080	-	-	(7,399)	5,594	(2)	-	400,677	97,404	
- Bulk Earthworks (non-depreciable)	-	77,561	-	-	77,561	-	-	-	-	-	-	77,561	-	
- Stormwater Drainage	-	480,989	115,163	-	365,806	-	-	(4,964)	1,030	-	-	482,019	120,147	
- Water Supply Network	-	128	65	-	63	-	-	(4)	-	1	-	128	68	
Other Assets:														
- Library Books	-	2,782	1,664	-	1,118	508	-	(428)	-	(1)	-	2,768	1,569	
TOTAL INFRASTRUCTURE														
PROPERTY, PLANT & EQUIP.	1,243,470	1,289,609	317,241	-	2,206,838	16,927	(1,638)	(22,325)	-	(756,819)	4,065	1,775,809	336,791	-

Adjustments to Buildings and Infrastructure are made up of Asset Renewals (\$2,217) and New Assets (\$330). 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 2011

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

\$ '000

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

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

Council has recognised no 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 2011

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		4,252	-	3,077	-
Payments Received In Advance		286	-	280	-
Accrued Expenses:					
- Borrowings		26	-	27	-
- Salaries & Wages		1,952	-	24	-
- Other Expenditure Accruals		1,664	-	1,626	-
Security Bonds, Deposits & Retentions		132	-	128	-
Contributions & Bonds		163	-	169	-
Employee Costs		332	-	325	-
Other		57	-	35	-
Total Payables		8,864	-	5,691	-
Borrowings					
Loans - Secured ¹		3,584	16,167	3,331	18,751
Total Borrowings		3,584	16,167	3,331	18,751
Provisions					
Employee Benefits;					
Annual Leave		3,183	-	3,136	-
Sick Leave		631	-	621	-
Long Service Leave		7,797	492	7,338	544
Gratuities		328	-	389	-
Other Leave		15	-	18	-
Sub Total - Aggregate Employee Benefits		11,954	492	11,502	544
Total Provisions		11,954	492	11,502	544
Total Payables, Borrowings & Provisions		24,402	16,659	20,524	19,295

(i) Liabilities relating to Restricted Assets

	2011		2010	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Domestic Waste Management	1,873	-	408	-
Liabilities relating to externally restricted assets	1,873	-	408	-
Internally Restricted Assets				
Employee Leave Entitlements	3,339	-	2,139	-
Liabilities relating to internally restricted assets	3,339	-	2,139	-
Total Liabilities relating to restricted assets	5,212	-	2,547	-

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 2011

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

\$ '000	2011	2010
(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	8,463	8,022
	8,463	8,022

Note 10b. Description of and movements in Provisions

Class of Provision	2010	2011			Closing Balance as at 30/6/11
	Opening Balance as at 1/7/10	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	
Annual Leave	3,136	243	(196)	-	3,183
Sick Leave	621	30	(20)	-	631
Long Service Leave	7,882	648	(241)	-	8,289
Gratuities	389	34	(38)	-	328
Other Leave	18	(3)	-	-	15
TOTAL	12,046	952	(495)	-	12,446

a. 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 2011

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2011	Actual 2010
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	19,190	16,444
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		19,190	16,444
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(6,393)	(1,082)
Adjust for non cash items:			
Depreciation & Amortisation		23,186	20,397
Net Losses/(Gains) on Disposal of Assets		71	(21)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L: - Investments classified as "@ Fair Value" or "Held for Trading"		(402)	(1,404)
<i>+/- Movement in Operating Assets and Liabilities & Other Cash Items:</i>			
Decrease/(Increase) in Receivables		637	(438)
Increase/(Decrease) in Provision for Doubtful Debts		33	(66)
Decrease/(Increase) in Inventories		(14)	4
Decrease/(Increase) in Other Assets		(54)	-
Increase/(Decrease) in Payables		1,175	(2,460)
Increase/(Decrease) in accrued Interest Payable		(1)	(5)
Increase/(Decrease) in other accrued Expenses Payable		1,966	(606)
Increase/(Decrease) in Other Liabilities		33	13
Increase/(Decrease) in Employee Leave Entitlements		400	334
Increase/(Decrease) in Other Provisions		-	5
NET CASH PROVIDED FROM/(USED IN)			
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		20,637	14,671

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(c) Non-Cash Investing & Financing Activities			
Nil			
(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		4	-
Total Financing Arrangements Utilised		4	-

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

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2011	Actual 2010
(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		372	422
Building & Land Improvements		905	224
Infrastructure - Roads, Bridges & Footpaths		1,283	959
Intellectual Property - "Council's Online"		2,426	4,211
Furniture & Fittings		2	10
Other		1	1
Total Commitments		4,989	5,827
These expenditures are payable as follows:			
Within the next year		4,261	3,400
Later than one year and not later than 5 years		728	2,427
Later than 5 years		-	-
Total Payable		4,989	5,827
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		4,989	5,827
Total Sources of Funding		4,989	5,827
(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		67,911	59,731
Banking, Audit & Legal Services		94	184
Other		6,095	4,300
Total Commitments		74,100	64,215
These expenditures are payable as follows:			
Within the next year		16,233	14,197
Later than one year and not later than 5 years		57,867	34,989
Later than 5 years		-	15,029
Total Payable		74,100	64,215

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(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		305	395
Later than one year and not later than 5 years		529	756
Later than 5 years		-	-
Total Non Cancellable Operating Lease Commitments		834	1,151
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		756	986
Later than one year and not later than 5 years		1,054	1,662
Later than 5 years		-	-
Total Payable		1,810	2,648

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Amounts		Indicator	Prior Periods	
	2011	2011		2010	2009
Local Government Industry Indicators					
1. Unrestricted Current Ratio					
Current Assets less all External Restrictions ⁽¹⁾	21,284		1.51 : 1	1.43	1.19
Current Liabilities less Specific Purpose Liabilities ^(2,3)	14,066				
2. Debt Service Ratio					
Debt Service Cost	4,801	4.86%		4.69%	4.61%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	98,874				
3. Rates & Annual Charges Coverage Ratio					
Rates & Annual Charges	73,340	66.67%		65.10%	65.42%
Income from Continuing Operations	110,000				
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage					
Rates, Annual & Extra Charges Outstanding	2,661	3.48%		3.71%	3.47%
Rates, Annual & Extra Charges Collectible	76,452				
5. Building & Infrastructure Renewals Ratio					
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	8,217	48.77%		82.22%	85.21%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	16,850				

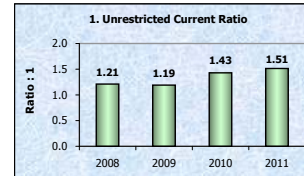
Notes

- ⁽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 payables & provisions not expected to be paid in the next 12 months (incl. ELE).
- ⁽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 2011

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



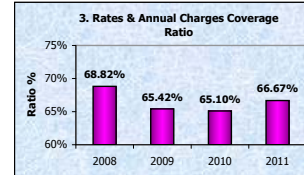
Purpose of Unrestricted Current Ratio
To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2010/11 Result
2010/11 Ratio 1.51 : 1
The Unrestricted Current Ratio improved due to a reduction in externally restricted assets and an increase in cash and investment balances.



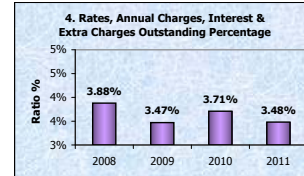
Purpose of Debt Service Ratio
To assess the impact of loan principal & interest repayments on the discretionary revenue of council.

Commentary on 2010/11 Result
2010/11 Ratio 4.86%
The Debt Service Ratio has increased because loan principal and interest repayments increased by 5.7% while the revenue based only increased by 2.1%. Principal repayments increased by 10% and interest repayments reduced by 2% as the Quarry Loan moved closer to maturity.



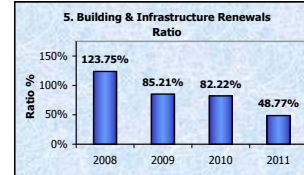
Purpose of Rates & Annual Charges Coverage Ratio
To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.

Commentary on 2010/11 Result
2010/11 Ratio 66.67%
Rate incomes increased by 2.9% while any increases in User Charges were cancelled out by the closure of the Hornsby Aquatic Centre and investment income was lower as the recovery from the Global Financial Crisis stalled.



Purpose of Rates & Annual Charges Outstanding Ratio
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2010/11 Result
2010/11 Ratio 3.48%
Increased collection activity has had a positive effect in reducing the percentage of outstanding rates and charges to the 2009 level.



Purpose of Bldg & Infrastructure Renewals Ratio
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on Result
2010/11 Ratio 0.00%
The ratio has dropped significantly due to the revaluation of road and drainage assets at the end of the previous year. The revaluation has resulted in a significant increase in annual depreciation costs for these assets.

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 14. Investment Properties

\$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2011	2010	2011	2010
Financial Assets				
Cash and Cash Equivalents	19,190	16,444	19,190	16,444
Investments				
- "Designated At Fair Value on Initial Recognition"	6,537	10,033	6,537	10,033
- "Held to Maturity"	8,000	4,000	8,000	4,000
Receivables	5,821	6,493	5,821	6,493
Total Financial Assets	39,548	36,970	39,548	36,970
Financial Liabilities				
Payables	8,578	5,411	8,578	5,411
Loans / Advances	19,751	22,082	18,586	20,633
Total Financial Liabilities	28,329	27,493	27,164	26,044

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 fair value through profit & loss" or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 15. Financial Risk Management (continued)

\$ '000

(a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated in accordance with Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets and liabilities can be broken up into 3 distinct measurement hierarchies:

- Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The following table presents the financial assets and financial liabilities that have been measured and recognised at fair values:

2011	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Designated At Fair Value on Initial Recognition"	-	6,537	-	6,537
Total Financial Assets	-	6,537	-	6,537
2010				
Financial Assets				
Investments				
- "Designated At Fair Value on Initial Recognition"	-	10,033	-	10,033
Total Financial Assets	-	10,033	-	10,033

The following table presents the movement in Level 3 financial instruments

	Assets 2011	Assets 2010
Opening Balance (of Level 3 fair values)	10,033	12,146
Gains/(Losses) recognised in the Income Statement	206	1,404
Disposals	(3,702)	(3,517)
Closing Balance	6,537	10,033

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 15. Financial Risk Management (continued)

\$ '000

(b) 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 Finance area manages the 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 it's 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 investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

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 (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2011				
Possible impact of a 10% movement in Market Values	654	654	(654)	(654)
Possible impact of a 1% movement in Interest Rates	271	271	(271)	(271)
2010				
Possible impact of a 10% movement in Market Values	1,003	1,003	(1,003)	(1,003)
Possible impact of a 1% movement in Interest Rates	204	204	(204)	(204)

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 15. Financial Risk Management (continued)

\$ '000

(c) 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:

	2011		2010	
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	2,853	-	3,306
Overdue	2,437	632	2,544	711
	<u>2,437</u>	<u>3,485</u>	<u>2,544</u>	<u>4,017</u>

(ii) Movement in Provision for Impairment of Receivables

	2011	2010
Balance at the beginning of the year	68	134
+ new provisions recognised during the year	55	-
- amounts already provided for & written off this year	(22)	(66)
Balance at the end of the year	101	68

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 15. Financial Risk Management (continued)

\$ '000

(d) 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.

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

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		
2011									
Trade/Other Payables	132	8,446	-	-	-	-	-	8,578	8,578
Loans & Advances	-	4,916	4,893	4,880	4,876	1,308	3,478	24,351	19,751
Total Financial Liabilities	132	13,362	4,893	4,880	4,876	1,308	3,478	32,929	28,329
2010									
Trade/Other Payables	128	5,283	-	-	-	-	-	5,411	5,411
Loans & Advances	-	4,802	4,772	4,749	4,736	4,732	3,920	27,711	22,082
Total Financial Liabilities	128	10,085	4,772	4,749	4,736	4,732	3,920	33,122	27,493

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:

	2011		2010	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	8,578	0.0%	5,411	0.0%
Loans & Advances - Fixed Interest Rate	19,751	6.9%	22,082	6.8%
	28,329		27,493	

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 10/11 was incorporated as part of its Management Plan and was adopted by the Council on 30 June 2010.

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

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Note that for Variations* of Budget to Actual :

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

F = Favourable Budget Variation, U = Unfavourable Budget Variation

\$ '000	2011 Budget	2011 Actual	2011 Variance*	
REVENUES				
Rates & Annual Charges	74,350	73,340	(1,010)	(1%) U
User Charges & Fees	13,120	11,988	(1,132)	(9%) U
Actual Federal Government Childcare Subsidies are included in Grants and accounted for \$653K of the variance.				
Interest & Investment Revenue	1,389	2,387	998	72% F
When the budget was prepared a conservative approach was followed. However the market recovery from the Global Financial Crisis was better than expected.				
Other Revenues	4,611	5,792	1,181	26% F
Settlement of claim on the Tax Office and recovery of associated legal fees (\$447K F) Insurance rebates and bonuses not included in budget (\$114K F) Street furniture advertising not in budget (\$108K F) Additional commercial property rentals not included in the budget (\$526K F).				
Operating Grants & Contributions	8,352	12,537	4,185	50% F
In many instances the actual amount of grants received depends on decisions made by state and federal governments after the original budget has been adopted. Areas of unexpected funding include: Bushland & Environmental Restoration - \$775K Waste & Sustainability Improvement Programs - \$806K Rural Fire Service Contributions - \$638K Additional road funding - \$295K Federal Government Childcare subsidies - \$653K Social Planning - \$172K DLG Pensioners Rebate - \$216K				

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 16. Material Budget Variations (continued)

\$ '000	2011 Budget	2011 Actual	2011 Variance*		
REVENUES (continued)					
Capital Grants & Contributions	3,406	3,956	550	16%	F
As for operating grants and contributions. Areas of unexpected funding include: Regional & Local Community Infrastructure Program - \$360K Parks Capital Grants - \$294K					
Net Gains from Disposal of Assets	2,474	-	(2,474)	(100%)	U
Asset disposals resulted in net losses as written down values were understated in the budget and these losses are included in expenditures.					
EXPENSES					
Employee Benefits & On-Costs	46,764	45,602	1,162	2%	F
Borrowing Costs	1,518	1,470	48	3%	F
Materials & Contracts	31,801	34,051	(2,250)	(7%)	U
Road maintenance contracts in excess of budget - \$768K Use of Agency temporary staff in excess of budget - \$759K					
Depreciation & Amortisation	17,359	23,186	(5,827)	(34%)	U
Revaluation of road and drainage assets at June 2010 has resulted in a higher annual depreciation cost for these assets.					
Other Expenses	12,315	12,013	302	2%	F
Net Losses from Disposal of Assets	-	71	(71)	0%	U

Budget Variations relating to Council's Operating Result by Functions include:

General Managers Division

Income over budget due to OH & S bonuses & rebates (\$77K) and income from training & apprenticeships (\$42K).

Corporate & Community

Income under budget due to the understatement of the written down value of asset disposals (\$1555K). Expenditure over budget - employee costs (\$1263K)-(due to accrual of extra payroll at end of year) and depreciation of revalued infrastructure assets (\$5827K).

Works Division

Income over budget due to additional grants for infrastructure works (\$1038K) and additional payments from service authorities (\$437K).

Planning Division

Income over budget due to additional S94 Contributions (\$591K) offset by reduction in Development application fees (\$226K). Expenditure under budget due to lower legal fees (\$287K) and staff reductions with associated effects (\$500K).

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned In Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future Income	Exp still outstanding	Over or (under) Funding	
Drainage	641	85	-	-	(23)	-	703	161	(1,514)	(650)	-
Roads	2,007	167	-	-	-	-	2,174	178	(1,676)	(676)	-
Traffic Facilities	446	116	-	-	(2)	-	560	222	(2,083)	(1,301)	-
Parking	10	44	-	-	-	-	54	-	-	54	-
Open Space	2,974	638	-	-	(1,436)	-	2,176	1,103	(10,376)	(7,997)	-
Community Facilities	4,383	318	-	-	(515)	-	4,186	566	(5,320)	(569)	-
Civic Improvements	1,513	196	-	-	(51)	-	1,658	210	(1,787)	71	-
Bushfire Facilities	29	-	-	-	-	-	29	-	-	29	-
S94 Administration	(377)	27	-	741	(10)	-	381	60	(560)	(119)	-
S94 Contributions - under a Plan	11,626	1,591	-	741	(2,037)	-	11,921	2,500	(23,326)	(8,905)	-
S94A Levies - under a Plan	-	-	-	-	-	-	-	-	-	-	-
Total S94 Revenue Under Plans	11,626	1,591	-	741	(2,037)	-	11,921	-	-	-	-
S94 not under Plans	539	-	-	-	-	-	539	30	(569)	-	-
S93F Planning Agreements	-	-	-	-	-	-	-	-	-	-	-
S84 Contributions	-	-	-	-	-	-	-	-	-	-	-
Total Contributions	12,165	1,591	-	741	(2,037)	-	12,460	2,530	(23,895)	(8,905)	-

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - 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	
Drainage	641	85	-	-	(23)	-	703	161	(1,514)	(650)	-
Roads	2,007	167	-	-	-	-	2,174	178	(1,676)	676	-
Traffic Facilities	446	116	-	-	(2)	-	560	222	(2,083)	(1,301)	-
Parking	10	44	-	-	-	-	54	-	-	54	-
Open Space	2,974	638	-	-	(1,436)	-	2,176	1,103	(10,376)	(7,097)	-
Community Facilities	4,383	318	-	-	(515)	-	4,186	566	(5,329)	(568)	-
Civic Improvements	1,513	196	-	-	(61)	-	1,658	210	(1,797)	71	-
Bushfire Facilities	29	-	-	-	-	-	29	-	-	29	-
S94 Administration	(377)	27	-	741	(10)	-	381	60	(560)	(119)	-
Total	11,626	1,591	-	741	(2,037)	-	11,921	2,500	(23,326)	(8,808)	-

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	539	-	-	-	-	-	539	30	(569)	-	-
Total	539	-	-	-	-	-	539	30	(569)	-	-

Financial Statements 2011

Financial Statements 2011

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government.

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

Member Councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions 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 and accordingly Council has not recorded any net liability from it's Defined Benefit Scheme obligations in accordance with AASB 119.

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

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 result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

(iv) Other Guarantees

Council has provided no other Guarantees other than those listed above.

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its Insurance Coverage and does not expect any material liabilities to eventuate.

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

As part of these Plans, Council has received funds for which it will be required to expend the monies in accordance with those Plans.

As well, these Plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's General Funds.

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent 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 resolved to fill the old CSR Hornsby Quarry with virgin excavated natural material and has engaged consultants to seek appropriate planning and environmental approvals. In the absence of reliably estimated costs no provision has been made in Council's books.

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 unpaid Infringement Notices.

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

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2011	Actual 2010
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,785,628	1,572,428
a. Correction of Prior Period Errors	20 (c)	-	-
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		(756,819)	213,230
d. Net Operating Result for the Year		(6,393)	(1,082)
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		49	1,052
g. Other Changes		-	-
Balance at End of the Reporting Period		1,022,465	1,785,628

b. Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	421,612	421,661
Total	421,612	421,661

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve		
- Opening Balance	421,661	132,857
- Revaluations for the year	9(a) -	289,856
- Transfer to Retained Earnings for Asset disposals	(49)	(1,052)
- Balance at End of Year	421,612	421,661
TOTAL VALUE OF RESERVES	421,612	421,661

(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.

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2011	Actual 2010
---------	-------	----------------	----------------

c. Correction of Error/s relating to a Previous Reporting Period

Corrections initiated in the 09/10 Reporting Year

1. Road Earthworks brought to account for the first time 77,561

2. As part of Council's transition to measuring all it's I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for various Asset Classes.

As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.

This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.

Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/08 (the closing date for the comparative figures in last year's report).

As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/09 to reflect the correct value of accumulated depreciation;

- Roads Bridges & Footpaths decrease to accumulated depreciation	117,552
- Stormwater Drainage decrease to accumulated depreciation	18,117

This adjustment resulted in a net increase in Council's Accumulated Surplus as at 30/6/09. 213,230

d. Voluntary Changes in Accounting Policies

The policy for revaluation of community land has changed. Community Land was previously valued using an average value per square metre on rateable property as determined by the Valuer General. Community land has now been revalued using specific Valuer General values where available and an average of these used to calculate a psm rate to use in valuing those without a VG valuation.

It has been deemed to be impractical to restate prior year numbers. 9(a) (756,819)

Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 21. Financial Result & Financial Position by Fund

\$ '000

Council's operations are funded by way of a General Fund only

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

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 2011, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 21/09/11.

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 statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2011.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2011 and which are only indicative of conditions that arose after 30 June 2011.

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 2011

Note 25. Intangible Assets

\$ '000

Intangible Assets represent identifiable non-monetary asset without physical substance.

	Actual 2011 Carrying Amount	Actual 2010 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	8,608	8,608
Accumulated Amortisation & Impairment	<u>(5,475)</u>	<u>(4,614)</u>
Net Book Value - Opening Balance	<u>3,133</u>	<u>3,994</u>
Movements for the year		
Nil		
- Amortisation charges	(861)	(861)
Closing Values:		
Gross Book Value (30/6)	8,608	8,608
Accumulated Amortisation & Impairment	(6,336)	(5,475)
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>2,272</u>	<u>3,133</u>

¹ The Net Book Value of Intangible Assets represent:

- Software (representing the "Council Online" software development)	<u>2,272</u>	<u>3,133</u>
	<u>2,272</u>	<u>3,133</u>

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

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Hornsby Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 27. Council Information & Contact Details

Principal Place of Business:

296 Pacific Highway
Hornsby NSW 2077

Contact Details

Mailing Address:

PO Box 37
Hornsby NSW 1630

Opening Hours:

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

Telephone: 02 9847 6666

Facsimile: 02 9847 6999

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

R. Abicair

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

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**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 2011 as set out on pages 1 to 63. 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 to the projections in Note 17, or to the attached Special Schedules. The Council is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the Council.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, 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 report is 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 report that have come to light during the course of the audit.

PricewaterhouseCoopers
P.L. Buchholz
Partner

21 September 2011

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



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

Dear Councillor Berman

Report on the conduct of the audit for year ended 30 June 2011 – Section 417(3)

We have completed our audit of the financial reports of Hornsby Council for the year ended 30 June 2011 in accordance with Section 415 of the Local Government Act, 1993.

Our audit has been conducted in accordance with Australian Auditing 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 follows.

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

Councils operating result declined from a deficit of \$1.0 million in the previous year to a deficit of \$6.4 million in the current period. Some reasons for this decline include:

- Lower capital grants and contributions (down \$3 million).
- Higher depreciation charges (up \$3 million).

Cash Position

Council's overall cash position increased from \$30 million to \$34 million during the period under review. The following table highlights the composition of cash.

	June 2011 \$'000	June 2010 \$m
Externally restricted	16	17
Internally restricted	14	11
Unrestricted	4	2
Total	34	30

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

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Working Capital

Council's net current assets declined from \$16 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 2011 \$'000	June 2010 \$'000
Net current assets	14,101	16,256
Less:		
External restrictions	17,219	19,294
Internal restrictions	13,958	11,162
	(17,076)	(14,348)
Add:		
Current Liabilities to be funded from other sources	17,411	15,241
Available Working Capital	335	893

The effective unrestricted or available working capital upon which Council could build its 2011/12 budget was \$335k.

Performance Indicators

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

	June 2011 %	June 2010 %
Unrestricted Current Ratio	151	143
Debt Service Ratio	4.9	4.7
Rate Coverage Ratio	67	65
Rates Outstanding Ratio	3.5	3.7
Asset Renewals Ratio	49	82

The Unrestricted Current Ratio improved and is above the accepted industry benchmark of 100%.

Council's Debt Service Ratio increased to 4.9% of total revenue but remained below the industry benchmark of 10%.

The Rate Coverage Ratio increased to 67% of total revenue reflecting the drop in capital grants and contributions received.

The Rates Outstanding Ratio improved to 3.5% of collectibles and remained better than the accepted industry benchmark of 5%.

The Asset Renewal Ratio indicates that Council is renewing key infrastructure at 49% 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.



Revaluations

Council revalued its community land in accordance with the Division of Local Government's revaluation program. Due to a change in valuation methodology, a decline in value of \$757 million was booked against retained earnings.

General

The books of accounts and records inspected by us have been kept in an accurate and conscientious manner.

Yours faithfully

PricewaterhouseCoopers

P L Buchholz
Partner
Sydney
21 September 2011

Hornsby Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2011

"Creating a living environment"



SPFS 2011

Hornsby Shire Council

Special Purpose Financial Statements
for the financial year ended 30 June 2011

Contents	Page
1. Statement by Councillors & Management	2
2. Special Purpose Financial Statements:	
- Income Statement of Water Supply Business Activity	n/a
- Income Statement of Sewerage Business Activity	n/a
- Income Statement of Other Business Activities	3
- Balance Sheet of Water Supply Business Activity	n/a
- Balance Sheet of Sewerage Business Activity	n/a
- Balance Sheet of Other Business Activities	6
3. Notes to the Special Purpose Financial Statements	9
4. Auditor's Report	13

Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 statements for Council's self classified Category 1 businesses and ABS defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

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Hornsby Shire Council

Special Purpose Financial Statements
for the financial year ended 30 June 2011

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government"
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality"
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 21 September 2011.



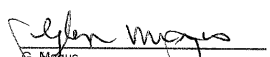
N. Berman
MAYOR



M. Hutcheon
COUNCILLOR



R. J. Ball
GENERAL MANAGER



G. Marquis
RESPONSIBLE ACCOUNTING OFFICER

Hornsby Shire Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2011

	Nurseries & Preschools		Aquatic Centres & Sports Stadium	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
\$ '000				
Income from continuing operations				
Access charges	-	-	-	-
User charges	4,524	3,296	1,973	2,596
Fees	-	-	-	-
Interest	64	-	-	-
Grants and contributions provided for non capital purposes	-	863	-	-
Profit from the sale of assets	5	-	-	-
Other income	20	16	363	403
Total income from continuing operations	4,613	4,175	2,336	2,999
Expenses from continuing operations				
Employee benefits and on-costs	4,014	3,872	2,079	2,334
Borrowing costs	-	-	-	-
Materials and contracts	188	348	424	676
Depreciation and impairment	217	216	760	647
Loss on sale of assets	-	327	-	-
Calculated taxation equivalents	279	241	254	285
Debt guarantee fee (if applicable)	114	-	201	-
Other expenses	450	256	537	467
Total expenses from continuing operations	5,262	5,260	4,255	4,409
Surplus (deficit) from Continuing Operations before capital amounts	(649)	(1,085)	(1,919)	(1,410)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(649)	(1,085)	(1,919)	(1,410)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	(649)	(1,085)	(1,919)	(1,410)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-	-
SURPLUS (DEFICIT) AFTER TAX	(649)	(1,085)	(1,919)	(1,410)
plus Opening Retained Profits	328	1,172	(1,125)	-
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	279	241	254	285
- Debt guarantee fees	114	-	201	-
- Corporate taxation equivalent	-	-	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	72	328	(2,589)	(1,125)
Return on Capital %	-5.7%	-9.4%	-15.3%	-10.7%
Subsidy from Council	1,246	1,675	2,572	2,082

SPFS 2011

Hornsby Shire Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2011

	Commercial Waste		Development Applications	
	Actual 2011	Actual 2010	Actual 2011	Actual 2010
\$ '000				
Income from continuing operations				
Access charges	-	-	-	-
User charges	1,018	912	348	455
Fees	-	-	-	-
Interest	57	-	15	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	3	-
Other income	287	216	-	-
Total income from continuing operations	1,362	1,128	366	455
Expenses from continuing operations				
Employee benefits and on-costs	40	43	412	479
Borrowing costs	-	-	-	-
Materials and contracts	1,076	842	127	126
Depreciation and impairment	14	30	19	25
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	-	-	4	-
Debt guarantee fee (if applicable)	-	-	5	-
Other expenses	2	24	-	-
Total expenses from continuing operations	1,132	939	567	630
Surplus (deficit) from Continuing Operations before capital amounts	230	189	(201)	(175)
Grants and contributions provided for capital purposes	-	-	-	-
Surplus (deficit) from Continuing Operations after capital amounts	230	189	(201)	(175)
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	230	189	(201)	(175)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(69)	(57)	-	-
SURPLUS (DEFICIT) AFTER TAX	161	132	(201)	(175)
plus Opening Retained Profits	1,253	1,064	558	733
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	-	-	4	-
- Debt guarantee fees	-	-	5	-
- Corporate taxation equivalent	69	57	-	-
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	-	-	-	-
Closing Retained Profits	1,483	1,253	366	558
Return on Capital %	191.7%	141.0%	-97.1%	-119.0%
Subsidy from Council	-	-	212	182

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Hornsby Shire Council

Income Statement of Council's Other Business Activities
for the financial year ended 30 June 2011

	Property Services	
	Actual 2011	Actual 2010
\$ '000		
Income from continuing operations		
Access charges	-	-
User charges	766	873
Fees	-	-
Interest	249	-
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	49
Total income from continuing operations	1,015	922
Expenses from continuing operations		
Employee benefits and on-costs	208	261
Borrowing costs	-	-
Materials and contracts	133	194
Depreciation and impairment	317	335
Loss on sale of assets	-	-
Calculated taxation equivalents	175	175
Debt guarantee fee (if applicable)	-	-
Other expenses	218	83
Total expenses from continuing operations	1,051	1,048
Surplus (deficit) from Continuing Operations before capital amounts	(36)	(126)
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	(36)	(126)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(36)	(126)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(36)	(126)
plus Opening Retained Profits	27,542	27,493
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	175	175
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	27,681	27,542
Return on Capital %	-0.2%	-0.6%
Subsidy from Council	1,125	1,203

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Hornsby Shire Council

Balance Sheet of Council's Other Business Activities
as at 30 June 2011

	Nurseries & Preschools		Aquatic Centres & Sports Stadium	
	Category 1		Category 1	
\$ '000	Actual 2011	Actual 2010	Actual 2011	Actual 2010
ASSETS				
Current Assets				
Cash and cash equivalents	114	-	201	-
Investments	1,270	1,270	-	-
Receivables	101	74	45	58
Inventories	-	-	27	27
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	1,485	1,344	273	85
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	11,465	11,569	12,539	13,176
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	11,465	11,569	12,539	13,176
TOTAL ASSETS	12,950	12,913	12,812	13,261
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	498	581	251	316
Interest bearing liabilities	5,892	5,551	10,681	9,601
Provisions	355	320	197	197
Total Current Liabilities	6,745	6,452	11,129	10,114
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	6,745	6,452	11,129	10,114
NET ASSETS	6,205	6,461	1,683	3,147
EQUITY				
Retained earnings	72	328	(2,589)	(1,125)
Revaluation reserves	6,133	6,133	4,272	4,272
Council equity interest	6,205	6,461	1,683	3,147
Minority equity interest	-	-	-	-
TOTAL EQUITY	6,205	6,461	1,683	3,147

Hornsby Shire Council

Balance Sheet of Council's Other Business Activities
as at 30 June 2011

	Commercial Waste		Development Applications	
	Category 2		Category 2	
\$ '000	Actual 2011	Actual 2010	Actual 2011	Actual 2010
ASSETS				
Current Assets				
Cash and cash equivalents	-	-	5	-
Investments	1,303	1,040	733	733
Receivables	214	214	8	10
Inventories	-	-	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	1,517	1,254	746	743
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	120	134	207	147
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	120	134	207	147
TOTAL ASSETS	1,637	1,388	953	890
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	131	114	40	48
Interest bearing liabilities	-	-	386	138
Provisions	23	21	161	146
Total Current Liabilities	154	135	587	332
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	-	-	-	-
Provisions	-	-	-	-
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	-	-	-	-
TOTAL LIABILITIES	154	135	587	332
NET ASSETS	1,483	1,253	366	558
EQUITY				
Retained earnings	1,483	1,253	366	558
Revaluation reserves	-	-	-	-
Council equity interest	1,483	1,253	366	558
Minority equity interest	-	-	-	-
TOTAL EQUITY	1,483	1,253	366	558

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Hornsby Shire Council

Balance Sheet of Council's Other Business Activities
as at 30 June 2011

	Property Services Category 2	
	Actual 2011	Actual 2010
\$ '000		
ASSETS		
Current Assets		
Cash and cash equivalents	-	-
Investments	12,734	12,413
Receivables	17	21
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	12,751	12,434
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	20,898	21,110
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	20,898	21,110
TOTAL ASSETS	33,649	33,544
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	83	120
Interest bearing liabilities	-	-
Provisions	65	62
Total Current Liabilities	148	182
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	148	182
NET ASSETS	33,501	33,362
EQUITY		
Retained earnings	27,681	27,542
Revaluation reserves	5,820	5,820
Council equity interest	33,501	33,362
Minority equity interest	-	-
TOTAL EQUITY	33,501	33,362

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Hornsby Shire Council

Special Purpose Financial Statements
for the financial year ended 30 June 2011

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	n/a

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Hornsby Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2011

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis. 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 Division 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 sullage
- 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 in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

Hornsby Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2011

Note 1. Significant Accounting Policies (continued)

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first \$387,000 of combined land values attracts 0%. From \$387,001 to \$2,366,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,366,000, a premium marginal rate of 2.0% applies.

Pavroll Tax – 5.45% on the value of taxable salaries and wages in excess of \$658,000.

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 this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's GPFS.

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 generate a return on capital funds employed that is

SPFS 2011

Hornsby Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2011

Note 1. Significant Accounting Policies (continued)

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 5.21% at 30/6/11.

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.

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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 2011, comprising the Statement by Council, Income Statements of Business Activities, Balance Sheets of Business Activities, and accompanying Notes to the Accounts. The financial report includes 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 report and the information it contains. We have conducted an independent audit of the financial report in order to express an opinion on it to the Council.

The special purpose financial report has been prepared for distribution to the Council and the 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 report to which it relates to any person other than the Council or the 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 report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, 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 report is 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


P L Buchholz
Partner

21 September 2011.

PricewaterhouseCoopers, ABN 52 760 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
DX 77 Sydney, Australia
T +61 2 8266 0000, F +61 2 8266 9999, www.pwc.com.au

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Hornsby Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2011

“Creating a living environment”



Hornsby Shire Council

Special Schedules
for the financial year ended 30 June 2011

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Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply - Income Statement	n/a
- Special Schedule No. 4	Water Supply - Balance Sheet	n/a
- Special Schedule No. 5	Sewerage Service - Income Statement	n/a
- Special Schedule No. 6	Sewerage Service - Balance Sheet	n/a
- Notes to Special Schedules No. 3 & 5		n/a
- Special Schedule No. 7	Condition of Public Works	5
- Special Schedule No. 8	Financial Projections	7

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 NSW Office of Water,
- the Department of Environment, Climate Change and Water, and
- the Division 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 the financial activities of specific services.

Special Schedules 2011

Hornsby Shire Council

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2011

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	2,047	-	-	(2,047)
Administration	20,969	6,600	430	(13,939)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	3,129	728	398	(2,003)
Beach Control	-	-	-	-
Enforcement of Local Govt Regs	-	-	-	-
Animal Control	332	110	-	(222)
Other	-	-	-	-
Total Public Order & Safety	3,461	838	398	(2,225)
Health	487	189	-	(298)
Environment				
Noxious Plants and Insect/Vermin Control	-	-	-	-
Other Environmental Protection	9,157	4,145	20	(4,992)
Solid Waste Management	18,536	16,529	-	(2,007)
Street Cleaning	185	-	-	(185)
Drainage	1,554	-	85	(1,469)
Stormwater Management	-	-	-	-
Total Environment	29,432	20,674	105	(8,653)
Community Services and Education				
Administration & Education	1,122	3	-	(1,119)
Social Protection (Welfare)	860	435	-	(425)
Aged Persons and Disabled	891	750	-	(141)
Childrens Services	4,841	4,548	-	(293)
Total Community Services & Education	7,714	5,736	-	(1,978)
Housing and Community Amenities				
Public Cemeteries	-	-	-	-
Public Conveniences	-	-	-	-
Street Lighting	2,819	220	-	(2,599)
Town Planning	7,759	2,350	-	(5,409)
Other Community Amenities	191	-	242	51
Total Housing and Community Amenities	10,769	2,570	242	(7,957)
Water Supplies	4	-	-	(4)
Sewerage Services	-	-	-	-

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Special Schedules 2011

Hornsby Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2011

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	6,478	541	171	(5,766)
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	1,335	942	(14)	(407)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	1,692	-	-	(1,692)
Swimming Pools	3,103	1,719	-	(1,384)
Parks & Gardens (Lakes)	11,082	2,059	937	(8,086)
Other Sport and Recreation	499	781	-	282
Total Recreation and Culture	24,189	6,042	1,094	(17,053)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	-	-	-	-
Other Mining, Manufacturing & Construction	-	-	-	-
Total Mining, Manufacturing and Const.	-	-	-	-
Transport and Communication				
Urban Roads (UR) - Local	10,477	796	1,032	(8,649)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	-	-	-	-
Sealed Rural Roads - Regional	-	-	-	-
Unsealed Rural Roads (URR) - Local	141	-	-	(141)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	120	-	-	(120)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	41	-	44	3
Footpaths	1,770	10	87	(1,673)
Aerodromes	-	-	-	-
Other Transport & Communication	2,798	1,676	415	(707)
Total Transport and Communication	15,347	2,482	1,578	(11,287)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	1,974	812	109	(1,053)
Total Economic Affairs	1,974	812	109	(1,053)
Totals - Functions	116,393	45,943	3,956	(66,494)
General Purpose Revenues⁽²⁾		60,101		60,101
Share of interests - joint ventures & associates using the equity method	-	-	-	-
NET OPERATING RESULT⁽¹⁾	116,393	106,044	3,956	(6,393)

(1) As reported in the Income Statement | (2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants & Interest on Investments (excl. Ext. Restricted Assets)

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Hornsby Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2011

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-							-	-
Treasury Corporation	-	-	-							-	-
Other State Government	-	-	-							-	-
Public Subscription	-	-	-							-	-
Financial Institutions	3,331	18,751	22,082	1,000	3,331	-	-	1,470	3,584	16,167	19,751
Other	-	-	-							-	-
Total Loans	3,331	18,751	22,082	1,000	3,331	-	-	1,470	3,584	16,167	19,751
Other Long Term Debt											
Ratepayers Advances	-	-	-							-	-
Government Advances	-	-	-							-	-
Finance Leases	-	-	-							-	-
Deferred Payments	-	-	-							-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	3,331	18,751	22,082	1,000	3,331	-	-	1,470	3,584	16,167	19,751

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.
This Schedule is prepared using the face value of debt obligations, rather than fair value (which are reported in the GPFS).

Special Schedules 2011

Hornsby Shire Council

Special Schedule No. 7 - Condition of Public Works
as at 30 June 2011

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition ¹	Estimated cost to bring up to a satisfactory condition / standard ⁽²⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽²⁾ Annual Maintenance
Buildings											
	Council Offices	1.4%	610		18,818	9,751	9,067	2			
	Council Works Depot	1.4%	134		4,242	2,133	2,109	3			
	Council Halls	1.4%	1,028		36,618	16,859	19,759	3			
	Council Houses	1.4%	42		2,480	1,549	931	3			
	Library	1.4%	536		15,846	6,587	9,259	3			
	Childcare Centre(s)	1.4%	298		10,034	5,068	4,966	2			
	Amenities/Toilets	1.4%	502		20,548	8,961	11,587	3			
	Aquatic Centres	1.4%	498		10,672	7,731	2,941	3			
	Commercial Buildings	1.4%	214		9,750	5,981	3,769	3			
	Other	1.4%	621		27,279	7,393	19,886				
	sub total		4,483	-	156,287	72,013	84,274		1,050	2,365	2,155
Wharves & Jettys											
	Pontoons, Seawalls & Wharves	3.00%	54		2,300	852	1,448	2	840	183	195
	sub total		54	-	2,300	852	1,448		840	183	195
Public Roads											
	Sealed Roads	1.00%	4,965		277,989	63,953	214,036	2			
	Unsealed Roads	1.00%	38		3,942	1,742	2,200	2			
	Bridges	1.00%	120		7,348	2,494	4,854	2			
	Footpaths	2.00%	792		39,688	8,847	30,841	2			
	Cycle ways	1.00%	84		1,110	106	1,004	2			
	Kerb and Gutter	1.00%	774		54,635	17,819	36,816	2			
	Road Furniture	2.00%	626		15,965	2,443	13,522	2			
	sub total		7,399	-	400,677	97,404	303,273		3,540	7,200	7,092

Special Schedules 2011

Hornsby Shire Council

Special Schedule No. 7 - Condition of Public Works (continued)
as at 30 June 2011

\$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n. Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & 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
		per Note 1	per Note 4	per Note 9			per Section 428(2d)				
Drainage Works	Drainage Infrastructure	1.00%	4,964	482,019	120,147	361,872	2	11,080	1,200	1,150	
	sub total		4,964	482,019	120,147	361,872		11,080	1,200	1,150	
	TOTAL - ALL ASSETS		16,900	1,041,283	290,416	750,867		16,510	10,948	10,592	

Notes:

- (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.

■ Asset Condition "Key" - as per NSW Local Government Asset Accounting Manual:

1	Near Perfect - Ranges from New or Good	4	Requires Major Reconstruction - Ranges from Poor to Critical
2	Superficial Deterioration - Ranges from Generally Good to Fair	5	Asset Unserviceable - Critical, Beyond Repair
3	Deterioration Evident - Ranges from Fair to Marginal		

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Special Schedules 2011

Special Schedules 2011

Hornsby Shire Council

Special Schedule No. 8 - Financial Projections
as at 30 June 2011

\$'000	Actual ⁽¹⁾ 10/11	Forecast 11/12	Forecast 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15
(i) RECURRENT BUDGET					
Income from continuing operations	110,000	112,275	118,046	121,712	125,365
Expenses from continuing operations	116,393	114,951	117,443	120,445	124,666
Operating Result from Continuing Operations	(6,393)	(2,676)	603	1,267	699
(ii) CAPITAL BUDGET					
New Capital Works ⁽²⁾	350	630	3,340	12,470	7,250
Replacement/Refurbishment of Existing Assets	17,269	16,047	16,187	17,529	18,053
Total Capital Budget	17,619	16,677	19,527	29,999	25,303
Funded by:					
- Loans	1,000	1,000	1,000	11,000	7,250
- Asset sales	1,261	1,879	1,941	1,997	2,055
- Reserves	5,053	1,936	2,000	2,058	2,118
- Grants/Contributions	3,956	4,681	4,835	4,976	5,120
- Recurrent revenue	6,349	5,731	7,706	7,929	6,651
- Other	-	1,450	2,045	2,039	2,109
	17,619	16,677	19,527	29,999	25,303

Notes:

- (1) From 10/11 Income Statement.
- (2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.
- (3) If Council has only adopted 3 years of projections then only show 3 years.

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State of the Environment Summary Report

State of the Environment

Hornsby Shire Council continues to be a leader in sustainability and environmental management.

In July 2010, Council received the top accolade at the Keep Australia Beautiful NSW Awards, the award for Overall Sustainable Council.

The award was specifically for Council's strategic program, Hornsby Shire 2020: Our Framework For A Sustainable Future, a framework which establishes an organisational approach for developing a strong culture of sustainability and working with the community.

Greenhouse gas emissions and reductions

	CO ² created by council for top three sites	CO ² saved through projects for all council assets
2009-2010	1,629 tn*	3,204 tn
2010-2011	1972 tn^	3,305 tn

* 2009-2010 (decreasing order) – Council Administration Centre, Hornsby Aquatic Centre and Epping Aquatic Centre

^ 2010-2011 (decreasing order) – Council Administration Centre, Epping Aquatic Centre and Hornsby Aquatic Centre

How are we going?

Council has continued to make progress against its carbon reduction targets.

In the last year, we initiated several greenhouse gas reduction projects including the installation of solar photovoltaic cells on the roof of the Council Administration Building and Hornsby Library. Insulation was also installed at Council's Somerville Park Early Childhood Education Centre in Eastwood.

Council's Sustainable Business Strategy has been placed on hold due to staffing levels and budget constraints.

Waste and recycling

	Total resources to landfill	Total resources recycled including green waste	Total resources to landfill per person	Total resources recycled per person	Green waste diverted from landfill per person per year
2009-2010	33,435 tn	37,449 tn	206 kg	12 kg	109 kg
2010-2011	34,505 tn	38,196 tn	210 kg	118 kg	114 kg

How are we going?

The management of waste and recycling has continued to be a significant issue for Hornsby Shire, with the overall volume of waste rising by 10 kilograms per person in the past year compared to 2009-2010 levels.

While the volume of waste which is recycled has increased by six kilograms per person this year, the volume of waste going to landfill has also increased (four kilograms per person).

Council is continuing to dedicate resources towards community education about recycling and waste reduction. Council has offered programs including environmental and eco gardening workshops, local school visits, waste and recycling bus tours and the 'Returned to Glory' Recycled Art Competition.

Special recycling initiatives such as the e-waste drop-off service, chemical collection weekends and the Fridge Buyback service were also coordinated by Council.

State of the Environment

Bushcare volunteers

	Number of Bushcare volunteers	Total volunteer Bushcare hours
2009-2010	871	17,000
2010-2011	790	15,700

How are we going?

Hornsby Shire continues to have one of the largest volunteer Bushcare programs in Sydney.

In 2010-2011, Council's Bushcare Team contacted every registered volunteer to confirm their working status. While this has led to a decline in the recorded number of volunteers, the figures are a more up-to-date and accurate measure of the number of active Bushcare volunteers.

Many events were held to recruit new Bushcare volunteers including nine special group open days in October to celebrate Hornsby Shire Bushcare month.

Bushfire hazard reduction

	Number of sites of hazard reduction burns	Area burnt
2009-2010	32	816 ha*
2010-2011	13	59 ha

How are we going?

Council continued to work closely with the NSW Rural Fire Service and the local Fuel Management Committee in the management and control of bushfires.

Although preparations such as environmental assessments and pre-ground works were completed for many hazard reduction burns, damp conditions and frequent rainfall in 2010-2011 significantly impacted upon the number of burns which took place. However, many manual hazard reduction activities were completed including the maintenance of 44 Asset Protection Zones covering a distance of 6.8 kilometres.

* The burns in 2009/2010 included a special major burn of the Berowra Valley Regional Park, plus burns on crown land, national parks and on private properties.

Stormwater quality improvement devices

	Total number of Stormwater Quality Improvement Devices (SQIDs)	Waste removed from SQIDs	Cost of constructing SQIDs	Cost of maintaining SQIDs
2009-2010	402	721 tn	\$890,000	\$150,000
2010-2011	422	751 tn	\$948,700	\$392,505

How are we going?

Council has continued to construct and maintain special devices to improve the water quality of the Shire's stormwater and waterways.

The large increase to maintenance costs this financial year is due to a change in the way these costs have been calculated. The increased costs are a more accurate reflection of the total costs of maintaining the devices including bush regeneration and staff wages.

State of the Environment

Noise complaints

	Barking dogs	A/C	Building sites / construction	Licensed premises	Garbage trucks	House and car alarms	Domestic noise source	Aircraft noise	Other
2009-2010	354	20	69	5	6	1	132	0	33
2010-2011	381	10	65	5	4	1	108	N/A	21

How are we doing?

The number of noise complaints has continued to remain relatively stable.

As indicated by the number of complaints received by Council, the noise from barking dogs is one of the key noise concerns for residents. Neighbours are generally encouraged to undertake mediation through the Community Justice Centre to resolve noise complaints involving dogs.

Further information on State of the Environment is available in the 2010/11 Estuary Management Program Annual Report and the Bushland and Biodiversity Team Annual Report 2010/11 available on Council's website www.hornsby.nsw.gov.au.



Hornsby Shire Council

ABN 20 706 996 972

Contact details

In person The Administration Centre
296 Pacific Highway, Hornsby NSW 2077

Customer service desks are open from 8.30am - 5.00pm business days

email hsc@hornsby.nsw.gov.au

telephone 9847 6666

fax 9847 6999

write PO Box 37, Hornsby NSW 1630

online www.hornsby.nsw.gov.au